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FORM 10-K

Enviva Partners, LP - EVA

Filed: March 08, 2016 (period: December 31, 2015)

Annual report with a comprehensive overview of the company

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2015

or

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

For the transition period from to

Commission file number 001-37363

Enviva Partners, LP

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**46-4097730** (I.R.S. Employer Identification No.)
7200 Wisconsin Ave, Suite 1000 **Bethesda, MD** (Address of principal executive offices)	**20814** (Zip code)

(301) 657-5560
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Units Representing Limited Partner Interests	New York Stock Exchange

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

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

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

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

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

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

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The aggregate market value of the common units held by non-affiliates of the registrant as of June 30, 2015 was approximately $208.0 million, based upon a closing price of $18.09 per common unit as reported on the New York Stock Exchange on such date.

As of March 1, 2016, 12,852,385 common units and 11,905,138 subordinated units were outstanding.

Documents Incorporated by Reference: None.

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ENVIVA PARTNERS, LP
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and information in this Annual Report on Form 10-K (this "Annual Report") may constitute "forward-looking statements." The words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could" or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. Although management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

- the volume of products that we are able to sell;
- the price at which we are able to sell our products;
- failure of the Partnership's customers to pay or perform their contractual obligations to the Partnership;
- the amount of low-cost wood fiber that we are able to procure and process, which could be adversely affected by, among other things, operating or financial difficulties suffered by our suppliers;
- the amount of products that we are able to produce, which could be adversely affected by, among other things, operating difficulties;
- failure of the Partnership's shipping partners to perform their contractual obligations to the Partnership;
- changes in the price and availability of natural gas, coal or other sources of energy;
- changes in prevailing economic conditions;
- our ability to complete acquisitions, including acquisitions from our sponsor;
- unanticipated ground, grade or water conditions;
- inclement or hazardous weather conditions, including extreme precipitation, temperatures and flooding;
- environmental hazards;
- fires, explosions or other accidents;
- changes in domestic and foreign laws and regulations (or the interpretation thereof) related to renewable or low-carbon energy, the forestry products industry or power generators;
- changes in the regulatory treatment of biomass in core and emerging markets for utility-scale generation;
- inability to acquire or maintain necessary permits or rights for our production, transportation and terminaling operations;
- inability to obtain necessary production equipment or replacement parts;

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- technical difficulties or failures;
- labor disputes;
- late delivery of raw materials;
- inability of our customers to take delivery of products or their rejection of delivery of products;
- changes in the price and availability of transportation;
- changes in foreign currency exchange rates;
- changes in the quality specifications for our products that are required by our customers; and
- our ability to borrow funds and access capital markets.

All forward-looking statements in this Annual Report are expressly qualified in their entirety by the foregoing cautionary statements.

Please read Part I, Item 1A. "Risk Factors." Readers are cautioned not to place undue reliance on forward-looking statements, and we undertake no obligation to update or revise any such statements after the date they are made, whether as a result of new information, future events or otherwise.

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GLOSSARY OF TERMS

biomass: any organic biological material, derived from living organisms, that stores energy from the sun.

CIF: Cost, Insurance and Freight. Where a contract for the sale of goods contains CIF shipping terms, the seller is obligated to pay the costs, including insurance, and freight necessary to bring the goods to the named port of destination, but title and risk of loss are transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment.

co-fire: the combustion of two different types of materials at the same time. For example, biomass is sometimes fired in combination with coal in existing coal plants.

cost pass-through: a mechanism in commercial contracts that passes costs through to the purchaser.

Cottondale plant: a wood pellet production plant in Cottondale, Florida, owned by Enviva Pellets Cottondale, LLC.

dry-bulk: describes commodities that are shipped in large, unpackaged amounts.

Enviva LP or Predecessor: Enviva, LP and its subsidiaries (other than Enviva Pellets Cottondale, LLC).

FIFO: first in, first out method of valuing inventory.

FOB: Free On Board. Where a contract for the sale of goods contains FOB shipping terms, the seller completes delivery when the goods pass the ship's rail at the named port of shipment, and the buyer must bear all costs and risk of loss from such point.

GAAP: Generally Accepted Accounting Principles in the United States.

General Partner: Enviva Partners GP, LLC, the general partner of the Partnership.

GHGs: greenhouse gases.

Green Circle: Green Circle Bio Energy, Inc., the former name of Enviva Pellets Cottondale, LLC, which is the owner of the Cottondale plant.

Hancock JV: a joint venture between the sponsor and Hancock Natural Resource Group, Inc. and certain other affiliates of John Hancock Life Insurance Company.

MT: metric ton, which is equivalent to 1,000 kilograms. One MT equals 1.1023 short tons.

MTPY: metric tons per year.

net calorific value: the amount of usable heat energy released when a fuel is burned completely and the heat contained in the water vapor generated by the combustion process is not recovered. The European power industry typically uses net calorific value as the means of expressing fuel energy.

off-take contract: an agreement between a producer of a resource and a buyer of a resource to purchase a certain volume of the producer's future production.

Partnership: Enviva Partners, LP.

ramp or ramp-up: a period of time of increasing production following the startup of a plant or completion of a project.

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Riverstone: Riverstone Holdings LLC.

Riverstone Funds: Riverstone/Carlyle Renewable and Alternative Energy Fund II, L.P. and certain affiliated entities, collectively.

Schedule K-1: an income tax document used to report a partner's share of the Partnership's income, losses, deductions and credits and prepared for each partner individually.

Southampton plant: a wood pellet production plant in Southampton County, Virginia, owned by Enviva Pellets Southampton, LLC.

sponsor: Enviva Holdings, LP, and, where applicable, its wholly owned subsidiaries Enviva MLP Holdco, LLC and Enviva Development Holdings, LLC.

stumpage: the price paid to the underlying timber resource owner for the raw material.

utility-grade wood pellets: wood pellets meeting minimum requirements generally specified by industrial consumers and produced and sold in sufficient quantities to satisfy industrial-scale consumption.

weighted average remaining term: the average of the remaining terms of our customer contracts, excluding contingent contracts, with each agreement weighted by the amount of product to be delivered each year under such agreement.

wood fiber: cellulosic elements that are extracted from trees and used to make various materials, including paper. In North America, wood fiber is primarily extracted from hardwood (deciduous) trees and softwood (coniferous) trees.

wood pellets: energy-dense, low-moisture and uniformly-sized units of wood fuel produced from processing various wood resources or byproducts.

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PART I

ITEM 1. BUSINESS

References in this Annual Report to the "Predecessor," "our Predecessor," "we," "our," "us" or like terms for periods prior to April 9, 2015 refer to Enviva, LP and its subsidiaries (other than Enviva Pellets Cottondale, LLC ("Cottondale")). References to the "Partnership," "we," "our," "us" or like terms for periods on and after April 9, 2015 refer to Enviva Partners, LP and its subsidiaries. References to "our sponsor" refer to Enviva Holdings, LP, and, where applicable, its wholly owned subsidiaries Enviva MLP Holdco, LLC and Enviva Development Holdings, LLC. References to "our General Partner" refer to Enviva Partners GP, LLC, a wholly owned subsidiary of Enviva Holdings, LP. References to "Enviva Management" refer to Enviva Management Company, LLC, a wholly owned subsidiary of Enviva Holdings, LP, and references to "our employees" refer to the employees of Enviva Management. References to the "Hancock JV" refer to Enviva Wilmington Holdings, LLC, a joint venture between our sponsor, Hancock Natural Resource Group, Inc. and certain other affiliates of John Hancock Life Insurance Company. References to the "Southampton Drop-Down" refer to our acquisition of all of the issued and outstanding limited liability company interests in Enviva Pellets Southampton, LLC from the Hancock JV on December 11, 2015, together with an off-take contract and a shipping contract. Please read Cautionary Statement Regarding Forward-Looking Statements on page 3 and Item 1A. "Risk Factors" for information regarding certain risks inherent in our business.

Overview

We are the world's largest supplier by production capacity of utility-grade wood pellets to major power generators. Since our entry into this business in 2010, we have executed multiple long-term, take-or-pay off-take contracts with utilities and large scale power generators and have built and acquired the production and terminaling capacity necessary to serve them. Our existing production constitutes approximately 14% of current global utility-grade wood pellet production capacity. We own and operate six industrial-scale production plants in the Southeastern U.S. that have a combined wood pellet production capacity of 2.3 million metric tons per year ("MTPY"). Three of our production plants are new facilities that we constructed using our templated design and standardized equipment. A fourth plant, our largest in terms of production capacity, has been in operation since 2008. We also own a dry-bulk, deep-water marine terminal at the Port of Chesapeake (the "Chesapeake terminal") that reduces our storage and shiploading costs and enables us to reliably supply our customers. All of our facilities are located in geographic regions with low input costs and favorable transportation logistics. Owning these cost-advantaged, fully-contracted assets in a rapidly expanding industry provides us with a platform to generate stable and growing cash flows that should enable us to increase our per-unit cash distributions over time, which is our primary business objective.

We were formed on November 12, 2013 as a wholly owned subsidiary of our sponsor. On April 9, 2015, our sponsor contributed some but not all of our Predecessor's assets and liabilities to us. On May 4, 2015, we completed an initial public offering (the "IPO") of common units representing limited partner interests in the Partnership. Our assets and operations are organized into a single reportable segment and are all located and conducted in the United States. Please read Part II, Item 8. "Financial Statements and Supplementary Data—Note 1, *Business and Basis of Presentation*" for further discussion regarding our formation and organization.

Industry Overview

Our principal product, utility-grade wood pellets, is becoming a global energy commodity. Utility-grade wood pellets are used as a substitute for coal in both dedicated and co-fired power generation and combined heat and power plants. They enable major power generators to profitably generate electricity in a manner that reduces the overall cost of compliance with mandatory GHG emissions limits and

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renewable energy targets while also allowing countries to diversify their sources of electricity supply. Unlike wind and solar power generation, wood pellet-fired plants are capable of meeting baseload electricity demand and are dispatchable (that is, power output can be switched on or off or adjusted based on demand). The capital costs required to convert a coal plant to co-fire biomass, or to burn biomass exclusively, are a fraction of the capital costs associated with implementing offshore wind and most other renewable technologies. Furthermore, the relatively quick process of converting coal-fired plants to biomass-fired generation is an attractive benefit for power generators whose generation assets are no longer viable as coal plants due to the expiration of operating permits or the introduction of taxes or other restrictions on fossil fuel usage or emissions of GHGs and other pollutants.

There also continues to be significant growth in the demand for wood pellets to heat homes and commercial buildings and to produce process heat at industrial sites. As the markets develop and commoditize, there will continue to be opportunities for utility-grade wood pellet producers to serve this growing demand.

Our Assets and Operations

We procure wood fiber and process it into utility-grade wood pellets. We load the finished wood pellets into railcars, trucks and barges that are transported to deep-water marine terminals, where they are received, stored and ultimately loaded onto oceangoing vessels for transport to our principally Northern European customers.

Our customers use our wood pellets as a substitute fuel for coal in dedicated biomass or co-fired coal power plants. Wood pellets serve as a suitable "drop-in" alternative to coal because of their comparable heat content, density and form. Due to the uninterruptible nature of our customers' fuel consumption, our customers require a reliable supply of wood pellets that meet stringent product specifications. We have built our operations and assets to deliver and certify the highest levels of product quality, and our proven track record enables us to charge premium prices for this certainty. In addition to our customers' focus on the reliability of supply, they are concerned about the combustion efficiency of the wood pellets and their safe handling. Because combustion efficiency is a function of energy density, particle size distribution, ash/inert content and moisture, our customers require that we supply wood pellets meeting minimum criteria for a variety of specifications and, in some cases, provide incentives for exceeding our contract specifications.

Our Production Plants

We own and operate six industrial-scale wood pellet production plants located in the Mid-Atlantic and the Gulf Coast regions of the United States. These facilities are designed to run 24 hours per day, 365 days per year, although we schedule up to 15 days of maintenance for our plants during each calendar year. There are no regularly required major turnarounds or overhauls.

Mid-Atlantic Region Plants

The following table describes our three wood pellet production plants in the Mid-Atlantic region:

Plant Location	Operations Commenced	Current Annual Production (MTPY)
Ahoskie, North Carolina	November 2011	370,000
Northampton, North Carolina	April 2013	510,000
Southampton, Virginia	October 2013	510,000
Total		1,390,000

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Ahoskie

We acquired the site of the Ahoskie plant in December 2010 and constructed a dedicated wood pellet production plant in less than one year, commencing operations in November 2011. Through an expansion completed in June 2012, we increased the plant's production from 260,000 MTPY to 350,000 MTPY and have made further improvements to increase production to its current capacity of 370,000 MTPY.

Production from the Ahoskie plant is transported by truck to our Chesapeake terminal.

Northampton

The Northampton plant was constructed based on the Ahoskie plant design, utilizing the same major equipment suppliers. The Northampton plant currently produces 510,000 MTPY of wood pellets.

Production from the Northampton plant is transported by truck to our Chesapeake terminal.

Southampton

The Southampton plant is a replica of our Northampton plant. The Southampton plant currently produces 510,000 MTPY of wood pellets. We acquired the Southampton plant from our sponsor in December 2015.

Production from the Southampton plant is transported by truck to our Chesapeake terminal.

Gulf Coast Region Plants

The following table describes our three wood pellet production plants in the Gulf Coast region:

Plant Location	Acquisition Date	Current Annual Production (MTPY)
Cottondale, Florida	January 2015	700,000
Amory, Mississippi	August 2010	110,000
Wiggins, Mississippi	October 2010	110,000
Total		920,000

Cottondale

Our sponsor acquired Green Circle Bio Energy, Inc., which owns a wood pellet production plant in Cottondale, Florida, in January 2015, changed the name of this entity to Cottondale and contributed Cottondale to us in April 2015. The Cottondale plant was commissioned in 2008 and has undergone expansion and process improvements since then. The Cottondale plant currently produces 700,000 MTPY.

Production from the Cottondale plant is transported approximately 50 miles by short-line rail to a warehouse in Port Panama City, Florida, where we store up to 32,000 MT of inventory.

Amory

We purchased the Amory plant in August 2010. The plant initially consisted of three pellet mills producing at a rate of 41,500 MTPY. Through basic operational improvements and installation of a fourth pellet mill, the Amory plant currently produces 110,000 MTPY.

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Production from the Amory plant is transported by barge to a third-party deep-water marine terminal in Mobile, Alabama (the "Mobile terminal").

Wiggins

We purchased a 50% controlling interest in the entity that owns the Wiggins plant in October 2010, and subsequently contributed capital in exchange for additional interests that increased our ownership interest to a 67% controlling interest. During 2011, we completed a series of modifications to the plant and production capacity was increased from 45,000 MTPY to its current production capacity of 110,000 MTPY.

Production from the Wiggins plant is transported by truck to the Mobile terminal.

Logistics and Storage Capabilities

To-Port Logistics and Port Infrastructure

We site our production plants to minimize wood fiber procurement and logistics costs. Our production plants are strategically located in advantaged fiber baskets and near multiple truck, rail, river and ocean transportation access points. We also have inland waterway access and rail access at our Chesapeake terminal and in Port Panama City. Our multi-year fixed-cost contracts with third-party logistics providers allow for long-term visibility into our to-port logistics cost structure.

The wood pellets produced at our plants must be stored, terminaled and shipped to our European customers. Limited deep-water, bulk terminaling assets exist in the Southeastern U.S., and very few of them have the appropriate handling and storage infrastructure necessary for receiving, storing and loading wood pellets. In response to such scarcity, we have vertically integrated our Mid-Atlantic operations downstream to encompass finished product logistics and storage. As a largely fixed cost and capital intensive piece of the value chain, our port infrastructure allows us to ship incremental product from our regional plants at a small fraction of the cost of our competitors. Management of port terminal infrastructure is also a key element in reducing distribution-related costs as we can manage the arrival and loading of vessels. Additionally, we are able to improve our cost position by maintaining a dedicated berth where pellets from our Mid-Atlantic region plants have priority and equipment with sufficient load rate capabilities to turn around vessels within the allotted time windows.

In addition to terminaling wood pellets from our production plants, we will, on occasion, provide terminaling services for third-party wood pellet producers as well as for owners of other bulk commodities.

Port Operation in the Mid-Atlantic Region

We acquired a deep-water marine terminal located at the Port of Chesapeake in January 2011 and converted it into a major dry-bulk terminal. Wood pellets produced at our Mid-Atlantic region plants are transported by truck to our Chesapeake terminal. The Chesapeake terminal receives, stores and loads wood pellets for export and serves as the shipment point for products produced at our Mid-Atlantic region plants. The Chesapeake terminal accommodates Handysize, Supramax and Panamax-sized vessels, and has a 200-car rail yard adjacent to a Norfolk Southern track, a loading/unloading system to accommodate deliveries by truck, rail and barge and a highly automated conveying system. In May 2011, we erected a 157-foot tall, 175-foot wide storage dome that receives, stores and loads up to 45,000 MT of wood pellets. In April 2013, we placed into operation a second storage dome at the site to add an additional 45,000 MT of storage.

The Chesapeake terminal's storage and loading capacity is more than adequate to store and facilitate the loading of the wood pellets produced from our Mid-Atlantic region plants, and its location decreases our customers' transportation time and costs. Efficiently positioned near our Ahoskie,

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Northampton and Southampton plants, the Chesapeake terminal delivers up to a three- to four-day European shipping advantage compared to other Southern or Gulf Coast ports. In addition, because we own the Chesapeake terminal, we enjoy preferential berth access and lading, which minimizes costs of shipping and logistics without the need for excess storage. Our ownership and operation of this terminal enables us to control shipment of the production of our Mid-Atlantic region plants.

Port Operation in the Gulf Coast Region

Wood pellets from our Cottondale plant are transported via short-line rail to the Panama City terminal where we store up to 32,000 MT of inventory in a warehouse at Port Panama City. Production from the Cottondale plant is received, stored and loaded under a long-term warehouse service agreement with the Port Authority and a stevedoring contract, each of which runs through June 2018. We have the right to extend the warehouse services agreement for up to five additional two-year terms.

Wood pellets produced at our Amory and Wiggins plants are transported by barge and truck, respectively, to the Mobile terminal, where, pursuant to a long-term throughput agreement with Cooper Marine & Timberlands, we export from Cooper's ChipCo terminal. This privately owned and maintained deep-water, multi-berth terminal operates 24 hours per day, seven days per week and is the fleeting and loading point for production from our Amory and Wiggins plants. These production plants have been sited along major inland waterways and highways that make transportation to the Mobile terminal easy and efficient, thereby reducing emissions and costs. Trucked volumes from the Wiggins plant are transferred into barges and are fleeted along with barges from the Amory plant. The ability to store our wood pellets in barges provides a capital-light, flexible solution that accommodates the storage needs of the Amory and Wiggins plants.

Our Sponsor's Assets and Development Projects

In connection with the closing of the IPO, we entered into a Purchase Rights Agreement with our sponsor, pursuant to which our sponsor granted us a five-year right of first offer to acquire the Wilmington Projects (as defined below) and any other wood pellet production plants and associated deep-water marine terminals that it or the Hancock JV may develop or acquire and elect to sell. We expect to pursue the acquisition of such assets to the extent that they are supported by long-term off-take contracts with creditworthy counterparties and have long useful lives, stable cost positions and advantaged locations.

Long-Term, Take-or-Pay Off-Take Contracts

The Hancock JV is party to a ten-year take-or-pay off-take contract with DONG Energy Thermal Power A/S, a Danish power generator ("DONG Energy"). This contract commences September 1, 2016 and provides for sales of 360,000 MTPY for the first delivery year and 420,000 MTPY for years two through ten. DONG Energy's obligations under the contract are guaranteed by DONG Energy A/S.

In the first quarter of 2016, the Hancock JV entered into a new take-or-pay contract (the "MGT Contract") to be the sole source supplier of nearly 1 million tons of imported wood pellets needed annually by MGT Power's Teesside Renewable Energy Plant (the "Tees REP"), which is currently under development. Deliveries under the MGT Contract are expected to commence in 2019 and continue through 2034. Following the execution of the MGT Contract, we entered into a contract with the Hancock JV (the "EVA-MGT Contract") to supply 375,000 MTPY of the contracted volume to the Tees REP. For more information on the EVA-MGT Contract, please read "—Customers—EVA-MGT Contract" below. Both the EVA-MGT Contract and the MGT Contract are contingent upon the Tees REP reaching financial close.

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Wilmington Projects

The Hancock JV continues to progress the construction of the 515,000 MTPY Sampson production plant and began commissioning the plant during 2016. In addition, the Hancock JV is constructing a deep-water marine terminal in Wilmington, North Carolina. We collectively refer to the Sampson plant, the Wilmington terminal and two future production plants as the "Wilmington Projects." The production plants under development are strategically sited in attractive fiber baskets in close proximity to the Wilmington terminal.

Although we expect to continue to have the opportunity to acquire assets, including the Wilmington Projects, from our sponsor or the Hancock JV in the future, there can be no assurance that our sponsor or the Hancock JV will be successful in completing their development projects or that our sponsor will decide to sell, or compel the Hancock JV to sell, assets or completed development projects to us.

Customers

For the year ended December 31, 2015, we generated substantially all of our revenues from sales under long-term off-take contracts. We seek to contract a substantial portion of our production through long-term off-take contracts supplemented by smaller contracts of intermediate or short duration to take advantage of opportunities in the market.

Depending on the specific take-or-pay off-take contract, shipping terms are either "Cost, Insurance and Freight" ("CIF") or "Free On Board" ("FOB"). Under a CIF contract, we procure and pay for shipping costs, which include insurance and all other charges, up to the port of destination for the customer. These costs are included in the price to the customer and, as such, are included in revenue and cost of goods sold. Under an FOB contract, the customer is directly responsible for shipping costs. We have entered into fixed-price shipping contracts with reputable shippers matching the terms and volumes of our contracts for which we are responsible for arranging shipping.

We have take-or-pay off-take contracts with utilities and large European power generators such as Drax and ENGIE (formerly known as GDF SUEZ Energy Management Trading). Excluding the EVA-MGT Contract and the Langerlo contract, described below, our off-take contracts provide for sales of 2.3 million MT of wood pellets in 2016 and have a weighted average remaining term of 7.1 years from March 1, 2016. As our current off-take contracts expire, we will seek to recontract our capacity with a combination of renewals with existing customers, the acquisition of additional contracts from the Hancock JV and the entry into contracts with new customers.

Drax Contracts. We began selling utility-grade wood pellets pursuant to a contract with Drax (the "First Drax Contract") in the amount of 468,750 MTPY on April 1, 2013. Beginning on April 1, 2014 through the end of the term of the First Drax Contract in 2022, we will sell 1,000,000 MTPY of wood pellets. In connection with the Southampton Drop-Down, the Hancock JV assigned to us a ten-year contract with Drax (the "Second Drax Contract"). The Second Drax Contract commenced on December 1, 2015, and we will supply 385,000 MT for the first delivery year and 500,000 MTPY for years two through ten.

ENGIE. We began selling utility-grade wood pellets to Electrabel in the amount of 480,000 MTPY on June 30, 2011. The initial contract term expires in June 2017.

Langerlo Contract. We have contracted with the owner of the Langerlo power station in Ghent, Belgium, to supply 450,000 MTPY of wood pellets beginning in 2017 and continuing through 2026. The owner intends to convert the plant from coal to biomass. In the first quarter of 2016, an affiliate of the owner filed for insolvency. Although we do not believe that our customer is involved in the insolvency proceeding, it is possible that our customer will not be able to perform under the terms of the contract.

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EVA-MGT Contract. We have contracted with the Hancock JV to supply 375,000 MTPY to the Tees REP. The EVA-MGT Contract is denominated in British Pound Sterling and commences in 2019, ramps to full supply in 2021 and continues through 2034. The contract is contingent upon Tees REP reaching financial close. For more information on the EVA-MGT Contract, please read Part III, Item 13. "Certain Relationships and Related Transactions, and Director Independence—Agreements with Affiliates—EVA-MGT Contract."

We refer to the structure of our contracts as "take-or-pay" because they include a firm obligation to take a fixed quantity of product at a stated price and provisions that compensate us in the case of our customer's failure to accept all or a part of the contracted volumes or for termination by our customer. Our contracts provide for annual inflation-based adjustments or price escalators. Certain of our contracts also contain provisions that allow us to increase or decrease the volume of product that we deliver by a percentage of the base volume of the contract, as well as cost pass-through provisions related to stumpage (i.e., the price paid to the underlying timber resource owner for the raw material), fuel or transportation costs and price adjustments for actual product specifications. In addition, certain of our contracts and related arrangements provide for certain cost recovery and sharing arrangements in connection with certain changes in law or sustainability requirements and for payments to us in the case of termination as a result of such changes.

In addition to our long-term contracts, we also sell product under limited scope contracts. On occasion, we will intermediate dislocations in the market by entering into back-to-back transactions with physical delivery. We also provide terminaling services for other bulk commodities and fiber procurement services for domestic users of wood fiber.

Contracted Backlog

As of March 1, 2016, we had approximately $2.3 billion of product sales backlog for firm contracted product sales to Drax, ENGIE and other major power generators. Backlog represents the revenue to be recognized under existing contracts assuming deliveries occur as specified in the contract.

Excluding the EVA-MGT Contract and the Langerlo contract, our expected future product sales revenue under our contracted backlog as of March 1, 2016 is as follows (in millions):

Period March 1, 2016 to December 31, 2016	$ 360
Year ending December 31, 2017	355
Year ending December 31, 2018 and thereafter	1,585
Total product sales contracted backlog	$ 2,300

Wood Fiber Procurement

Although stumpage (i.e., the price paid to the underlying timber resource owner for the raw material) constitutes only approximately 15% of our total cost of delivered products, wood fiber procurement is a vital function of our business, and cost-effective access to wood fiber is an important factor in our pricing stability. Our raw materials are byproducts of traditional timber harvesting, principally the tops and limbs of trees as well as other low-value wood materials that are generated in a harvest. We procure wood fiber directly from timber owners, loggers and other suppliers. We also opportunistically acquire industrial residuals (sawdust and shavings) and forest residuals (woodchips and slash) when they provide a cost advantage. Due to the moisture content of unprocessed wood, it cannot be transported economically over long distances. Therefore, the specific regional wood fiber resource supply and demand balance dictates the underlying economics of wood fiber procurement. For this reason, we have elected to site our facilities in some of the most robust and advantaged fiber baskets in the world.

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Our customers are subject to stringent requirements regarding the sustainability of the fuels they procure. In addition to our internal sustainability policies and initiatives, our wood fiber procurement is conducted in accordance with leading forest certification standards. Our wood pellet production plants and their associated fiber supply chains have been audited by independent third parties and certified to the Sustainable Forestry Initiative® (SFI®) fiber sourcing standard and have achieved chain-of-custody certifications to the Forest Stewardship Council™ (FSC®) and the Programme for Endorsement of Forest Certification (PEFC). In addition, we proactively work with all of our suppliers to promote responsible forest management on all lands, not just those that are already certified.

Our wood fiber demand is complementary to, rather than in competition with, demand for high-grade wood for use by most other forest-related industries, such as lumber and furniture making. Improvements in the U.S. housing construction industry increase the demand for construction-quality lumber, which in turn increases the available supply of the low-cost pulpwood and mill residues that are used in wood pellet production. By using commercial thinnings and byproducts as raw materials, wood pellet production also indirectly supports other forest-related industries as well as the sustainable management of commercial forests.

The wood fiber used for wood pellet production comprises predominantly pulpwood, which derives its name from its traditional use by the pulp and paper industry and includes roundwood (typically thinnings from forest management operations and the tops and branches from sawlogs), and wood residues (primarily mill residues, a byproduct of sawmilling and veneer mill operations). Our procured wood fiber consists of:

- Low-grade wood fiber: wood that is unsuitable for or rejected by the sawmilling and lumber industries because of small size, defects (e.g. crooked or knotty), disease or pest infestation;
- Tops and limbs: the parts of trees that cannot be processed into lumber;
- Commercial thinnings: harvests that promote the growth of higher value timber by removing weaker or deformed trees to reduce competition for water, nutrients and sunlight; and
- Mill residues: chips, sawdust and other wood industry byproducts.

Demand for the non-merchantable trees, waste products or byproducts that we use is generally low because they have few competing uses, and such raw materials represent approximately 10% to 30% of the value paid to a landowner for any given harvest. The tops, limbs and other low-grade wood fiber we purchase would otherwise generally be left on the forest floor, impeding reforestation, or burned. Wood pellet production provides a profitable use for the residues from sawmill and furniture industries and for the trees that are thinned to make room for higher value lumber-grade timber. U.S. demand for such low grade wood fiber historically emerged from the pulp and paper industry. However, due to the decline in demand from paper and pulp, many landowners lack commercial markets for this wood fiber. Wood pellet producers help fill the gap.

As a result of the fragmented nature of tract ownership, we procure raw materials from hundreds of landowners, loggers and timber industry participants, with no individual landowner representing a material fraction of any of our production plants' needs. Our wood fiber is procured under a range of arrangements, including (1) the direct purchase of timber tracts which provide an inventory of stumpage, (2) logging contracts for the thinnings, pulpwood and other unmerchandised chip-and-saw timber cut by a harvester, (3) in-woods chipping contracts where we may also provide the actual harvesting assets, (4) contracts with timber dealers and (5) "gatewood" purchases, which refer to wood hauled to a mill that was not purchased as standing timber by the mill. We have sourced wood fiber from more than 500 suppliers, including landowners growing both hardwoods and softwoods and other suppliers. The diversity of our supply base enables us to maintain stable costs, and our facilities' advantaged siting ensures consistent and reliable deliveries at lower cost than others in our region or industry.

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Competition

We compete with other utility-grade wood pellet producers for long-term, take-or-pay off-take contracts with major power generation customers. Competition in our industry is based on the price, quality and consistency of the wood pellets produced, the reliability of wood pellet deliveries and the producer's ability to verify and document, through customer and third-party audits, that its wood pellets meet the regulatory sustainability obligations of a particular customer.

Most of the world's current wood pellet production plants are owned by small, private companies, with few companies owning or operating multiple plants. Few companies have the scale, technical expertise or commercial infrastructure necessary to supply utility-grade wood pellets under large, long-term off-take contracts with power generators. We are the largest producer by production capacity, and consider the limited number of other companies with comparable scale, technical expertise or commercial infrastructure to be our competitors.

Approximately 58% of the world's utility-grade wood pellet production capacity is located in North America. Other current producers of utility-grade wood pellets in North America include Fram Renewable Fuels, LLC, which is owned by an individual investor, Georgia Biomass, LLC, a plant owned by RWE Innogy, Rentech Inc., Pacific BioEnergy, Pinnacle Renewable Energy Inc., Drax Biomass Inc., affiliates of German Pellets GmbH, The Navigator Company, S.A., Zilkha Biomass LLC and The Westervelt Company.

Our Management and Employees

We are managed and operated by the board of directors and the executive officers of our General Partner. As a result of owning our General Partner, our sponsor has the right to appoint all members of the board of directors of our General Partner, at least three of whom must meet the independence standards established by the NYSE. Our unitholders are not entitled to elect our General Partner or its directors or otherwise directly participate in our management or operations. For more information about the executive officers and directors of our General Partner, please read Part III, Item 10. "Directors, Executive Officers and Corporate Governance."

As of December 31, 2015, Enviva Management had 569 employees. Please read Part II, Item 8. "Financial Statements and Supplementary Data—Related Party Transactions" for more information regarding our management services agreement with Enviva Management.

Our Relationship with Our Sponsor

Our sponsor, Enviva Holdings, LP, is a majority owned subsidiary of the Riverstone Funds.

Our sponsor owns approximately 10.5% of our common units, all of our subordinated units and our General Partner. Our General Partner owns our incentive distribution rights, which entitles our General Partner to increasing percentages of our cash distribution above certain targets. As a result, our sponsor is incentivized to facilitate our access to accretive acquisition and organic growth opportunities, including those pursuant to the right of first offer it granted to us in connection with our IPO.

Our sponsor is the managing member and operator of the Hancock JV and is responsible for managing the activities of the Hancock JV, including the development and construction of the Hancock JV's development projects.

Environmental Matters

Our operations are subject to stringent and comprehensive federal, state and local laws and regulations governing matters including environmental protection, occupational health and safety and

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the release or discharge of materials into the environment, including air emissions and wastewater discharges. These laws and regulations may (i) require acquisition, compliance with and maintenance of certain permits or other approvals to conduct regulated activities, (ii) impose technology requirements or standards on our operations, (iii) restrict the amounts and types of substances that may be discharged or emitted into the environment, (iv) limit or prohibit construction or timbering activities in sensitive areas such as wetlands or areas inhabited by endangered or threatened species, (v) govern worker health and safety aspects of operations, (vi) require measures to investigate, mitigate or remediate releases of hazardous or other substances from our operations and (vii) impose substantial liabilities, including possible fines and penalties for unpermitted emissions or discharges from our operations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of investigatory and remedial obligations and the issuance of orders enjoining some or all of our operations in affected areas.

Moreover, the trend in environmental regulation is towards increasingly stringent and broader requirements for activities that may affect the environment. Any changes in environmental laws and regulations or re-interpretation of enforcement policies that result in more stringent and costly requirements could have a material adverse effect on our operations and financial position. Although we monitor environmental requirements closely and budget for the expected costs, actual future expenditures may be different from the amounts we currently anticipate spending. Moreover, certain environmental laws impose joint and several, strict liability for costs to clean up and restore sites where pollutants have been disposed or otherwise spilled or released. We cannot assure you that we will not incur significant costs and liabilities for remediation or damage to property, natural resources or persons as a result of spills or releases from our operations or those of a third party. Although we believe that our competitors will face similar environmental requirements, other market factors may prevent us from passing on any increased costs to our customers. Although we believe that we are in substantial compliance with existing environmental laws and regulations and that continued compliance with existing requirements will not materially affect us, there is no assurance that the current level of regulation will continue in the future.

The following summarizes some of the more significant existing environmental, health and safety laws and regulations applicable to our business operations and with which compliance may have a material adverse impact on our capital expenditures, results of operations or financial position.

Air Emissions

The Clean Air Act, as amended ("CAA"), and state and local laws and regulations that implement and add to CAA requirements, regulate the emission of air pollutants from our facilities. The CAA imposes significant monitoring, recordkeeping and reporting requirements for these emissions. These laws and regulations require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce or significantly increase air emissions, obtain and strictly comply with stringent air permits, and in certain cases utilize specific equipment or technologies to control and measure emissions. Obtaining these permits can be both costly and time intensive and has the potential to delay the opening of new plants or the significant expansion of existing plants.

The CAA requires that we obtain various construction and operating permits, including, in some cases, Title V air permits. In certain cases, the CAA requires us to incur capital expenditures to install air pollution control devices at our facilities. We have incurred, and expect to continue to incur, substantial administrative and capital expenditures to maintain compliance with CAA requirements that have been promulgated or may be promulgated or revised in the future.

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Climate Change and Greenhouse Gases

In response to findings that emissions of carbon dioxide, methane and certain other gases, referred to as greenhouse gases ("GHGs"), present an endangerment to public health and the environment, the U.S. Environmental Protection Agency ("U.S. EPA") has adopted regulations under existing provisions of the CAA that require a reduction in emissions of GHGs from motor vehicles and certain stationary sources. In August 2015, U.S. EPA also issued its final rules to reduce GHG pollution from existing and new power plants ("CPP"). Although the CPP has been stayed by the United States Supreme Court while legal challenges are pending, U.S. EPA maintains that implementation of the rule will begin as scheduled in 2022, and states are currently evaluating if and how to continue with the development of their implementation plans. Although U.S. EPA permits states to consider biomass-based fuel in energy production in their plans as a mechanism to meet the emission reduction requirements of the CPP, there remains uncertainty regarding the treatment of biomass under the rule and costs to implement the rule. See Item 1A. "Risk Factor—Climate change legislation, regulatory initiatives and litigation could result in increased operating costs." and "Risk Factor—Changes in government policies, incentives and taxes implemented to support increased generation of low carbon and renewable energy may affect customer demand for our products." Additionally, any other legislation or regulations that require permitting or reporting of GHG emissions or limit such emissions from our equipment and operations or from biomass-fired power plants operated by our customers, could require us to incur costs to reduce emissions of GHGs associated with our operations, or negatively impact the demand for wood pellets. We also note that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. If any such effects were to occur, they could have an adverse effect on our operations.

Water Discharges

The Federal Water Pollution Control Act, as amended ("Clean Water Act"), as well as state laws and regulations that implement, and may be more stringent than, the Clean Water Act, restrict the discharge of pollutants into waters of the United States. Any such discharge of pollutants must be performed in accordance with the terms of a permit issued by U.S. EPA or the implementing state agency. In addition, the Clean Water Act and implementing state laws and regulations require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act and analogous state laws and regulations. These permits generally have a term of five years. Although our facilities are presently in compliance with these requirements, changes to the terms and conditions of our permits in future renewals or new or modified regulations could require us to incur additional capital or operating expenditures which may be material.

Pursuant to the Clean Water Act, U.S. EPA has adopted the Discharge of Oil Regulation, which requires any person in charge of an onshore facility to report any discharge of a harmful quantity of oil into U.S. navigable waters, adjoining shorelines or the contiguous zone. A harmful quantity is any quantity of discharged oil that violates state water quality standards, causes a film or sheen on the water's surface or leaves sludge or emulsion beneath the surface. Spills from our production plants that are located along waterways or from our deep-water marine terminal facilities may result in fines, penalties and obligations to respond to and remediate any such spills.

Spill Response and Release Reporting

Certain of our facilities are subject to federal requirements to prepare for and respond to spills or releases from tanks and other equipment located at these facilities and provide training to employees on operation, maintenance and discharge prevention procedures and the applicable pollution control

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laws. At these facilities, we have developed or will develop Spill Prevention, Control and Countermeasure plans to memorialize these preparations and response plans and will update them on a regular basis. From time to time, these requirements may be made more stringent and may require us to modify our operations or expand our plans accordingly. The costs of implementing any such modifications or expansion may be significant. In addition, in the event of a spill or release, we may incur fines or penalties or incur responsibility for damage to natural resources, private property or personal injury in addition to obligations to respond to and remediate any such spill or release.

Endangered Species Act

The federal Endangered Species Act, as amended ("ESA"), restricts activities that may affect endangered and threatened species or their habitats. Although some of our facilities may be located in areas that are designated as habitat for endangered or threatened species, we believe that we are in substantial compliance with the ESA. Moreover, as a result of a settlement approved by the U.S. District Court for the District of Columbia on September 9, 2011, the U.S. Fish and Wildlife Service is required to make a determination on listing of more than 250 species as endangered or threatened under the ESA over the next six years, through the agency's 2017 fiscal year. The designation of previously unidentified endangered or threatened species could cause us to incur additional costs or become subject to operating restrictions or bans in the affected areas, which could have an adverse impact on the availability or price of raw materials.

Coastal Area Protection and Wetlands and Navigable Waters Activity Regulations

Our Chesapeake terminal is a deep-water marine terminal facility. As a result, it is subject to the various federal and state programs that regulate the conservation and development of coastal resources. At the federal level, the Coastal Zone Management Act ("CZMA") was enacted to preserve, protect, develop and, where possible, restore or enhance valuable natural coastal resources of the United States coastal zone. The CZMA authorizes and provides grants for state management programs to regulate land and water use and coastal development.

In Virginia, the Virginia Coastal Zone Management Program ("Virginia CZM Program") administers the CZMA as established through Executive Order 18 (2010). A network of state agencies and local governments administer the Virginia CZM Program with the Virginia Department of Environmental Quality serving as the lead agency. The Chesapeake Bay Preservation Area Designation and Management Regulations provide specific regulations regarding the protection and improvement of water quality of the Chesapeake Bay and establish criteria for local governments in granting, denying or modifying zoning and development requests in certain areas. The City of Chesapeake has passed an ordinance creating the Chesapeake Bay Preservation Area District and adopting regulations for development within that district.

In addition to the CZMA, the Clean Water Act may result in federal or state regulators imposing conditions or restrictions on our operations or construction activities. For instance, the dredge and fill provisions of the Clean Water Act require a permit to conduct construction activities in protected waters and wetlands and prohibit unpermitted discharges of fill materials. Likewise, Section 10 of the Rivers and Harbors Act also requires permits for the construction of certain port structures. We believe that we are in material compliance with these various requirements. However, any delays in obtaining future permits or renewals, or the inclusion of restrictive conditions in such permits, could adversely affect the cost of, or result in delays in, our operations and any future construction.

Safety and Maintenance

We are subject to a number of federal and state laws and regulations, including the federal Occupational Safety and Health Act, as amended ("OSHA"), and comparable state statutes, whose

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purpose is to protect the health and safety of workers. We have a corporate health and safety program that governs the way we conduct our operations at our facilities. Our employees receive OSHA training that is appropriate in light of the tasks performed at our facilities and general training on our health and safety plans. Compliance with OSHA and general training is mandatory. We perform preventive and routine maintenance on all of our manufacturing and deep-water marine terminaling systems, and make repairs and replacements when necessary or appropriate. We also conduct routine and required inspections of those assets in accordance with applicable regulations. In addition, the OSHA hazard communication standards in the Emergency Planning and Community Right-to-Know Act and comparable state statutes require that information be maintained concerning hazardous materials used or produced in our operations and that this information be provided to employees, state and local governmental authorities and citizens. Our facilities adhere to National Fire Protection Association (NFPA) standards for combustible dust and incorporate pollution control equipment such as cyclones, baghouses and electrostatic precipitators to minimize regulated emissions. Our deep-water marine terminaling facilities adhere to Homeland Security/U.S. Coast Guard regulations regarding physical security and emergency response plans. We continually strive to maintain compliance with applicable air, solid waste and wastewater regulations. Notwithstanding these preventative measures, we cannot guarantee that serious accidents will not occur in the future.

Seasonality

Our business is affected to some extent by seasonal fluctuations. The cost of producing wood pellets tends to be higher in the winter months because the delivered cost of fiber typically increases with wet weather and our raw materials have, on average, higher moisture content during this period of the year, resulting in a lower product yield. In addition, lower ambient temperatures increase the cost of drying wood fiber.

Principal Executive Offices

We lease office space for our principal executive offices at 7200 Wisconsin Avenue, Suite 1000, Bethesda, Maryland 20814. The lease expires in June 2024.

Available Information

We file annual, quarterly and current reports and other documents with the U.S. Securities Exchange Act Commission ("SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"). You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operations of the Public Reference Room by calling the SEC at (800) SEC-0330. In addition, the SEC maintains a website at www.sec.gov that contains reports and other information regarding issuers that file electronically with the SEC.

We also make available free of charge our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, simultaneously with or as soon as reasonably practicable after filing such materials with, or furnishing such materials to, the SEC, and on or through our website, www.envivabiomass.com. The information on our website, or information about us on any other website, is not incorporated by reference into this Annual Report.

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ITEM 1A. RISK FACTORS

There are many factors that could have a material adverse effect on the Partnership's business, financial condition, results of operations and cash available for distribution. New risks may emerge at any time, and the Partnership cannot predict those risks or estimate the extent to which they may affect financial performance. Each of the risks described below could adversely impact the value of the Partnership's common units.

Risks Inherent in Our Business

We may not have sufficient cash from operations following the establishment of cash reserves and payment of costs and expenses, including cost reimbursements to our General Partner and its affiliates, to enable us to pay quarterly distributions to our unitholders at our current distribution rate.

We may not have sufficient cash each quarter to enable us to pay quarterly distributions at our current distribution rate. The amount of cash we can distribute on our common and subordinated units principally depends upon the amount of cash we generate from our operations, which fluctuates from quarter to quarter based on the following factors, some of which are beyond our control:

- the volume of products that we are able to sell;
- the price at which we are able to sell our products;
- failure of the Partnership's customers to pay or perform their contractual obligations to the Partnership;
- the amount of low-cost wood fiber that we are able to procure and process, which could be adversely affected by, among other things, operating or financial difficulties suffered by our suppliers;
- the amount of products that we are able to produce, which could be adversely affected by, among other things, operating difficulties;
- failure of the Partnership's shipping partners to perform their contractual obligations to the Partnership;
- changes in the price and availability of natural gas, coal or other sources of energy;
- changes in prevailing economic conditions;
- our ability to complete acquisitions, including acquisitions from our sponsor;
- unanticipated ground, grade or water conditions;
- inclement or hazardous weather conditions, including extreme precipitation, temperatures and flooding;
- environmental hazards;
- fires, explosions or other accidents;
- changes in domestic and foreign laws and regulations (or the interpretation thereof) related to renewable or low-carbon energy, the forestry products industry or power generators;
- changes in the regulatory treatment of biomass in core and emerging markets for utility-scale generation;
- inability to acquire or maintain necessary permits or rights for our production, transportation and terminaling operations;
- inability to obtain necessary production equipment or replacement parts;

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- technical difficulties or failures;
- labor disputes;
- late delivery of raw materials;
- inability of our customers to take delivery of products or their rejection of delivery of products;
- changes in the price and availability of transportation;
- changes in foreign currency exchange rates;
- changes in the quality specifications for our products that are required by our customers; and
- our ability to borrow funds and access capital markets.

In addition, the actual amount of cash we have available for distribution depends on other factors, some of which are beyond our control, including:

- the level of capital expenditures we make;
- costs associated with construction projects at our existing facilities and future construction projects;
- fluctuations in our working capital needs;
- our treatment as a flow-through entity for U.S. federal income tax purposes;
- our debt service requirements and other liabilities;
- restrictions contained in our existing or future debt agreements; and
- the amount of cash reserves established by our General Partner.

The amount of cash we have available for distribution to holders of our units depends primarily on our cash flow and not solely on profitability, which may prevent us from making cash distributions during periods when we record net income.

The amount of cash we have available for distribution depends primarily upon our cash flow, including cash flow from reserves and working capital or other borrowings, and not solely on profitability, which will be affected by non-cash items. As a result, we may pay cash distributions during periods when we record net losses for financial accounting purposes and may be unable to pay cash distributions during periods when we record net income.

We have incurred losses from operations during certain periods since our inception and may do so in the future.

We incurred a net loss of $5.5 million for the year ended December 31, 2013. Additionally, we may incur net losses in the future. The uncertainty and risks described in this Annual Report may impede our ability to remain profitable or have positive cash flows from operating activities in the future.

Substantially all of our revenues are generated under contracts with two customers, and the loss of any of them could adversely affect our business, financial condition, results of operations, cash flows and ability to make cash distributions. We may not be able to renew or obtain new and favorable contracts with these customers when our existing contracts expire, and we may not be able to obtain contracts with new customers, which could adversely affect our revenues and profitability.

Our contracts with Drax and ENGIE represent substantially all of our sales volumes. Because we have a small number of customers, our off-take contracts subject us to counterparty risk concentration. The ability of each of our customers to perform its obligations under a contract with us will depend on

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a number of factors that are beyond our control and may include, among other things, the overall financial condition of the counterparty, the counterparty's access to capital, the condition of the Northern European power generation industry, continuing economic support for wood pellet-generated power and general economic conditions. In addition, in depressed market conditions, our customers may no longer need the amount of our products they have contracted for or may be able to obtain comparable products at a lower price. If our customers experience a significant downturn in their business or financial condition, they may attempt to renegotiate or declare force majeure under our contracts. Recently, an affiliate of the owner of the Langerlo power station filed for insolvency in a German court, and although our customer is not party to the proceedings, the impact of the affiliate's insolvency on our customer's ability to perform its obligations under the Langerlo Contract remains uncertain. Should any counterparty fail to honor its obligations under a contract with us, we could sustain losses, which could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution. We may also decide to renegotiate our existing contracts on less favorable terms and at reduced volumes in order to preserve our relationships with our customers.

Upon the expiration of our off-take contracts, our customers may decide not to recontract on terms as favorable to us as our current contracts, or at all. For example, our current customers may acquire wood pellets from other providers that offer more competitive pricing or logistics or develop their own sources of wood pellets. Some of our customers could also exit their current business or be acquired by other companies that purchase wood pellets from other providers. The demand for wood pellets or their prevailing prices at the time our current off-take contracts expire may also render entry into new long-term off-take contracts difficult or impossible.

Any reduction in the amount of wood pellets purchased by our customers, renegotiation on less favorable terms, or inability to enter into new contracts on economically acceptable terms upon the expiration of our current contracts could have a material adverse effect on our results of operations, business and financial position, as well as our ability to pay distributions to our unitholders.

We derive substantially all of our revenues from customers in Northern Europe. If we fail to diversify our customer base in the future, our results of operations, business and financial position and ability to make cash distributions could be materially adversely affected.

A substantial portion of our revenues has historically been derived from customers in Northern Europe, and our revenues have been heavily dependent on developments in the Northern European markets. If economic, political and financial market conditions in Europe remain uncertain as a result of continued weakness in European economies, our customers may respond by suspending, delaying or reducing their expenditures. Our failure to successfully penetrate markets outside of Northern Europe in the future could have a material adverse effect on our results of operations, business and financial position, and our ability to pay distributions to our unitholders.

Our exposure to currency exchange rate fluctuations may result in fluctuations in our cash flows and could have an adverse effect on our financial condition and results of operations.

Fluctuations in currency exchange rates could be material to us depending upon, among other things, the currency denominations of our off-take contracts. In particular, we may in the future be sensitive to fluctuations in currency exchange rates between the U.S. dollar and the British Pound as sales under the EVA-MGT Contract are denominated in pounds. Deliveries under the EVA-MGT Contract do not begin until 2019 and the contract is contingent upon the Tees REP reaching financial close.

There may be instances in which costs and revenue will not be matched with respect to currency denomination. As a result, to the extent that we continue to expand our customer base as anticipated,

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it is possible that increasing portions of revenue, costs, assets and liabilities will be subject to fluctuations in foreign currency valuations. We may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations.

Changes in government policies, incentives and taxes implemented to support increased generation of low-carbon and renewable energy may affect customer demand for our products.

Consumers of utility-grade wood pellets currently use our products either as part of a binding obligation to generate a certain percentage of low-carbon energy or because they receive direct or indirect financial support or incentives to do so. Financial support is often necessary to cover the generally higher costs of wood pellets compared to conventional fossil fuels like coal. In most countries, once the government implements a tax (e.g., the UK's carbon price floor tax) or a preferable tariff or a specific renewable energy policy either supporting a renewable energy generator or the energy generating sector as a whole, such tax, tariff or policy is guaranteed for a specified period of time, sometimes for the investment lifetime of any electricity generator's project. However, the government may modify its tax, tariff, or incentive regimes, and the future availability of such taxes, tariffs or policies, either in current jurisdictions beyond the prescribed timeframes or in new jurisdictions, is uncertain. Demand for wood pellets could be substantially lower than expected if government support is reduced or delayed or, in the future, is insufficient to enable successful deployment of biomass power to the levels currently projected. In addition, regulatory changes such as new requirements to install additional pollution control technology or curtail operations to meet new GHG emission limits, may also affect demand for our products. For example, in the U.S., current regulations exempt biomass-fired generating units from GHG emission regulations of U.S. EPA. In July 2013, the D.C. Circuit Court, in Center for Biological Diversity v. EPA vacated U.S. EPA's July 1, 2011 decision to grant a three-year deferral of the applicability of Prevention of Significant Deterioration ("PSD") and Title V permitting requirements for carbon dioxide emissions to certain biomass-fired generators. However, the D.C. Circuit Court also stayed its ruling and delayed any rehearing until after the Supreme Court issued its decision in Utility Air Regulatory Group (UARG) v. EPA, effectively leaving U.S. EPA's deferral in place. Although the U.S. Supreme Court issued its decision in UARG v. EPA in June 2014, generally upholding U.S. EPA's authority to regulate GHG emissions from certain stationary sources, there has been no resolution of the validity of U.S. EPA's exemption for biomass-fired facilities. On September 19, 2014, the D.C. Circuit Court issued an order extending the deadline to submit petitions for rehearing in Center for Biological Diversity v. EPA until the D.C. Circuit Court issues its mandate in a related case, Coalition for Responsible Regulation v. EPA. In June 2015, U.S. EPA requested the D.C. Circuit Court deny a rehearing since U.S. EPA's three-year deferral expired last year, making any challenges to the rule moot.

In August 2015, U.S. EPA issued its final CPP rule that establishes carbon pollution standards for existing power plants, called Carbon Dioxide ("CO_2") emission performance rates. U.S. EPA expects each state to develop implementation plans for power plants in its state to meet the individual state targets established in the CPP. Although the rule calls for state plans to be submitted in September 2016, subject to potential extensions of up to two years for final plan submission, the recent Supreme Court stay of the rule creates significant uncertainty with respect to the timing of the development of state plans. The first Clean Power Plan compliance period begins in 2022, and emission reductions will be phased in up to 2030. U.S. EPA also proposed a federal compliance plan to implement the CPP in the event that an approvable state plan is not submitted to U.S. EPA. After the final rule was published in October 2015, over two dozen states and various industry groups filed several petitions that were later consolidated in the D.C. Circuit Court challenging the rule and seeking a stay of the CPP while litigation is ongoing. On February 9, 2016, the U.S. Supreme Court granted a stay of the implementation of the CPP before the D.C. Circuit Court even issued a decision. By its terms, this stay will remain in effect throughout the pendency of the appeals process including at the D.C. Circuit Court and the Supreme Court through any certiorari petition that may be granted. The stay suspends

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the rule, including the requirement that states submit their initial plans by September 2016. The Supreme Court's stay applies only to U.S. EPA's regulations for CO_2 emissions from existing power plants and will not affect U.S. EPA's standards for new power plants. It is not yet clear how either the D.C. Circuit Court or the Supreme Court will rule on the legality of the CPP.

Even if the final CPP withstands judicial review, the status of biomass under the rule is not clear. Although the final rule contemplates that states may use biomass as a tool to comply with their obligations to reduce GHG emissions from existing power plants, it does not provide clear guidance on how biomass policies may be implemented under the rule. U.S. EPA may issue supplemental guidance as part of its Model Trading Rules, but the timing of any future rulemakings or guidance to clarify the status of biomass under the CPP remains uncertain in light of the Supreme Court's stay of the rule. An additional source of uncertainty regarding future biomass guidance or rules from U.S. EPA is the outcome of its ongoing scientific process to assess biogenic carbon dioxide emissions from stationary sources. In November 2014, U.S. EPA released a revised methodological framework for assessing biogenic carbon dioxide emissions from stationary sources. U.S. EPA also released a memorandum explaining that it expects to recognize biogenic carbon dioxide emissions and climate policy benefits of waste-derived and certain forest-derived industrial byproduct feedstocks when considering state compliance plans under the CPP and the PSD program going forward. The updated draft framework is currently subject to review by U.S. EPA's Scientific Advisory Board (the "SAB"), and the SAB's final report should be submitted to U.S. EPA in 2016, raising the possibility that U.S. EPA will adopt a policy approach to address biogenic carbon dioxide emissions based upon the SAB's review of its proposed framework. Therefore, it is possible that in the future, U.S. EPA or individual states may seek (or be required) to regulate carbon dioxide or other GHG emissions from biomass-fired power plants, including requiring such plants to retroactively obtain permits or install pollution control technology. Such developments could negatively impact the demand for wood pellets and limit our growth in the U.S. market. In addition, regulatory actions to address GHG emissions from biomass in the U.S. could be used as precedents by regulators in our primary markets, and any subsequent changes in the regulatory schemes in Europe could impact demand for wood pellets.

The international nature of our business subjects us to a number of risks, including foreign exchange and unfavorable political, regulatory and tax conditions in foreign countries.

Substantially all of our current product sales are to customers that operate outside of the United States. As a result, we face certain risks inherent to maintaining international operations that include, but are not limited to, the following:

- foreign exchange movements, which may make it more difficult for our customers to make payments denominated in U.S. dollars or exert pricing pressure on new contracts compared to competitors that source in a weaker currency;
- restrictions on foreign trade and investment, including currency exchange controls imposed by or in other countries; and
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make our products less competitive in some countries.

Our business in foreign countries requires us to respond to rapid changes in market conditions in these countries. Our overall success as a global business depends, in part, on our ability to succeed under differing legal, regulatory, economic, social and political conditions. There can be no assurance, however, that we will be able to develop, implement and maintain policies and strategies that will be effective in each location where our customers operate. Any of the foregoing factors could have a material adverse effect on our results of operations, business and financial position and our ability to pay distributions to our unitholders.

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Federal, state and local legislative and regulatory initiatives relating to forestry products and the potential for related litigation could result in increased costs, additional operating restrictions or delays for our suppliers and customers, respectively, which could cause a decline in the demand for our products and negatively impact our business, financial condition and results of operations.

Currently, our raw materials are byproducts of traditional timber harvesting, principally the tops and limbs of trees as well as other low-value wood materials that are generated in a harvest, and industrial residuals (chips, sawdust and other wood industry byproducts). Commercial forestry is regulated by complex regulatory frameworks at each of the federal, state, and local levels. Among other federal laws, the Clean Water Act and ESA have been applied to commercial forestry operations through agency regulations and court decisions, as well as through the delegation to states to implement and monitor compliance with such laws. State forestry laws, as well as land use regulations and zoning ordinances at the local level, are also used to manage forests in the Southeastern U.S., as well as other regions from which we may need to source raw materials in the future. Any new or modified laws or regulations at any of these levels could have the effect of reducing forestry operations in areas where we procure our raw materials, and consequently may prevent us from purchasing raw materials in an economic manner, or at all. In addition, future regulation of, or litigation concerning, the use of timberlands, the protection of endangered species, the promotion of forest biodiversity, and the response to and prevention of wildfires, as well as litigation, campaigns or other measures advanced by environmental activist groups, could also reduce the availability of the raw materials required for our operations.

The actions of certain non-governmental organizations could result in increased or adverse regulation of our business.

Certain non-governmental organizations with an interest in environmental issues have expressed their opposition to the use of biomass for power generation, both publicly and directly to domestic and foreign regulators, policy makers, power generators and other industrial users of biomass. These organizations are also actively lobbying domestically and abroad to significantly increase the regulation of, and reduce or eliminate the incentives and support for, the production and use of biomass for power generation. These organizations may also seek to increase regulation through litigation. For example, in Center for Biological Diversity, et al. v. EPA, environmental groups contested U.S. EPA's decision to defer regulation of carbon dioxide emissions from biomass-fired power plants. It is possible that the continued efforts of these organizations, whether through lobbying, litigation or other means, will result in the adoption of regulation that could adversely affect our current operations or those of our customers or impede expansions. The occurrence of any of these events could have a material adverse effect on our results of operations, business and financial condition, and our ability to make cash distributions to our unitholders.

The viability of our customers' businesses may also affect demand for our products and the results of our business and operations.

The viability of our customers' businesses is dependent on their ability to compete in their respective electricity and heat markets. Our customers' competitiveness is a function of, among other things, the market price of electricity, the market price of competing fuels (e.g. coal and natural gas), the relative cost of carbon and the costs of generating heat or electricity using other renewable energy technologies. Changes in the values of the inputs and outputs of our customers' businesses, or of the businesses of their competitors, could have a material adverse effect on our customers and, as a result, could have a material adverse effect on our results of operations, business and financial position, and our ability to pay distributions to our unitholders.

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The growth of our business depends in part upon locating and acquiring interests in additional production plants and deep-water marine terminals at favorable prices.

Our business strategy includes growing our business through drop-down and third-party acquisitions that result in an increase in our cash available for distribution per unit. Various factors could affect the availability of attractive projects to grow our business, including:

- our sponsor's failure to complete its or the Hancock JV's development projects in a timely manner or at all, which could result from, among other things, permitting challenges, failure to procure the requisite financing or equipment, construction difficulties or an inability to obtain an off-take contract on acceptable terms;
- our sponsor's failure to offer its assets or the assets of the Hancock JV for sale;
- our failure or inability to exercise our right of first offer with respect to any asset that our sponsor offers, or compels the Hancock JV to offer, to us; and
- fewer third-party acquisition opportunities than we expect, which could result from, among other things, available projects having less desirable economic returns, anti-trust concerns or higher risk profiles than we believe suitable for our business plan and investment strategy.

Any of these factors could prevent us from executing our growth strategy or otherwise could have a material adverse effect on our results of operations, business and financial position, and our ability to pay distributions to our unitholders.

Any acquisitions we make may reduce, rather than increase, our cash generated from operations on a per unit basis.

We may consummate acquisitions that we believe will be accretive, but that result in a decrease in our cash available for distribution per unit. Any acquisition involves potential risks, some of which are beyond our control, including, among other things:

- mistaken assumptions about revenues and costs, including synergies;
- the inability to successfully integrate the businesses we acquire;
- the inability to hire, train or retain qualified personnel to manage and operate our business and newly acquired assets;
- the assumption of unknown liabilities;
- limitations on rights to indemnity from the seller;
- mistaken assumptions about the overall costs of equity or debt;
- the diversion of management's attention to other business concerns;
- unforeseen difficulties in connection with operating in new product areas or new geographic areas;
- customer or key employee losses at the acquired businesses; and
- the inability to meet the obligations in off-take contracts associated with acquired production plants.

If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and unitholders will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of our funds and other resources.

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If there are significant increases in the cost of raw materials or our suppliers suffer from operating or financial difficulties, we could generate lower revenue, operating profits and cash flows or lose our ability to meet commitments to our customers.

We purchase wood fiber from third-party landowners and other suppliers for use at our production plants. Our reliance on third parties to secure wood fiber exposes us to potential price volatility and unavailability of such raw materials, and the associated costs may exceed our ability to pass through such price increases under our contracts with our customers. Further, delays or disruptions in obtaining wood fiber may result from a number of factors affecting our suppliers, including extreme weather, production or delivery disruptions, inadequate logging capacity, labor disputes, impaired financial condition of a particular supplier, the inability of suppliers to comply with regulatory or sustainability requirements or decreased availability of raw materials. In addition, other companies, whether or not in our industry, could procure wood fiber within our procurement areas and adversely change regional market dynamics, resulting in insufficient quantities of raw material or higher prices. Any of these events could increase our operating costs or prevent us from meeting our commitments to our customers, and thereby could have a material adverse effect on our results of operations, business and financial position, and our ability to make distributions to our unitholders.

Any interruption or delay in the supply of wood fiber, or our inability to obtain wood fiber at acceptable prices in a timely manner, could impair our ability to meet the demands of our customers and expand our operations, which could have a material adverse effect on our results of operations, business and financial position, and our ability to make distributions to our unitholders.

We are exposed to the credit risk of customers for our products, and any material nonpayment or nonperformance by our customers could adversely affect our financial results and cash available for distribution.

We are subject to the risk of loss resulting from nonpayment or nonperformance by our customers, whose operations are concentrated in the Northern European power generation industry. Our credit procedures and policies may not be adequate to fully eliminate customer credit risk. If we fail to adequately assess the creditworthiness of existing or future customers, or if their creditworthiness deteriorates unexpectedly, any resulting unremedied nonpayment or nonperformance by them could have a material adverse effect on our results of operations, business and financial position, and our ability to make cash distributions to our unitholders.

We could suffer a catastrophic failure of the shiploading equipment at the Port of Chesapeake or Port Panama City or be adversely impacted by a port closure.

A significant portion of our total production is loaded for shipment utilizing automated conveyor and ship loading equipment at the Port of Chesapeake and Port Panama City. Should we suffer a catastrophic failure of this equipment, we could be unable to fulfill off-take obligations or incur substantial additional transportation costs that would reduce cash flow. We may also lose access to the ports or our facilities if they are closed for security or weather-related reasons.

Fluctuations in transportation costs and the availability or reliability of shipping, rail or truck transportation could reduce revenues by causing us to reduce our production or by impairing our ability to deliver products to our customers or the ability of our customers to take delivery.

Disruptions of local or regional transportation services due to shortages of vessels, barges, railcars or trucks, weather-related problems, flooding, drought, accidents, mechanical difficulties, bankruptcy, strikes, lockouts, bottlenecks or other events could temporarily impair our ability to deliver products to our customers and might, in certain circumstances, constitute a force majeure event under our customer contracts, permitting our customers to suspend taking delivery of and paying for our products.

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In addition, persistent disruptions in marine transportation may force us to halt production as we reach storage capacity at our deep-water marine terminals. Accordingly, if the transportation services we use to transport our products are disrupted, and we are unable to find alternative transportation providers, it could have a material adverse effect on our results of operations, business and financial position, and our ability to make cash distributions to our unitholders.

Our long-term, fixed price off-take contracts with our customers may preclude us from taking advantage of an increase in spot market prices for our products and only partially offset certain cost increases.

Our off-take contracts set base prices subject to annual price escalation and other pricing adjustments for changes in certain of our underlying costs of operations. In periods of increased spot market prices, our revenues could be significantly lower than they would otherwise be as a result of being party to such contracts, reducing the net income and cash available for distribution that we would otherwise generate. In addition, our current and future competitors may be in a better position to take advantage of increases in spot market prices.

Each of our off-take contracts provides for an annual price escalator, and certain of our off-take contracts provide for cost pass-through mechanisms for either stumpage or shipping fuel. However, these cost pass-through mechanisms only pass a portion of our total costs through to our customers. If our operating costs increase significantly during the terms of our off-take contracts beyond the levels of pricing and cost protection afforded to us under the terms of our contracts, our results of operations, business and financial position, and our ability to make cash distributions to our unitholders could be materially adversely affected.

Termination penalties within our off-take contracts may not fully compensate us for total economic losses suffered by us.

Certain of our off-take contracts provide the customer with a right of termination for various events of convenience or changes in law or policy. Although certain of these contracts are subject to certain protective termination payments, the termination payments made by our customers may not fully compensate us for losses resulting from a termination by such counterparty. In each case, we may be unable to re-contract our production at favorable prices or at all, and our results of operations, business and financial position, and our ability to make cash distributions to our unitholders may be materially adversely affected as a result.

We may be required to make substantial capital expenditures to maintain our facilities.

Although we currently use a portion of our cash reserves and cash generated from our operations to maintain, develop and improve our assets and facilities, such investment may, over time, be insufficient to preserve the operating profile required for us to meet our planned profitability. Accordingly, if additional capital expenditures are required, our results of operations, business and financial position, and our ability to make cash distributions to our unitholders may be materially adversely affected.

We compete with other wood pellet producers, and, if growth in domestic and global demand for wood pellets meets or exceeds management's expectations, the competition within our industry may grow significantly.

We compete with other wood pellet production companies in the United States for the customers to whom we sell our products. Other current producers of utility-grade wood pellets in North America include Fram Renewable Fuels, LLC, which is owned by an individual investor, Georgia Biomass, LLC, a plant owned by RWE Innogy, Rentech, Inc., Pacific BioEnergy, Pinnacle Renewable Energy Inc., Drax Biomass Inc., affiliates of German Pellets GmbH, The Navigator Company, S.A., Zilkha Biomass LLC and The Westervelt Company. Competition in our industry is based on price, consistency

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and quality of product, site location, distribution and logistics capabilities, customer service and reliability of supply. Some of our competitors may have greater financial and other resources than we do, may develop technology superior to ours or may have production plants that are sited in more advantageous locations from a transport or other cost perspective.

In addition, we expect global demand for solid biomass to increase significantly in the coming years. This demand growth may lead to a significant increase in the production levels of our existing competitors and may incentivize new, well-capitalized competitors to enter the industry, both of which could reduce the demand and the prices we are able to obtain under future off-take contracts. Significant price decreases or reduced demand could have a material adverse effect on our results of operations, business and financial position, and our ability to pay distributions to our unitholders.

For our products to be acceptable to our customers, they must comply with stringent sustainability requirements, of which some elements are still under development.

Biomass energy generation requires the use of biomass that is from acceptable sources and is demonstrably sustainable. Within Europe (and the United Kingdom, in particular), this is implemented through biomass sustainability criteria, which will become a mandatory element of eligibility for financial subsidies to biomass energy generators in the future. As a biomass fuel supplier, the viability of our business is therefore dependent upon our ability to comply with such requirements. This may restrict the types of biomass we can use and the geographic regions from which we source our raw materials, and may require us to reduce the greenhouse gas emissions associated with our supply and production processes. Currently, some elements of the criteria with which we will have to comply, including rules relating to forest management practices, are not yet finalized. If more stringent sustainability requirements are adopted in the future, demand for our products could be materially reduced in certain markets, and our results of operations, business and financial position, and our ability to make cash distributions to our unitholders may be materially adversely affected as a result.

Our level of indebtedness may increase and reduce our financial flexibility.

In April 2015, we entered into a Credit Agreement (the "Credit Agreement") providing for (i) a $174.5 million term loan facility and (ii) a $25.0 million revolving credit facility (collectively, the "Original Credit Facilities"). In December 2015, we entered into the First Incremental Term Loan Assumption Agreement (the "Assumption Agreement") providing for $36.5 million of incremental borrowing (the "Incremental Term Advances" and, together with the Original Credit Facilities, the "Senior Secured Credit Facilities") under the Credit Agreement. As of December 31, 2015, our total debt was $213.2 million, which was primarily comprised of $206.8 million outstanding under our Senior Secured Credit Facilities, $3.3 million related to a construction loan and working capital line due 2016 related to our Wiggins plant, a note in the amount of $2.0 million due 2017 related to the acquisition of our Amory plant and a promissory note of $0.7 million due 2017 related to the land purchase for the Southampton plant development and other loans and capital leases totaling $0.4 million. In the future, we may incur additional indebtedness in order to make acquisitions or to develop our properties. Our level of indebtedness could affect our operations in several ways, including the following:

- a significant portion of our cash flows could be used to service our indebtedness;
- the covenants contained in the agreements governing our outstanding indebtedness may limit our ability to borrow additional funds, dispose of assets, pay distributions and make certain investments;
- our debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;

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- a high level of debt would increase our vulnerability to general adverse economic and industry conditions;
- a high level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing; and
- a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, general partnership or other purposes.

In addition, borrowings under the Senior Secured Credit Facilities and potentially other credit facilities we or our subsidiaries may enter into in the future will bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow.

In addition to our debt service obligations, our operations require substantial expenditures on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets and properties, as well as to provide capacity for the growth of our business, depends on our financial and operating performance. General economic conditions and financial, business and other factors affect our operations and our future performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our debt, and future working capital, borrowings or equity financing may not be available to pay or refinance such debt.

An increase in the price or a significant interruption in the supply of electricity could have a material adverse effect on our results of operations.

Our production plants use a substantial amount of electricity. The price and supply of electricity are unpredictable and can fluctuate significantly based on international, political and economic circumstances, as well as other events outside our control, such as changes in supply and demand due to weather conditions, regional production patterns and environmental concerns. In addition, potential climate change regulations or carbon or emissions taxes could result in higher production costs for electricity, which may be passed on to us in whole or in part. A significant increase in the price of electricity or an extended interruption in the supply of electricity to our production plants could have a material adverse effect on our results of operations, cash flows and ability to make cash distributions.

Changes in the price of diesel fuel may adversely affect our results of operations.

Diesel fuel costs generally fluctuate with world crude oil prices, and accordingly are subject to political, economic and market factors that are outside of our control. Our operations are dependent on rolling stock and trucks, and diesel fuel costs are a significant component of the operating expense of these vehicles. In addition, diesel fuel is consumed by our wood suppliers in the harvesting and transport of our raw material and is therefore a component of the delivered cost we pay for wood fiber. It is also consumed by the changes in handling equipment at our facilities. Some of our off-take contracts contain mechanisms that are intended to reduce the impact that changes in the price of diesel fuel would have on us, but these mechanisms may not be effective. Accordingly, changes in diesel fuel prices could have an adverse effect on our results of operations, cash flows and ability to make cash distributions.

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Our business may suffer if we lose, or are unable to attract and retain, key personnel.

We depend to a large extent on the services of our senior management team and other key personnel. Members of our senior management and other key employees collectively have extensive expertise in designing, building and operating wood pellet production plants, negotiating long-term off-take contracts and managing businesses such as ours. Competition for management and key personnel is intense, and the pool of qualified candidates is limited. The loss of any of these individuals or the failure to attract additional personnel, as needed, could have a material adverse effect on our operations and could lead to higher labor costs or the use of less-qualified personnel. In addition, if any of our executives or other key employees were to join a competitor or form a competing company, we could lose customers, suppliers, know-how and key personnel. Our success is dependent on our ability to continue to attract, employ and retain highly skilled personnel.

Failure to maintain effective quality control systems at our production plants and deep-water marine terminals could have a material adverse effect on our business and operations.

The performance and quality of our products are critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems which, in turn, depends on a number of factors. These include the design of our quality control systems, our quality training program and our ability to ensure that our employees adhere to our quality control policies and guidelines. Any significant failure or deterioration of our quality control systems could have a material adverse effect on our business, financial condition, results of operations and reputation.

Our operations are subject to operational hazards and downtimes or interruptions, which may have a material adverse effect on our business and results of operation. We may also not be adequately insured against such events.

We produce a combustible product. Fires and explosions have occurred in our industry. As a result, our business could be adversely affected by these and other operational hazards and could suffer catastrophic loss due to unanticipated events such as explosions, fires, natural disasters or severe weather conditions. Severe weather, such as floods, earthquakes, hurricanes or other catastrophes, or climatic phenomena, such as drought, may impact our operations by causing weather-related damage to our facilities and equipment and impact our customers' ability to take delivery of our products. Such severe weather may also adversely affect the ability of our suppliers to provide us with the raw materials we require or the ability of vessels to load, transport and unload our product. In addition, our facilities are subject to the risk of unexpected equipment failures. At our production plants, our manufacturing processes are dependent upon critical pieces of equipment, and such equipment may, on occasion, be out of service as a result of such failures. As a result, we may experience material plant shutdowns or periods of reduced production.

Any interference with or curtailment of our operations could result in a loss of productivity, an increase in our operating costs or a breach of our obligations to deliver contracted volumes to our customers. Any breach of our contractual obligations as a result of periods of downtime or reduced production may have a material adverse effect on our business, results of operations, cash flows and ability to make cash distributions.

In addition, we may not be fully insured against all risks incident to our business, including the risk of our operations being interrupted due to severe weather and natural disasters. Furthermore, we may be unable to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies could escalate. In some instances, insurance could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we are not fully insured, it could have a

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material adverse effect on our financial condition, results of operations and cash available for distribution to unitholders.

Our operations are subject to stringent environmental and occupational health and safety laws and regulations that may expose us to significant costs and liabilities.

Our operations are subject to stringent federal, regional, state and local environmental, health and safety laws and regulations. These laws and regulations govern environmental protection, occupational health and safety, the release or discharge of materials into the environment, air emissions, wastewater discharges, the investigation and remediation of contaminated sites and allocation of liability for cleanup of such sites. These laws and regulations may restrict or impact our business in many ways, including by requiring us to acquire permits or other approvals to conduct regulated activities; limiting our air emissions or wastewater discharges or requiring us to install costly equipment to control, reduce or treat such emissions or discharges; imposing requirements on the handling or disposal of wastes; impacting our ability to modify or expand our operations (for example, by limiting or prohibiting construction and operating activities in environmentally sensitive areas); and imposing health and safety requirements for worker protection. We may be required to make significant capital and operating expenditures to comply with these laws and regulations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of investigatory or remedial obligations, suspension or revocation of permits and the issuance of orders limiting or prohibiting some or all of our operations. Adoption of new or modified environmental laws and regulations may impair the operation of our business, delay or prevent expansion of existing facilities or construction of new facilities and otherwise result in increased costs and liabilities, which may be material.

Certain environmental laws, including the Comprehensive Environmental Response, Compensation, and Liability Act and analogous state laws, impose strict as well as joint and several liability without regard to comparative fault. Under these laws, we may be required to remediate contaminated properties currently or formerly operated by us, or facilities of third parties that received waste generated by our operations. Such remediation obligations may be imposed regardless of whether such contamination resulted in whole or in part from the conduct of others and whether such contamination resulted from actions (by us or third parties) that complied with all applicable laws in effect at the time of those actions. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations, including accidental spills or releases in the course of our operations or those of a third party. Although we are not presently aware of any material contamination on our properties or any material remediation liabilities, there is no assurance that we will not be exposed to significant remediation obligations or liabilities in the future.

Climate change legislation, regulatory initiatives and litigation could result in increased operating costs.

U.S. EPA has recently issued regulations that would limit GHGs from certain existing and new electric generating units, and the Supreme Court has upheld U.S. EPA's authority to regulate GHG emissions from certain stationary sources. In August 2015, U.S. EPA issued its final CPP rule establishing carbon pollution standards for power plants and setting a target carbon emissions reduction in the power sector of 32% below 2005 levels by 2030. U.S. EPA expected each state to develop implementation plans for power plants in its state to meet the individual state targets established in the CPP. U.S. EPA also proposed a federal compliance plan to implement the CPP in the event that an approvable state plan was not submitted to U.S. EPA. After the final rule was published in October 2015, over two dozen states and various industry groups filed several petitions that were later consolidated in the D.C. Circuit Court challenging the rule and seeking a stay of the CPP while litigation is ongoing. On February 9, 2016, the U.S. Supreme Court granted a stay of the

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implementation of the CPP before the D.C. Circuit Court even issued a decision. By its terms, this stay will remain in effect throughout the pendency of the appeals process including at the D.C. Circuit Court and the Supreme Court through any certiorari petition that may be granted. The stay suspends the rule, including the requirement that states submit their initial plans by September 2016. The Supreme Court's stay applies only to U.S. EPA's regulations for CO2 emissions from existing power plants and will not affect U.S. EPA's standards for new power plants. It is not yet clear how either the D.C. Circuit Court or the Supreme Court will rule on the legality of the CPP.

Although the legal challenges to the CPP are ongoing, U.S. EPA may still proceed with other activities to address climate change that could impact our operations. Previously, U.S. EPA adopted GHG regulations under its existing Clean Air Act authority, including regulations requiring monitoring and reporting of GHG emissions and consideration of potential emission controls for certain new or modified facilities. In a November 2014 memorandum, U.S. EPA exempted biogenic carbon dioxide from consideration under the existing permitting regime for GHGs from stationary sources (the PSD permitting program). However, recent progress in the SAB's review of U.S. EPA's proposed framework to assess biogenic carbon dioxide emissions increases the likelihood that U.S. EPA will finalize an approach to include biogenic carbon dioxide emissions in stationary source permitting.

Should U.S. EPA finalize an approach to biogenic carbon dioxide emissions under either the CPP or a framework for permitting GHG emissions from new sources, the use of biomass to reduce GHG emissions reductions in the U.S. regulatory context could require us to undertake substantial additional tracking and monitoring of sources within our supply chain, which could increase our operating costs.

In addition, U.S. EPA is still evaluating its approach to the treatment of biogenic carbon dioxide emissions from stationary sources. The adoption of a different approach in the United States could be treated as precedential by European regulators and impact the regulatory treatment of our product in our primary markets.

Also, almost half of U.S. states, either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of GHG emission inventories and/or regional GHG cap-and-trade programs. Although neither the U.S. Congress nor the states in which our facilities are located have adopted such legislation at this time, they may do so in the future.

Many nations have agreed to limit emissions of GHGs pursuant to the United Nations Framework Convention on Climate Change and more recently, in December 2015, 195 countries met in Paris, France to approve a landmark climate accord. The United States is one of the nations participating in the adoption of the new Paris Agreement to cut GHG emissions. If the Paris agreement enters into force, it could be the basis for individual countries to undertake efforts to reduce GHG emissions.

Although it is not possible at this time to accurately estimate how potential future laws or regulations addressing GHG emissions would impact our business, any such future laws or implementing regulations could require us to incur increased operating or maintenance costs, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Our business and operating results are subject to seasonal fluctuations.

Our business is affected to some extent by seasonal fluctuations. The cost of producing wood pellets tends to be higher in the winter months because the delivered cost of fiber typically increases with wet weather and our raw materials have, on average, higher moisture content during such period of the year, resulting in a lower product yield. In addition, lower ambient temperatures increase the cost of drying wood fiber. As a result of these seasonal fluctuations, comparisons of operating measures between consecutive quarters may not be as meaningful as comparisons between longer reporting periods.

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A terrorist attack or armed conflict could harm our business.

Terrorist activities and armed conflicts could adversely affect the U.S. and global economies and could prevent us from meeting financial and other obligations or prevent our customers from meeting their obligations to us. We could experience loss of business, delays or defaults in payments from customers or disruptions of fuel supplies and markets, including if domestic and global power generators are direct targets or indirect casualties of an act of terror or war. Terrorist activities and the threat of potential terrorist activities and any resulting economic downturn could adversely affect our results of operations, impair our ability to raise capital or otherwise adversely impact our ability to realize certain business strategies.

Risks Related to Our Partnership Structure

Enviva Holdings, LP owns and controls our General Partner, which has sole responsibility for conducting our business and managing our operations. Our General Partner and its affiliates, including Enviva Holdings, LP, have conflicts of interest with us and limited duties, and they may favor their own interests to our detriment and that of our unitholders.

Enviva Holdings, LP, owns and controls our General Partner and appoints all of the directors of our General Partner. Although our General Partner has a duty to manage us in a manner that it believes is not adverse to our interest, the executive officers and directors of our General Partner have a fiduciary duty to manage our General Partner in a manner beneficial to our sponsor. Therefore, conflicts of interest may arise between our sponsor or any of its affiliates, including our General Partner, on the one hand, and us or any of our unitholders, on the other hand. In resolving these conflicts of interest, our General Partner may favor its own interests and the interests of its affiliates over the interests of our common unitholders. These conflicts include the following situations, among others:

- our General Partner is allowed to take into account the interests of parties other than us, such as our sponsor, in exercising certain rights under our partnership agreement;
- neither our partnership agreement nor any other agreement requires our sponsor to pursue a business strategy that favors us;
- our partnership agreement eliminates and replaces the fiduciary duties that would otherwise be owed by our General Partner with contractual standards governing its duties, limits our General Partner's liabilities and restricts the remedies available to our unitholders for actions that, without such eliminations and limitations, might constitute breaches of fiduciary duty;
- except in limited circumstances, our General Partner has the power and authority to conduct our business without unitholder approval;
- our General Partner determines the amount and timing of asset purchases and sales, borrowings, issuances of additional partnership securities and the level of reserves, each of which can affect the amount of cash that is distributed to our unitholders;
- our General Partner determines the amount and timing of any cash expenditure and whether an expenditure is classified as a maintenance capital expenditure, which reduces operating surplus, or an expansion capital expenditure, which does not reduce operating surplus. This determination can affect the amount of cash from operating surplus that is distributed to our unitholders which, in turn, may affect the ability of the subordinated units to convert into common units;
- our General Partner may cause us to borrow funds in order to permit the payment of cash distributions;

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- our partnership agreement permits us to distribute up to $39.3 million as operating surplus, even if it is generated from asset sales, borrowings other than working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on our subordinated units or the incentive distribution rights;
- our General Partner determines which costs incurred by it and its affiliates are reimbursable by us;
- our partnership agreement does not restrict our General Partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with its affiliates on our behalf;
- our General Partner intends to limit its liability regarding our contractual and other obligations;
- our General Partner may exercise its right to call and purchase common units if it and its affiliates own more than 80% of the common units;
- our General Partner controls the enforcement of obligations that it and its affiliates owe to us;
- our General Partner decides whether to retain separate counsel, accountants or others to perform services for us; and
- our General Partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to our General Partner's incentive distribution rights without the approval of the conflicts committee of the board of directors of our General Partner or the unitholders. This election may result in lower distributions to the common unitholders in certain situations.

In addition, we may compete directly with our sponsor and entities in which it has an interest for acquisition opportunities and potentially will compete with these entities for new business or extensions of the existing services provided by us.

The board of directors of our General Partner may modify or revoke our cash distribution policy at any time at its discretion. Our partnership agreement does not require us to pay any distributions at all.

Pursuant to our cash distribution policy, we intend to distribute quarterly at least $0.4125 per unit on all of our units to the extent we have sufficient cash after the establishment of cash reserves and the payment of our expenses, including payments to our General Partner and its affiliates. However, the board may change such policy at any time at its discretion and could elect not to pay distributions for one or more quarters. Please read Part II, Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Cash Distribution Policy."

In addition, our partnership agreement does not require us to pay any distributions at all. Accordingly, investors are cautioned not to place undue reliance on the permanence of such a policy in making an investment decision. Any modification or revocation of our cash distribution policy could substantially reduce or eliminate the amounts of distributions to our unitholders. The amount of distributions we make, if any, and the decision to make any distribution at all will be determined by the board of directors of our General Partner, whose interests may differ from those of our common unitholders. Our General Partner has limited duties to our unitholders, which may permit it to favor its own interests or the interests of our sponsor to the detriment of our common unitholders.

Our General Partner limits its liability regarding our obligations.

Our General Partner limits its liability under contractual arrangements between us and third parties so that the counterparties to such arrangements have recourse only against our assets, and not against our General Partner or its assets. Our General Partner may therefore cause us to incur

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indebtedness or other obligations that are nonrecourse to our General Partner. Our partnership agreement provides that any action taken by our General Partner to limit its liability is not a breach of our General Partner's duties, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our General Partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders.

We intend to distribute a significant portion of our cash available for distribution to our partners, which could limit our ability to grow and make acquisitions.

We intend to distribute most of our cash available for distribution, which may cause our growth to proceed at a slower pace than that of businesses that reinvest their cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement on our ability to issue additional units, including units ranking senior to the common units. The incurrence of additional commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may impact the cash that we have available to distribute to our unitholders.

Our partnership agreement eliminates and replaces our General Partner's fiduciary duties to holders of our units.

Our partnership agreement contains provisions that eliminate and replace the fiduciary standards to which our General Partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement permits our General Partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner, or otherwise free of fiduciary duties to us and our unitholders. This entitles our General Partner to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. Examples of decisions that our General Partner may make in its individual capacity include:

- how to allocate business opportunities among us and its affiliates;
- whether to exercise its call right;
- whether to seek approval of the resolutions of a conflict of interest by the conflicts committee of the board of directors of our General Partner;
- how to exercise its voting rights with respect to the units it owns;
- whether to exercise its registration rights;
- whether to elect to reset target distribution levels; and
- whether or not to consent to any merger or consolidation of the partnership or amendment to the partnership agreement.

Limited partners who own common units are treated as having consented to the provisions in the partnership agreement, including the provisions discussed above.

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Our partnership agreement restricts the remedies available to holders of our units for actions taken by our General Partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that restrict the remedies available to unitholders for actions taken by our General Partner that might otherwise constitute breaches of fiduciary duty under state fiduciary duty law. For example, our partnership agreement provides that:

- whenever our General Partner makes a determination or takes, or declines to take, any other action in its capacity as our general partner, our General Partner is generally required to make such determination, or take or decline to take such other action, in good faith, and will not be subject to any higher standard imposed by our partnership agreement, Delaware law, or any other law, rule or regulation, or at equity;

- our General Partner and its officers and directors will not be liable for monetary damages or otherwise to us or our limited partners resulting from any act or omission unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that such losses or liabilities were the result of conduct in which our General Partner or its officers or directors engaged in bad faith, meaning that they believed that the decision was adverse to the interest of the partnership or, with respect to any criminal conduct, with knowledge that such conduct was unlawful; and

- our General Partner will not be in breach of its obligations under the partnership agreement or its duties to us or our limited partners if a transaction with an affiliate or the resolution of a conflict of interest is:

  (1) approved by the conflicts committee of the board of directors of our General Partner, although our General Partner is not obligated to seek such approval; or

  (2) approved by the vote of a majority of the outstanding common units, excluding any common units owned by our General Partner and its affiliates.

In connection with a situation involving a transaction with an affiliate or a conflict of interest, other than one where our General Partner is permitted to act in its sole discretion, any determination by our General Partner must be made in good faith. If an affiliate transaction or the resolution of a conflict of interest is not approved by our common unitholders or the conflicts committee then it will be presumed that, in making its decision, taking any action or failing to act, the board of directors acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption.

Our sponsor and other affiliates of our General Partner may compete with us.

Our partnership agreement provides that our General Partner is restricted from engaging in any business activities other than acting as our general partner, engaging in those activities incidental to its ownership interest in us and providing management, advisory and administrative services to its affiliates or to other persons. However, affiliates of our General Partner, including our sponsor, are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us. In addition, our sponsor may compete with us for investment opportunities and may own an interest in entities that compete with us.

Pursuant to the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our General Partner or any of its affiliates, including its executive officers and directors and our sponsor. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable

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to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our General Partner and result in less than favorable treatment of us and our unitholders.

The holder or holders of our incentive distribution rights may elect to cause us to issue common units to it in connection with a resetting of the incentive distribution without the approval of our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

The holder or holders of a majority of our incentive distribution rights (currently our General Partner) have the right, at any time when there are no subordinated units outstanding and we have made cash distributions in excess of the then-applicable third target distribution for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our cash distribution levels at the time of the exercise of the reset election. Following a reset election, a baseline distribution amount will be calculated equal to an amount equal to the prior cash distribution per common unit for the fiscal quarter immediately preceding the reset election (such amount is referred to as the "reset minimum quarterly distribution"), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

We anticipate that our General Partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distributions per unit without such conversion. However, our General Partner may transfer the incentive distribution rights at any time. It is possible that our General Partner or a transferee could exercise this reset election at a time when we are experiencing declines in our aggregate cash distributions or at a time when the holders of the incentive distribution rights expect that we will experience declines in our aggregate cash distributions in the foreseeable future. In such situations, the holders of the incentive distribution rights may be experiencing, or may expect to experience, declines in the cash distributions it receives related to the incentive distribution rights and may therefore desire to be issued our common units, which are entitled to specified priorities with respect to our distributions and which therefore may be more advantageous for them to own in lieu of the right to receive incentive distribution payments based on target distribution levels that are less certain to be achieved. As a result, a reset election may cause our common unitholders to experience dilution in the amount of cash distributions that they would have otherwise received had we not issued new common units to the holders of the incentive distribution rights in connection with resetting the target distribution levels.

Holders of our common units have limited voting rights and are not entitled to elect our General Partner or its directors, which could reduce the price at which our common units will trade.

Compared to the holders of common stock in a corporation, unitholders have limited voting rights and, therefore, limited ability to influence management's decisions regarding our business. Unitholders have no right on an annual or ongoing basis to elect our General Partner or its board of directors. The board of directors of our General Partner, including the independent directors, is chosen entirely by our sponsor, as a result of it owning our General Partner, and not by our unitholders. Unlike publicly traded corporations, we do not conduct annual meetings of our unitholders to elect directors or conduct other matters routinely conducted at annual meetings of stockholders of corporations. As a result of these limitations, the price at which the common units trade could be diminished because of the absence or reduction of a takeover premium in the trading price.

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Even if holders of our common units are dissatisfied, they cannot currently remove our General Partner without our sponsor's consent.

If our unitholders are dissatisfied with the performance of our General Partner, they have limited ability to remove our General Partner. Unitholders are currently unable to remove our General Partner without our sponsor's consent because our sponsor and its affiliates own sufficient units to be able to prevent its removal. The vote of the holders of at least $66^{2}/3$% of all outstanding common and subordinated units voting together as a single class is required to remove our General Partner. As of March 1, 2016, our sponsor owned an aggregate of 53.5% of our common and subordinated units. In addition, any vote to remove our General Partner during the subordination period must provide for the election of a successor General Partner by the holders of a majority of the common units and a majority of the subordinated units, voting as separate classes. Both of these conditions provide our sponsor the ability to prevent the removal of our General Partner.

Our general partner interest or the control of our General Partner may be transferred to a third party without unitholder consent.

Our General Partner may transfer its general partner interest to a third party without the consent of our unitholders. Furthermore, our partnership agreement does not restrict the ability of the owner of our General Partner to transfer its membership interests in our General Partner to a third party. The new owner of our General Partner would then be in a position to replace the board of directors and executive officers of our General Partner with its own designees and thereby exert significant control over the decisions taken by the board of directors and executive officers of our General Partner. This effectively permits a "change of control" without the vote or consent of the unitholders.

The incentive distribution rights may be transferred to a third party without unitholder consent.

Our General Partner may transfer the incentive distribution rights to a third party at any time without the consent of our unitholders. If our General Partner transfers the incentive distribution rights to a third party, our General Partner would not have the same incentive to grow our partnership and increase quarterly distributions to unitholders over time. For example, a transfer of incentive distribution rights by our General Partner could reduce the likelihood of our sponsor accepting offers made by us relating to assets owned by our sponsor, as it would have less of an economic incentive to grow our business, which in turn would impact our ability to grow our asset base.

Our General Partner has a call right that may require unitholders to sell their common units at an undesirable time or price.

If at any time our General Partner and its affiliates own more than 80% of the common units, our General Partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price equal to the greater of (1) the average of the daily closing price of the common units over the 20 trading days preceding the date three days before notice of exercise of the call right is first mailed and (2) the highest per-unit price paid by our General Partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return or a negative return on their investment. Unitholders may also incur a tax liability upon a sale of their units. Our General Partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the call right. There is no restriction in our partnership agreement that prevents our General Partner from causing us to issue additional common units and then exercising its call right. If our General Partner exercised its call right, the effect would be to take us private and, if the units were subsequently deregistered, we would no longer be subject to the reporting requirements of the Exchange Act.

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We may issue additional units without unitholder approval, which would dilute existing unitholder ownership interests.

Our partnership agreement does not limit the number of additional limited partner interests we may issue at any time without the approval of our unitholders. The issuance of additional common units or other equity interests of equal or senior rank will have the following effects:

- our existing unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- because a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the common units may decline.

There are no limitations in our partnership agreement on our ability to issue units ranking senior to the common units.

In accordance with Delaware law and the provisions of our partnership agreement, we may issue additional partnership interests that are senior to the common units in right of distribution, liquidation and voting. The issuance by us of units of senior rank may (i) reduce or eliminate the amount of cash available for distribution to our common unitholders; (ii) diminish the relative voting strength of the total common units outstanding as a class; or (iii) subordinate the claims of the common unitholders to our assets in the event of our liquidation.

The market price of our common units could be adversely affected by sales of substantial amounts of our common units in the public or private markets, including sales by our sponsor or other large holders.

All of the subordinated units will convert into common units on a one-for-one basis at the end of the subordination period. Additionally, our sponsor has registration rights with respect to the common units it holds. Sales by our sponsor or other large holders of a substantial number of our common units in the public markets, or the perception that such sales might occur, could have a material adverse effect on the price of our common units or could impair our ability to obtain capital through an offering of equity securities.

Our partnership agreement restricts the voting rights of unitholders owning 20% or more of our common units.

Our partnership agreement restricts unitholders' voting rights by providing that any units held by a person or group that owns 20% or more of any class of units then outstanding, other than our General Partner and its affiliates, their transferees and persons who acquired such units with the prior approval of the board of directors of our General Partner, cannot vote on any matter.

Cost reimbursements due to our General Partner and its affiliates for services provided to us or on our behalf will reduce cash available for distribution to our unitholders. The amount and timing of such reimbursements will be determined by our General Partner.

Under our management services agreement with Enviva Management (the "MSA"), we are obligated to reimburse Enviva Management for all direct or indirect costs and expenses incurred by, or chargeable to, Enviva Management in connection with its provision of services necessary for the

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operation of our business. If the MSA were terminated without replacement, or our General Partner or its affiliates provided services outside of the scope of the MSA, our partnership agreement would require us to reimburse our General Partner and its affiliates for all expenses they incur and payments they make on our behalf. Our partnership agreement does not set a limit on the amount of expenses for which our General Partner and its affiliates may be reimbursed. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our General Partner by its affiliates. Our partnership agreement provides that our General Partner determines the expenses that are allocable to us. The reimbursement of expenses and payment of fees, if any, to our General Partner and its affiliates will reduce the amount of cash available for distribution to our unitholders.

The price of our common units may fluctuate significantly and unitholders could lose all or part of their investment.

The market price of our common units may be influenced by many factors, some of which are beyond our control, including:

- our quarterly distributions;
- our quarterly or annual earnings or those of other companies in our industry;
- announcements by us or our competitors of significant contracts or acquisitions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- general economic conditions;
- the failure of securities analysts to cover our common units or changes in financial estimates by analysts;
- future sales of our common units; and
- the other factors described in these "Risk Factors."

Unitholders may have liability to repay distributions.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Liabilities to partners on account of their partnership interests and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

For as long as we are an emerging growth company, we will not be required to comply with certain disclosure requirements that apply to other public companies.

For as long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports. We will remain an emerging growth company for up to five years, although we will lose that status earlier if we have more

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than $1.0 billion of revenues in a fiscal year, have more than $700.0 million in market value of our common units held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

To the extent that we rely on any of the exemptions available to emerging growth companies, our unitholders will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. If some investors find our common units to be less attractive as a result, there may be a less active trading market for our common units and our trading price may be more volatile.

The New York Stock Exchange (the "NYSE") does not require a publicly traded partnership like us to comply with certain of its corporate governance requirements.

Our common units are listed on the NYSE. Because we are a publicly traded partnership, the NYSE does not require us to have a majority of independent directors on our General Partner's board of directors or to establish a compensation committee or a nominating and corporate governance committee. Accordingly, unitholders do not have the same protections afforded to certain corporations that are subject to all of the NYSE corporate governance requirements. Please read Part III, Item 10. "Directors, Executive Officers and Corporate Governance—Director Independence."

Tax Risks to Common Unitholders

Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as us not being subject to a material amount of entity-level taxation by individual states. If the Internal Revenue Service, or IRS, were to treat us as a corporation for federal income tax purposes, or we become subject to entity-level taxation for state tax purposes, our cash available for distribution to our unitholders would be substantially reduced.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes.

Despite the fact that we are organized as a limited partnership under Delaware law, we would be treated as a corporation for U.S. federal income tax purposes unless we satisfy a "qualifying income" requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement. We have requested and obtained a favorable private letter ruling from the IRS to the effect that, based on facts presented in the private letter ruling request, our income from processing timber feedstocks into pellets and transporting, storing, marketing and distributing such timber feedstocks and wood pellets constitute "qualifying income" within the meaning of Section 7704 of the Internal Revenue Code. However, no ruling has been or will be requested regarding our treatment as a partnership for U.S. federal income tax purposes. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for U.S. federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for federal income tax purposes, we would pay U.S. federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%. Distributions to our unitholders would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to the unitholders, likely causing a substantial reduction in the value of our common units.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to

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entity-level taxation for U.S. federal, state, local or foreign income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law or interpretation on us. At the state level, several states have been evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise or other forms of taxation. Specifically, we currently own assets and conduct business in Mississippi, North Carolina, Florida and Virginia, each of which imposes a margin or franchise tax. In the future, we may expand our operations. Imposition of a similar tax on us in other jurisdictions that we may expand to could substantially reduce our cash available for distribution to our unitholders.

The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes or differing interpretations, possibly applied on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial changes or differing interpretations at any time. For example, from time to time, members of Congress propose and consider substantive changes to the existing U.S. federal income tax laws that affect publicly traded partnerships. One such legislative proposal would have eliminated the qualifying income exception to the treatment of all publicly traded partnerships as corporations upon which we rely for our treatment as a partnership for U.S. federal income tax purposes. A recent legislative proposal for comprehensive tax reform included a provision that would restrict the activities that generate qualifying income to exclude timber activities.

In addition, the IRS, on May 5, 2015, issued proposed regulations concerning which activities give rise to qualifying income within the meaning of Section 7704 of the Internal Revenue Code. We do not believe the proposed regulations affect our ability to qualify as a publicly traded partnership. However, finalized regulations could modify the amount of our gross income that we are able to treat as qualifying income for the purposes of the qualifying income requirement and modify or revoke existing private letter rulings, including ours.

Any modification to the U.S. federal income tax laws may be applied retroactively and could make it more difficult or impossible for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for U.S. federal income tax purposes. We are unable to predict whether any of these changes or other proposals will ultimately be enacted. Any such changes could negatively impact the value of an investment in our common units.

If the IRS were to contest the federal income tax positions we take, it may adversely impact the market for our common units, and the costs of any such contest would reduce cash available for distribution to our unitholders. Recently enacted legislation alters the procedures for assessing and collecting taxes due for taxable years beginning after December 31, 2017, in a manner that could substantially reduce cash available for distribution to you.

We have requested and obtained a favorable private letter ruling from the IRS to the effect that, based on facts presented in the private letter ruling request, our income from processing timber feedstocks into pellets and transporting, storing, marketing and distributing such timber feedstocks and wood pellets will constitute "qualifying income" within the meaning of Section 7704 of the Internal Revenue Code. However, no ruling has been or will be requested regarding our treatment as a partnership for U.S. federal income tax purposes. The IRS may adopt positions that differ from the positions we take in the future. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. Moreover, the costs of any contest between us and the IRS will

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result in a reduction in cash available for distribution to our unitholders and thus will be borne indirectly by our unitholders.

Recently enacted legislation applicable to us for taxable years beginning after December 31, 2017 alters the procedures for auditing large partnerships and also alters the procedures for assessing and collecting taxes due (including applicable penalties and interest) as a result of an audit. Unless we are eligible to (and choose to) elect to issue revised Schedules K-1 to our partners with respect to an audited and adjusted return, the IRS may assess and collect taxes (including any applicable penalties and interest) directly from us in the year in which the audit is completed under the new rules. If we are required to pay taxes, penalties and interest as the result of audit adjustments, cash available for distribution to our unitholders may be substantially reduced. In addition, because payment would be due for the taxable year in which the audit is completed, unitholders during that taxable year would bear the expense of the adjustment even if they were not unitholders during the audited taxable year.

Even if unitholders do not receive any cash distributions from us, unitholders will be required to pay taxes on their share of our taxable income.

Unitholders are required to pay federal income taxes and, in some cases, state and local income taxes, on unitholders' share of our taxable income, whether or not they receive cash distributions from us. For example, if we sell assets and use the proceeds to repay existing debt or fund capital expenditures, you may be allocated taxable income and gain resulting from the sale, and our cash available for distribution would not increase. Similarly, taking advantage of opportunities to reduce our existing debt, such as debt exchanges, debt repurchases, or modifications of our existing debt could result in "cancellation of indebtedness income" being allocated to our unitholders as taxable income without any increase in our cash available for distribution. Unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax due from them with respect to that income.

A tax gain or loss on the disposition of our common units could be more or less than unitholders expect.

If unitholders sell their common units, they will recognize a gain or loss equal to the difference between the amount realized and their tax basis in those common units. Because distributions in excess of unitholders' allocable share of our net taxable income decrease their tax basis in their common units, the amount, if any, of such prior excess distributions with respect to the units unitholders sell will, in effect, become taxable income to our unitholders if they sell such units at a price greater than their tax basis in those units, even if the price they receive is less than their original cost. Furthermore, a substantial portion of the amount realized, whether or not representing gain, may be taxed as ordinary income due to potential recapture items, including depreciation recapture. In addition, because the amount realized includes a unitholder's share of our nonrecourse liabilities, if they sell their units, unitholders may incur a tax liability in excess of the amount of cash they receive from the sale.

Tax-exempt entities and non-U.S. persons face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Investment in common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs), and non-U.S. persons raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons are subject to withholding taxes at the highest effective tax rate applicable to such non-U.S. persons, and each non-U.S. persons will be required to file United States federal tax returns and pay tax on their share of our taxable income. Any tax-exempt entity or non-U.S. person should consult their tax advisor before investing in our common units.

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We treat each purchaser of our common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units, we have adopted depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to our unitholders. It also could affect the timing of these tax benefits or the amount of gain from our unitholders' sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to their tax returns.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The U.S. Department of the Treasury recently adopted final Treasury Regulations allowing a similar monthly simplifying convention for taxable years beginning on or after August 3, 2015. However, such regulations do not specifically authorize the use of the proration method we adopted for our 2015 taxable year and may not specifically authorize all aspects of our proration method thereafter. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

A unitholder whose units are the subject of a securities loan (e.g., a loan to a "short seller" to cover a short sale of units) may be considered as having disposed of those units. If so, he would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition.

Because there are no specific rules governing the U.S. federal income tax consequence of loaning a partnership interest, a unitholder whose units are the subject of a securities loan may be considered as having disposed of the loaned units. In that case, the unitholder may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a securities loan are urged to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

We have adopted certain valuation methodologies in determining a unitholder's allocations of income, gain, loss and deduction. The IRS may challenge these methodologies or the resulting allocations, which could adversely affect the value of the common units.

In determining the items of income, gain, loss and deduction allocable to our unitholders, we must routinely determine the fair market value of our assets. Although we may, from time to time, consult with professional appraisers regarding valuation matters, we make many fair market value estimates using a methodology based on the market value of our common units as a means to measure the fair market value of our assets. The IRS may challenge these valuation methods and the resulting allocations of income, gain, loss and deduction.

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A successful IRS challenge to these methods or allocations could adversely affect the timing or amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions.

The sale or exchange of 50% or more of our capital and profits interests during any twelve-month period will result in the termination of our partnership for federal income tax purposes.

We will be considered to have terminated our partnership for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a twelve-month period. As of March 1, 2016, our sponsor owned 53.5% of the total interests in our capital and profits. Therefore, a transfer by our sponsor of all or a portion of its interests in us could, in conjunction with the trading of common units held by the public, result in a termination of our partnership for federal income tax purposes. For purposes of determining whether the 50% threshold has been met, multiple sales of the same interest will be counted only once.

Our termination would, among other things, result in the closing of our taxable year for all unitholders, which would result in us filing two tax returns for one calendar year and could result in a significant deferral of depreciation deductions allowable in computing our taxable income. In the case of a unitholder reporting on a taxable year other than a calendar year, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in taxable income for the unitholder's taxable year that includes our termination. Our termination would not affect our classification as a partnership for federal income tax purposes, but it would result in our being treated as a new partnership for U.S. federal income tax purposes following the termination. If we were treated as a new partnership, we would be required to make new tax elections and could be subject to penalties if we were unable to determine that a termination occurred. The IRS has announced a relief procedure whereby if a publicly traded partnership that has technically terminated requests and the IRS grants special relief, among other things, the partnership may be permitted to provide only a single Schedule K-1 to unitholders for the two short tax periods included in the year in which the termination occurs.

Our unitholders will likely be subject to state and local taxes and income tax return filing requirements in jurisdictions where they do not live as a result of investing in our common units.

In addition to U.S. federal income taxes, our unitholders may be subject to other taxes, including foreign, state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we conduct business or own property now or in the future, even if they do not live in any of those jurisdictions. Our unitholders will likely be required to file foreign, state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, our unitholders may be subject to penalties for failure to comply with those requirements.

We currently own assets and conduct business in Mississippi, North Carolina, Florida and Virginia, each of which currently impose a personal income tax on individuals, corporations and other entities. As we make acquisitions or expand our business, we may own assets or conduct business in additional states that impose a personal income tax. It is our unitholders' responsibility to file all United States federal, foreign, state and local tax returns.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

Information regarding our properties is contained in Part I, Item 1. "Business" and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

ITEM 3. LEGAL PROCEEDINGS

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we do not believe that we are a party to any litigation that will have a material adverse impact on our financial condition or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common units, representing limited partner interests, are traded on the NYSE under the symbol "EVA." Initial trading of our common units commenced on April 29, 2015. Accordingly, no market for our common units existed prior to that date. On May 4, 2015, we closed the IPO at a price to the public of $20.00 per common unit.

The following table sets forth the range of high and low sales prices per unit for our common units, as reported by the NYSE, and the quarterly cash distributions for the indicated periods:

	Price Range		Cash		
Year ended December 31, 2015:	High	Low	Distributions	Record Date	Payment Date
Fourth Quarter	$ 18.17	$ 12.13	$ 0.4600	February 17, 2016	February 29, 2016
Third Quarter	$ 18.52	$ 11.85	$ 0.4400	November 17, 2015	November 27, 2015
Second Quarter (from May 4, 2015)	$ 22.46	$ 17.71	$ 0.2630(1)	August 14, 2015	August 31, 2015

(1) Represents the initial pro rata distribution of our minimum quarterly distribution for the period from May 4, 2015 through June 30, 2015.

As of March 1, 2016, there were 12,852,385 common units outstanding held by 3 unitholders of record. Because many of our common units are held by brokers and other institutions on behalf of unitholders, we are unable to estimate the total number of unitholders represented by these unitholders of record. As of March 1, 2016, we also had 11,905,138 subordinated units outstanding. There is no established public market in which the subordinated units are traded. As of March 1, 2016, our sponsor held approximately 10.5% of the common units and all of the subordinated units.

Cash Distribution Policy

General

Our partnership agreement provides that our General Partner will make a determination as to whether to make a distribution, but our partnership agreement does not require us to pay distributions at any time or in any amount. Instead, the board of directors of our General Partner adopted a cash distribution policy that sets forth our General Partner's intention with respect to the distributions to be made to unitholders. Pursuant to our cash distribution policy, within 60 days after the end of each quarter, we intend to distribute to the holders of common and subordinated units on a quarterly basis at least the minimum quarterly distribution of $0.4125 per unit, or $1.65 on an annualized basis, to the extent we have sufficient cash after establishment of cash reserves and payment of fees and expenses, including payments to our General Partner and its affiliates.

The board of directors of our General Partner may change the foregoing distribution policy at any time and from time to time, and even if our cash distribution policy is not modified or revoked, the amount of distributions paid under our policy and the decision to make any distribution is determined by our General Partner. Our partnership agreement does not contain a requirement for us to pay distributions to our unitholders, and there is no guarantee that we will pay any specific distribution level, or any distribution, on the units in any quarter. However, our partnership agreement does contain provisions intended to motivate our General Partner to make steady, increasing and sustainable distributions over time.

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Please read Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Senior Secured Credit Facilities" for a discussion of the provisions included in our credit facility that may restrict our ability to make distributions.

Subordination Period

Our partnership agreement provides that, during the subordination period, holders of our common units have the right to receive distributions from operating surplus (as defined in our partnership agreement) each quarter in an amount equal to $0.4125 per common unit, which amount is defined in our partnership agreement as the minimum quarterly distribution, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions from operating surplus may be made to holders of the subordinated units. These units are deemed "subordinated" because for a period of time, referred to as the subordination period, the subordinated units will not be entitled to receive any distributions from operating surplus until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. Furthermore, no arrearages will be paid on the subordinated units.

General Partner Interest and Incentive Distribution Rights

Our General Partner owns a non-economic general partner interest in us, which does not entitle it to receive cash distributions. However, our General Partner owns the incentive distribution rights and may in the future own common units or other equity interests in us and will be entitled to receive distributions on any such interests.

Incentive distribution rights represent the right to receive increasing percentages (15.0%, 25.0% and 50.0%) of quarterly distributions from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our General Partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest.

Unregistered Sales of Securities

On December 11, 2015, in connection with the Southampton Drop-Down, we issued 942,023 common units to a wholly owned subsidiary of our sponsor resulting in equity proceeds of $15.0 million in reliance upon the exemption from the registration requirements in Section 4(a)(2) of the Securities Act of 1933. For more information on the Southampton Drop-Down, please read Part II, Item 7. "Management's Discussion and Analysis of Financial condition and Results of Operations—Southampton Drop-Down."

Securities Authorized for Issuance under Equity Compensation Plans

Please read Part III, Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for information regarding our equity compensation plans.

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ITEM 6. SELECTED FINANCIAL DATA

The following table presents our selected historical financial data, for the periods and as of the dates indicated, for us and our Predecessor.

The financial statements for periods prior to April 9, 2015 have been retroactively recast to reflect the contribution of our sponsor's interest in our Predecessor and Enviva GP, LLC as if the contributions occurred at the beginning of the periods presented, the contribution of our sponsor's interest in Enviva Cottondale Acquisition II, LLC as if the contribution occurred on January 5, 2015, which is the date on which our sponsor acquired Green Circle Bio Energy, Inc., which owned the Cottondale plant, and the Southampton Drop-Down as if it occurred on April 9, 2015, the date Southampton was originally conveyed to the Hancock JV.

The selected statement of operations and statement of cash flow data for the years ended December 31, 2015, 2014, and 2013 and the balance sheet data as of December 31, 2015 and 2014 are derived from our audited consolidated financial statements included in Item 8 of this Annual Report.

For information on our distribution policy, please read Part II, Item. 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Cash Distribution Policy." The selected financial data presented below should also be read in conjunction with Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated financial statements and related notes included elsewhere in this Annual Report.

	Year Ended December 31,		
	2015	2014	2013
		(Predecessor)	
	(in thousands, except per metric ton and operating data and per unit data)		
Statement of Operations Data:			
Product sales	$ 450,980	$ 286,641	$ 176,051
Other revenue	6,394	3,495	3,836
Net revenue	457,374	290,136	179,887
Costs of goods sold, excluding depreciation and amortization	365,061	251,058	152,720
Depreciation and amortization(1)	30,692	18,971	11,827
Total cost of goods sold	395,753	270,029	164,547
Gross margin	61,621	20,107	15,340
General and administrative expenses	18,360	10,792	16,150
Loss on disposal of assets	2,081	340	223
Income (loss) from operations	41,180	8,975	(1,033)
Other income (expense):			
Interest expense	(10,551)	(8,724)	(5,460)
Related party interest expense	(1,154)	—	—
Early retirement of debt obligation	(4,699)	(73)	—
Other income	979	22	1,019
Total other expense, net	(15,425)	(8,775)	(4,441)
Income (loss) before income tax expense	25,755	200	(5,474)
Income tax expense	2,623	15	23
Net income (loss)	23,132	185	(5,497)
Less net loss attributable to noncontrolling partners' interests	42	79	58
Net income (loss) attributable to Enviva Partners, LP	$ 23,174	$ 264	$ (5,439)

Source: Enviva Partners, LP, 10-K, March 08, 2016
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	Year Ended December 31,		
	2015	2014	2013
		(Predecessor)	
	(in thousands, except per metric ton and operating data and per unit data)		
Less: Predecessor loss to May 4, 2015 (prior to IPO)	$ (2,132)		
Less: Pre-acquisition income from April 10, 2015 to December 10, 2015 from operations of Enviva Pellets Southampton Drop-Down allocated to General Partner	6,264		
Enviva Partners, LP partners' interest in net income from May 4, 2015 to December 31, 2015	$ 19,042		
Net income per limited partner common unit:			
Basic	$ 0.80		
Diluted	$ 0.79		
Net income per limited partner subordinated unit:			
Basic	$ 0.80		
Diluted	$ 0.79		
Statement of Cash Flow Data:			
Net cash provided by (used in):			
Operating activities	$ 66,218	$ 29,434	$ (7,557)
Investing activities	(11,749)	(14,664)	(115,799)
Financing activities	(52,886)	(17,736)	115,235
Other Financial Data:			
Adjusted EBITDA(2)	$ 77,272	$ 28,348	$ 12,101
Adjusted gross margin per metric ton(2)	$ 38.89	$ 25.91	$ 29.18
Maintenance capital expenditures(3)	4,359	515	—
Distributable cash flow(2)	62,814	21,130	7,650
Operating Data:			
Total metric tons sold	2,374	1,508	931
Balance Sheet Data (at period end):			
Cash and cash equivalents	$ 2,175	$ 592	$ 3,558
Total assets	574,547	384,489	400,003
Long-term debt and capital lease obligations (including current portion)	213,198	94,075	100,524
Total liabilities	248,395	109,961	128,592
Partners' capital	326,152	274,528	271,411

(1) Excludes depreciation of office furniture and equipment. Such amount is included in general and administrative expenses.

(2) For more information, please read "—Non-GAAP Financial Measures" and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—How We Evaluate Our Operations."

(3) Maintenance capital expenditures are cash expenditures made to maintain our long-term operating capacity or net income.

Non-GAAP Financial Measures

Adjusted gross margin per metric ton, adjusted EBITDA and distributable cash flow are not financial measures presented in accordance with generally accepted accounting principles ("GAAP"). We believe that the recasted presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measures. Each of these non-GAAP financial measures has important limitations as an

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analytical tool because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider adjusted gross margin per metric ton, adjusted EBITDA or distributable cash flow in isolation or as substitutes for analysis of our results as reported under GAAP.

Our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Adjusted Gross Margin per Metric Ton

We use adjusted gross margin per metric ton to measure our financial performance. We define adjusted gross margin as gross margin excluding depreciation and amortization included in cost of goods sold. We believe adjusted gross margin per metric ton is a meaningful measure because it compares our off-take pricing to our operating costs for a view of profitability and performance on a per metric ton basis. Adjusted gross margin per metric ton will primarily be affected by our ability to meet targeted production volumes and to control direct and indirect costs associated with procurement and delivery of wood fiber to our production plants and the production and distribution of wood pellets.

Adjusted EBITDA

We view adjusted EBITDA as an important indicator of performance. We define adjusted EBITDA as net income or loss excluding depreciation and amortization, interest expense, taxes, early retirement of debt obligation, non-cash unit compensation expense, asset impairments and disposals and certain items of income or loss that we characterize as unrepresentative of our operations. Adjusted EBITDA is a supplemental measure used by our management and other users of our financial statements, such as investors, commercial banks and research analysts, to assess the financial performance of our assets without regard to financing methods or capital structure.

Distributable Cash Flow

We define distributable cash flow as adjusted EBITDA less maintenance capital expenditures and interest expense net of amortization of debt issuance costs and original issue discount. Distributable cash flow is used as a supplemental measure by our management and other users of our financial statements as it provides important information relating to the relationship between our financial operating performance and our ability to make cash distributions.

The following tables present a reconciliation of each of adjusted gross margin per metric ton, adjusted EBITDA and distributable cash flow to the most directly comparable GAAP financial measure for each of the periods indicated.

	Year Ended December 31,		
	2015	2014	2013
		(Predecessor)	
	(in thousands, except gross margin per metric ton)		
Reconciliation of gross margin to adjusted gross margin per metric ton:			
Metric tons sold	2,374	1,508	931
Gross margin	$ 61,621	$ 20,107	$ 15,340
Depreciation and amortization(1)	30,692	18,971	11,827
Adjusted gross margin	$ 92,313	$ 39,078	$ 27,167
Adjusted gross margin per metric ton	$ 38.89	$ 25.91	$ 29.18

(1) Excludes depreciation of office furniture and equipment. Such amount is included in general and administrative expenses.

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	Year Ended December 31,		
	2015	2014	2013
		(Predecessor)	
		(in thousands)	
Reconciliation of adjusted EBITDA and distributable cash flow to net income (loss):			
Net income (loss)	$ 23,132	$ 185	$ (5,497)
Add:			
Depreciation and amortization	30,738	19,009	11,887
Interest expense	11,705	8,724	5,460
Early retirement of debt obligation	4,699	73	—
Purchase accounting adjustment to inventory	697	—	—
Non-cash unit compensation	704	2	5
Income tax expense	2,623	15	23
Asset impairments and disposals	2,081	340	223
Acquisition transaction expenses	893	—	—
Adjusted EBITDA	$ 77,272	$ 28,348	$ 12,101
Less:			
Interest expense net of amortization of debt issuance costs and original issue discount	10,099	6,703	4,451
Maintenance capital expenditures	4,359	515	—
Distributable cash flow	$ 62,814	$ 21,130	$ 7,650

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our historical performance, financial condition and future prospects should be read in conjunction with Part I, Item 1. "Business" and the consolidated financial statements in Part II, Item 8. "Financial Statements and Supplementary Data."

References in this Annual Report to the "Predecessor," "our Predecessor," "we," "our," "us" or like terms for periods prior to April 9, 2015 refer to Enviva, LP and its subsidiaries (other than Enviva Pellets Cottondale, LLC ("Cottondale")). References to the "Partnership," "we," "our," "us" or like terms for periods on and after April 9, 2015 refer to Enviva Partners, LP and its subsidiaries. References to "our sponsor" refer to Enviva Holdings, LP, and, where applicable, its wholly owned subsidiaries Enviva MLP Holdco, LLC and Enviva Development Holdings, LLC. References to "our General Partner" refer to Enviva Partners GP, LLC, a wholly owned subsidiary of Enviva Holdings, LP. References to "Enviva Management" refer to Enviva Management Company, LLC, a wholly owned subsidiary of Enviva Holdings, LP, and references to "our employees" refer to the employees of Enviva Management. References to the "Hancock JV" refer to Enviva Wilmington Holdings, LLC, a joint venture between our sponsor, Hancock Natural Resource Group, Inc. and certain other affiliates of John Hancock Life Insurance Company. References to the "Southampton Drop-Down" refer to our acquisition of all of the issued and outstanding limited liability company interests in Enviva Pellets Southampton, LLC from the Hancock JV on December 11, 2015, together with an off-take contract and a shipping contract. Please read Cautionary Statement Regarding Forward-Looking statement on page 3 and Part 1, Item 1A. "Risk Factors" for information regarding certain risks inherent in our business.

Basis of Presentation

The following discussion of our historical performance and financial condition is derived from our audited consolidated financial statements and the audited financial statements of our Predecessor and Enviva Pellets Cottondale, LLC ("Cottondale"). On April 9, 2015, we, the Predecessor and our sponsor executed a series of transactions that were accounted for as common control transactions (the "Reorganization"). On April 9, 2015, our sponsor contributed some but not all of our Predecessor's assets and liabilities to us. Specifically, our sponsor's interest in Enviva Pellets Southampton, LLC ("Southampton") was excluded from the April 9, 2015 contribution as it was conveyed to the Hancock JV (as defined below), a consolidated entity of the sponsor, on April 9, 2015. Our sponsor contributed its interest in Cottondale, which owns a 700,000 metric ton per year ("MTPY") wood pellet production plant in Cottondale, Florida (the "Cottondale plant"), to us on April 9, 2015. Additionally, on December 11, 2015, we acquired Southampton (the "Southampton Drop-Down" as defined below) from the Hancock JV under the terms of a Contribution Agreement by among us and the Hancock JV. Because entities that were contributed by or distributed to our sponsor or the Hancock JV are considered entities under common control, we have recorded them at historical cost.

The consolidated financial statements for periods prior to our initial public offering ("the IPO") are the results of our Predecessor and its subsidiaries and include all revenues, costs, assets and liabilities attributed to our Predecessor after the elimination of all intercompany accounts and transactions. The consolidated financial statements for the period after the IPO pertain to our operations. Our consolidated financial statements for periods prior to April 9, 2015 have been retroactively recast to reflect the contribution of our sponsor's interest in our Predecessor and Enviva GP, LLC as if the contributions occurred at the beginning of the periods presented, the contribution of Enviva Cottondale Acquisition II, LLC ("Acquisition II") as if the contribution occurred on January 5, 2015, which is the date on which our sponsor acquired Green Circle Bio Energy, Inc. ("Green Circle"), which owned the Cottondale plant, and the Southampton Drop-Down as if it occurred on April 9, 2015, the date Southampton was originally conveyed to the Hancock JV.

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Business Overview

We own and operate six production plants in the Southeastern U.S. that have a combined wood pellet production capacity of 2.3 million MTPY. We also own a dry-bulk, deep-water marine terminal at the Port of Chesapeake (the "Chesapeake terminal"). Under our existing off-take contracts, we are required through the end of 2016 to deliver wood pellet quantities approximately equal to all of the production capacity of our production plants. Excluding the EVA-MGT Contract and the Langerlo Contract, our off-take contracts provide for sales of 2.3 million metric tons ("MT") of wood pellets in 2016 and have a weighted average remaining term of 7.1 years from March 1, 2016. For more information on the EVA-MGT Contract and the Langerlo Contract, please read Part I, Item 1. "Business—Customers." We intend to expand our business by taking advantage of the growing demand for our product that is driven by the conversion of coal-fired power generation and combined heat and power plants to co-fired or dedicated biomass-fired plants, principally in Northern Europe and, increasingly, in South Korea and Japan.

Initial Public Offering

On April 29, 2015, our common units began trading on the NYSE under the ticker symbol "EVA." On May 4, 2015, we closed the IPO of 11,500,000 common units to the public at a price of $20.00 per common unit, which included a 1,500,000 common unit over-allotment option that was exercised in full by the underwriters.

Prior to or in connection with the closing of the IPO, the following transactions, among others, occurred:

- On April 9, 2015, our sponsor contributed its interests in each of Cottondale, Enviva, LP ("Enviva LP") and Enviva GP, LLC, the general partner of Enviva LP, to us;
- On April 9, 2015, our Predecessor conveyed its interest in Southampton to the Hancock JV and distributed cash and cash equivalents of $1.7 million and accounts receivable of $2.4 million to the sponsor;
- On May 4, 2015, we issued 405,138 common units and 11,905,138 subordinated units to our sponsor; and
- On May 4, 2015, we issued our incentive distribution rights to our General Partner.

We received net proceeds of approximately $215.1 million from the IPO, after deducting the underwriting discount and structuring fee.

Southampton Drop-Down

On December 11, 2015, we entered into and consummated the transactions contemplated by a Contribution Agreement (the "Southampton Contribution Agreement") with the Hancock JV, which is a joint venture between our sponsor, Hancock Natural Resource Group, Inc. and certain other affiliates of John Hancock Life Insurance Company. The Hancock JV is a consolidated entity of our sponsor. Pursuant to the Southampton Contribution Agreement, the Hancock JV contributed to us all of the issued and outstanding limited liability company interests in Southampton for total consideration of $131 million. Southampton owns a wood pellet production plant located in Southampton County, Virginia, capable of producing approximately 510,000 MTPY of wood pellets per year. The acquisition also included a ten-year 500,000 MTPY take-or-pay off-take contract and a matching ten-year shipping contract. With this transaction, our production capacity increased 29% to 2.3 million MTPY.

The purchase price for the Southampton Drop-Down was financed with (a) $36.5 million of Incremental Term Advances under the Credit Agreement (as defined below), (b) the issuance to a wholly owned subsidiary of our sponsor of 942,023 common units at a value of $15.92 per unit, or $15.0 million of equity proceeds, and (c) $79.5 million in cash. We accounted for the Southampton

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Drop-Down as a combination of entities under common control at historical cost in a manner similar to a pooling of interests. Accordingly, the consolidated financial statements for periods prior to the acquisition were retrospectively recast to reflect the acquisition as if it had occurred on April 9, 2015, the date Southampton was originally conveyed to the Hancock JV. The effect of this recast is to present the financial results and results of operations of Southampton as if the conveyance of Southampton to the Hancock JV had never occurred.

In connection with the closing of the Southampton Drop-Down, the Hancock JV and we entered into a termination agreement to terminate the Biomass Fuel Supply Confirmation No. 1 under the Master Biomass Purchase and Sale Agreement dated as of April 9, 2015 by and between us and the Hancock JV (the "Biomass Purchase Agreement"). Pursuant to the Biomass Purchase Agreement, the Hancock JV sold to us, on a fixed-price basis, approximately 42,000 MT of wood pellets per month through November 2015. For more information, please read Part III, Item 13. "Certain Relationships and Related Transactions, and Director Independence—Agreements with Affiliates—Biomass Purchase and Terminal Services Agreements." In addition, we entered into a termination agreement with the Hancock JV to terminate the Terminal Services Agreement dated April 9, 2015 by and between us and the Hancock JV (the "Terminal Services Agreement"). Pursuant to the Terminal Services Agreement, we would have provided terminal services at our Chesapeake terminal for production from the Southampton plant that was not sold to us under the Biomass Purchase Agreement. As a result of the Partnership purchasing all wood pellets produced by the Hancock JV, no terminal services were provided.

How We Evaluate Our Operations

Adjusted Gross Margin per Metric Ton

We use adjusted gross margin per metric ton to measure our financial performance. We define adjusted gross margin as gross margin excluding depreciation and amortization included in cost of goods sold. We believe adjusted gross margin per metric ton is a meaningful measure because it compares our off-take pricing to our operating costs for a view of profitability and performance on a per metric ton basis. Adjusted gross margin per metric ton will primarily be affected by our ability to meet targeted production volumes and to control direct and indirect costs associated with procurement and delivery of wood fiber to our production plants and the production and distribution of wood pellets.

Adjusted EBITDA

We view adjusted EBITDA as an important indicator of performance. We define adjusted EBITDA as net income or loss excluding depreciation and amortization, interest expense, taxes, early retirement of debt obligation, non-cash unit compensation expense, asset impairments and disposals and certain items of income or loss that we characterize as unrepresentative of our operations. Adjusted EBITDA is a supplemental measure used by our management and other users of our financial statements, such as investors, commercial banks and research analysts, to assess the financial performance of our assets without regard to financing methods or capital structure.

Distributable Cash Flow

We define distributable cash flow as adjusted EBITDA less maintenance capital expenditures and interest expense net of amortization of debt issuance costs and original issue discount. Distributable cash flow is used as a supplemental measure by our management and other users of our financial statements as it provides important information relating to the relationship between our financial operating performance and our ability to make cash distributions.

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Non-GAAP Financial Measures

Adjusted gross margin per metric ton, adjusted EBITDA and distributable cash flow are not financial measures presented in accordance with generally accepted accounting principles ("GAAP"). We believe that the recasted presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations. Our non-GAAP financial measures should not be considered as alternatives to the most directly comparable GAAP financial measures. Each of these non-GAAP financial measures has important limitations as an analytical tool because they exclude some, but not all, items that affect the most directly comparable GAAP financial measures. You should not consider adjusted gross margin per metric ton, adjusted EBITDA or distributable cash flow in isolation or as substitutes for analysis of our results as reported under GAAP.

Our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. Please read Part II, Item 6. "Selected Financial Data—Non-GAAP Financial Measures" for a reconciliation of each of adjusted gross margin per metric ton, adjusted EBITDA and distributable cash flow to the most directly comparable GAAP financial measure.

Factors Impacting Comparability of Our Financial Results

Our future results of operations and cash flows may not be comparable to our historical consolidated results of operations and cash flows, principally for the following reasons:

Our sponsor contributed its interest in Cottondale to us on April 9, 2015. On January 5, 2015, our sponsor acquired Green Circle, which owned the Cottondale plant. Our sponsor converted the entity into a Delaware limited liability company, changed the name of the entity to Cottondale and, on April 9, 2015, contributed its interests in Cottondale to us. Our consolidated financial statements have been retroactively recast to reflect the contribution of our sponsor's interest in Cottondale as if the contributions occurred on the January 5, 2015 acquisition date. The years ended December 31, 2014 and 2013 do not include revenues or operating costs for the Cottondale plant.

We entered into the Senior Secured Credit Facilities and repaid all amounts outstanding under the Prior Senior Secured Credit Facilities and subsequently incurred additional debt. On April 9, 2015, we entered into the Credit Agreement providing for an aggregate $199.5 million Senior Secured Credit Facilities (as defined below) (comprised of $99.5 million of Tranche A-1 advances, $75.0 million of Tranche A-2 advances and $25.0 million of revolving credit commitments) of which $82.2 million was used to repay all amounts outstanding under the Prior Senior Secured Credit Facilities (as defined below). To finance a portion of the purchase price for Southampton, we entered into the Assumption Agreement (as defined below) on December 11, 2015, providing for $36.5 million of Incremental Term Advances under the Credit Agreement. As a result of these transactions, our consolidated financial statements for periods following April 9, 2015 reflect the outstanding debt and interest expense related to the Credit Agreement.

Revenue and costs for deliveries to customers can vary significantly between periods depending upon the specific shipment and reimbursement for expenses, including the then-current cost of fuel. Depending on the specific off-take contract, shipping terms are either Cost, Insurance and Freight ("CIF") or Free on Board ("FOB"). Under a CIF contract, we procure and pay for shipping costs, which include insurance and all other charges, up to the port of destination for the customer. These costs are included in the price to the customer and, as such, are included in revenue and cost of goods sold. Under an FOB contract, the customer is directly responsible for shipping costs. Our customer shipping terms, as well as the timing and size of shipments during the year, can result in material fluctuations in our revenue recognition between periods, but these terms generally have little impact on gross margin.

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We incur additional general and administrative expenses as a publicly traded limited partnership that we have not previously incurred. We estimate we will incur, on an annual basis, approximately $3.0 million in general and administrative expenses as a publicly traded limited partnership, including costs associated with compliance under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), preparation and distribution of annual and quarterly reports, tax returns and Schedule K-1s to our unitholders, investor relations, registrar and transfer agent fees, audit fees, incremental director and officer liability insurance costs and director and officer compensation. Actual costs could differ significantly from our estimate.

How We Generate Revenue

Overview

We primarily earn revenue by supplying wood pellets to our customers under long-term contracts (also referred to as "off-take" contracts). We refer to the structure of our contracts as "take-or-pay" because they include a firm obligation to take a fixed quantity of product at a stated price and provisions that ensure we will be compensated in the case of a customer's failure to accept all or a part of the contracted volumes or for termination by a customer. Each contract defines the annual volume of wood pellets that a customer is required to purchase and we are required to sell, the fixed price per metric ton for product satisfying a base net calorific value and other technical specifications. These prices are fixed for the entire term, subject to annual inflation-based adjustments and price escalators, as well as, in some instances, price adjustments for product specifications and changes in underlying costs. As a result, our revenue over the duration of these contracts may not follow spot market pricing trends. Our revenues from the sale of wood pellets are recognized when the goods are shipped, title passes, the sales price to the customer is fixed and collectability is reasonably assured.

Depending on the specific off-take contract, shipping terms are either CIF or FOB. Under a CIF contract, we procure and pay for shipping costs, which include insurance and all other charges, up to the port of destination for the customer. These costs are included in the price to the customer and, as such, are included in revenue and cost of goods sold. Under an FOB contract, the customer is directly responsible for shipping costs. Our customer shipping terms, as well as the timing and size of shipments during the year, can result in material fluctuations in our revenue recognition between periods but generally have little impact on gross margin.

The majority of the wood pellets we supply to our customers are produced at our production plants. We also fulfill our contractual commitments and take advantage of dislocations in market supply and demand by purchasing shipments from third parties and reselling them in back-to-back transactions. In transactions where title and risk of loss are immediately transferred to the ultimate purchaser, revenue is recorded net of costs paid to the third-party supplier. This revenue is included in "Other revenue."

In some instances, a customer may request to cancel, defer or accelerate a shipment. Contractually, we will seek to optimize our position by selling or purchasing the subject shipment to or from another party, either within our contracted off-take portfolio or as an independent transaction on the spot market. In most instances, the original customer pays us a fee including reimbursement of any incremental costs, which is included in revenue.

Contracted Backlog

As of March 1, 2016, we had approximately $2.3 billion of product sales backlog for firm contracted product sales to Drax Power Limited, ENGIE and other major power generators. Backlog represents the revenue to be recognized under existing contracts assuming deliveries occur as specified in the contract.

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Excluding the EVA-MGT Contract and the Langerlo Contract, our expected future product sales revenue under our contracted backlog as of March 1, 2016 is as follows (in millions):

Period March 1, 2016 to December 31, 2016	$ 360
Year ending December 31, 2017	355
Year ending December 31, 2018 and thereafter	1,585
Total product sales contracted backlog	$ 2,300

Costs of Conducting Our Business

Cost of Goods Sold

Cost of goods sold includes the costs to produce and deliver our wood pellets to customers. The principal expenses to produce and deliver our wood pellets consist of raw material, production and distribution costs.

We have strategically located our plants in the Southeastern U.S., a region with plentiful wood fiber resources. We manage the supply of raw materials into our plants through a mixture of short-term and long-term contracts. Delivered wood fiber costs include stumpage (i.e., the price paid to the underlying timber resource owner for the raw material) as well as harvesting, transportation and, in some cases, size reduction services provided by our suppliers. The majority of our product volumes are sold under contracts that include cost pass-through mechanisms to mitigate increases in raw material and distribution costs.

Production costs at our production plants consist of labor, energy, tooling, repairs and maintenance and plant overhead costs. Some of our off-take contracts include price escalators that mitigate inflationary pressure on certain components of our production costs. In addition to the wood pellets that we produce at our owned and operated production plants, we selectively purchase additional quantities of wood pellets from third-party wood pellet producers. Production costs also include depreciation expense associated with the use of our plants and equipment.

Distribution costs include all transport costs from our plants to our port locations, any storage or handling costs while the product remains at port and shipping costs related to the delivery of our product from our port locations to our customers. Both the strategic location of our plants and our ownership or control of our ports has allowed for the efficient and cost-effective transport of our wood pellets. We mitigate shipping risk by entering into long-term, fixed-price shipping contracts with reputable shippers matching the terms and volumes of our contracts for which we are responsible for arranging shipping. Certain of our off-take contracts include pricing adjustments for volatility in fuel prices, which create a pass-through for the majority of fuel price risk associated with shipping to our customers.

Additionally, we amortize the purchase price of acquired customer contracts that were recorded as intangibles as deliveries are made during the applicable contract term.

Raw material, production and distribution costs associated with delivering our wood pellets to our ports and third-party pellet purchase costs are capitalized as a component of inventory. Fixed production overhead, including the related depreciation expense, is allocated to inventory based on the normal capacity of the facilities. These costs are reflected in cost of goods sold when inventory is sold. Distribution costs associated with shipping our wood pellets to our customers and amortization are expensed as incurred.

General and Administrative Expenses

We incurred general and administrative costs related to a Management Services Agreement (the "Prior MSA") with our sponsor that covered the corporate salary and overhead expenses associated

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with our business. Under the Prior MSA, we paid an annual fee and reimbursed our sponsor for direct and indirect expenses it incurred on our behalf. Effective April 9, 2015, all of our employees and management became employed by Enviva Management, and we and our General Partner entered into a new Management Services Agreement (the "MSA") with Enviva Management. The Prior MSA automatically terminated upon the execution of the MSA. Under the MSA, direct and indirect costs and expenses are either directly identifiable or allocated to us. Enviva Management estimates the percentage of employee salary and related benefits, third-party costs, office rent and expenses and any other overhead costs to be provided to us. We are charged for any directly identifiable costs such as goods or services provided to us at our request. We believe the assumptions and allocations were made on a reasonable basis and were the best estimate of the costs that we would have incurred on a stand-alone basis.

Results of Operations

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

	Year Ended December 31,		
	2015	2014 (Predecessor)	Change
		(in thousands)	
Product sales	$ 450,980	$ 286,641	$ 164,339
Other revenue	6,394	3,495	2,899
Net revenue	457,374	290,136	167,238
Cost of goods sold, excluding depreciation and amortization	365,061	251,058	114,003
Depreciation and amortization(1)	30,692	18,971	11,721
Total cost of goods sold	395,753	270,029	125,724
Gross margin	61,621	20,107	41,514
General and administrative expenses	18,360	10,792	7,568
Loss on disposal of assets	2,081	340	1,741
Income from operations	41,180	8,975	32,205
Interest expense	(10,551)	(8,724)	(1,827)
Related party interest expense	(1,154)	—	(1,154)
Early retirement of debt obligation	(4,699)	(73)	(4,626)
Other income	979	22	957
Net income before income tax expense	25,755	200	25,555
Income tax expense	2,623	15	2,608
Net income	23,132	185	22,947
Less net loss attributable to noncontrolling partners' interests	42	79	(37)
Net income attributable to Enviva Partners, LP	$ 23,174	$ 264	$ 22,910

(1) Excludes depreciation of office furniture and equipment of $46 and $37 the years ended December 31, 2015 and 2014, respectively. Such amount is included in general and administrative expenses.

Net revenue

Net revenue was $457.4 million and $290.1 million for the years ended December 31, 2015 and 2014, respectively, and was comprised of product sales and other revenue, which are discussed below.

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Product sales

Revenue related to product sales (either produced by us or procured from a third party) increased $164.3 million from $286.6 million for the year ended December 31, 2014 to $451.0 million for the year ended December 31, 2015. The increase was primarily a result of increased sales volume. During the year ended December 31, 2015, we sold approximately 866,000 MT more wood pellets than the year ended December 31, 2014. The volume increase is primarily due to approximately 514,000 MT of sales under contracts acquired with the Cottondale plant. In addition, the prior year period was negatively affected by a maintenance outage at one of our customer's plants that resulted in our agreeing to a financial settlement and, in some cases, cancelling specific contracted quantities. The remaining increase is attributable to a 45,000 MT shipment under a new customer contract for one shipment of wood pellets per year for the next three years. Pricing had a modest favorable impact on revenues.

Other revenue

Other revenue increased to $6.4 million for the year ended December 31, 2015 from $3.5 million for the year ended December 31, 2014 primarily due to purchase and sale transactions with our existing customer base. In these agency-related transactions, we do not bear the risk of loss or take title to the wood pellets purchased from a third party and accordingly the transaction is presented on a net basis. Other revenue is also comprised of terminal services and other professional fees.

Costs of goods sold

Cost of goods sold increased to $395.8 million for the year ended December 31, 2015 from $270.0 million for the year ended December 31, 2014. The $125.7 million increase was primarily due to increased wood pellet sales volumes during the year ended December 31, 2015 compared to the year ended December 31, 2014. Cost of goods sold included depreciation and amortization expenses of $30.7 million and $19.0 million for the years ended December 31, 2015 and 2014, respectively.

Gross margin

We earned gross margin of $61.6 million and $20.1 million for the years ended December 31, 2015 and 2014, respectively. The gross margin increase of $41.5 million was primarily attributable to the following:

- Our wood pellet sales volumes increased approximately 866,000 MT during the year ended December 31, 2015 as compared to the year ended December 31, 2014, a 57% increase. The incremental volumes sold accounted for $20.4 million of the gross margin increase.

- The favorable cost position of our delivered pellets during the year ended December 31, 2015 as compared to the year ended December 31, 2014 contributed $19.1 million to gross margin. The improved cost position was primarily attributable to increased plant utilization and lower raw material costs. Lower fuel costs also reduced our to-port logistics costs for all plants during the year ended December 31, 2015.

- Lower export shipping costs contributed $7.2 million to gross margin during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The favorable cost position is attributable to the mix of shipping contracts.

- Favorable pricing on customer contracts during the year ended December 31, 2015 as compared to the year ended December 31, 2014 added $4.6 million of gross margin. The pricing benefit is attributable to the mix of contracts during the year end period as well as fees earned from a customer who requested modification in delivery schedules for contracted and scheduled shipments.

- Purchase and sale transactions contributed to an increase of $1.3 million in other revenue during the year ended December 31, 2015 as compared to the year ended December 31, 2014.

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- Offsetting the above was an $11.7 million increase in depreciation and amortization expense during the year ended December 31, 2015 as compared to the corresponding prior year period. The increase is attributable to depreciation on the Cottondale plant assets and amortization of favorable customer contracts acquired as part of the Cottondale acquisition.

Adjusted gross margin per metric ton

	Year Ended December 31,		
	2015	2014 (Predecessor)	Change
	(in thousands except per metric ton)		
Metric tons sold	2,374	1,508	866
Gross margin	$ 61,621	$ 20,107	$ 41,514
Depreciation and amortization(1)	30,692	18,971	11,721
Adjusted gross margin	$ 92,313	$ 39,078	$ 53,235
Adjusted gross margin per metric ton	$ 38.89	$ 25.91	$ 12.98

(1) Excludes depreciation of office furniture and equipment. Such amount is included in general and administrative expenses.

We earned an adjusted gross margin of $92.3 million, or $38.89 per metric ton, for the year ended December 31, 2015 and an adjusted gross margin of $39.1 million, or $25.91 per metric ton, for the year ended December 31, 2014. The factors impacting adjusted gross margin are detailed above under the heading "Gross margin."

General and administrative expenses

General and administrative expenses were $18.4 million for the year ended December 31, 2015 and $10.8 million for the year ended December 31, 2014. For the year ended December 31, 2015, general and administrative expenses included allocated and direct expenses of $12.8 million that were incurred under the MSA. During the year ended December 31, 2015, we incurred $0.7 million of compensation expense associated with unit-based awards, $0.4 million of accounting, legal and other expenses related to our Reorganization activities and $0.9 million of expenses related to the Southampton Drop-Down. We also incurred incremental general and administrative expenses due to our transition from a private company to a publicly traded limited partnership. General and administrative costs for the year ended December 31, 2014 included $9.3 million of charges under the Prior MSA.

Loss on disposal of assets

During the year ended December 31, 2015, we incurred $2.1 million of expense associated with the disposal of assets. In 2015, we executed a capital project intended to increase the efficiency and throughput of the drying system at one of our plants and incurred a loss on disposal of assets of $1.2 million related to this project.

Interest expense

We incurred $10.6 million of interest expense during the year ended December 31, 2015 and $8.7 million during the year ended December 31, 2014. The increase in interest expense was primarily attributable to an increase in our outstanding long-term debt. Please read "—Senior Secured Credit Facilities" below.

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Related party interest expense

We incurred $1.2 million of related party interest expense during the year ended December 31, 2015. In connection with the January 5, 2015 acquisition of Green Circle, the sponsor made a term advance of $36.7 million to Green Circle under a revolving note and advanced Acquisition II $50.0 million under a note payable. Green Circle repaid $4.8 million of the outstanding principal in March 2015. As a result of the sponsor's contribution of Acquisition II, which owned Cottondale, to us on April 9, 2015, we recorded $81.9 million of outstanding principal and $0.9 million of accrued interest related to these notes. In connection with the closing of the IPO on May 4, 2015, the related party notes payable outstanding principal of $81.9 million and accrued interest of $1.1 million were repaid by us to the sponsor.

Early retirement of debt obligation

We incurred a $4.7 million charge during the year ended December 31, 2015 for the write-off of debt issuance costs and original issue discount associated with the Prior Senior Secured Credit Facilities. The amounts were amortized over the term of the debt and were expensed on April 9, 2015 when we repaid all amounts outstanding under the Prior Senior Secured Credit Facilities.

Income tax expense

During the year ended December 31, 2015, we incurred income tax expense of $2.7 million related to the separate activity of the Cottondale plant from the date of acquisition on January 5, 2015 through April 8, 2015. During this period, Green Circle was a corporate subsidiary of the predecessor entity of Acquisition II. Green Circle, which is now Cottondale, and Acquisition II were each treated as a corporation for federal income purposes until April 7, 2015 and April 8, 2105, respectively. Prior to the contribution of Acquisition II to us on April 9, 2015, the financial results of the predecessor entity of each of Acquisition II and Green Circle were included in the consolidated federal income tax return of the tax paying entity, Acquisition I.

Adjusted EBITDA

	Year Ended December 31,		
	2015	2014 (Predecessor)	Change
	(in thousands)		
Reconciliation of adjusted EBITDA to net income:			
Net income	$ 23,132	$ 185	$ 22,947
Add:			
Depreciation and amortization	30,738	19,009	11,729
Interest expense	11,705	8,724	2,981
Early retirement of debt obligation	4,699	73	4,626
Purchase accounting adjustment to inventory	697	—	697
Non-cash unit compensation expense	704	2	702
Income tax expense	2,623	15	2,608
Asset impairments and disposals	2,081	340	1,741
Acquisition transaction expenses	893	—	893
Adjusted EBITDA	$ 77,272	$ 28,348	$ 48,924

We generated adjusted EBITDA of $77.3 million for the year ended December 31, 2015 compared to $28.3 million for the year ended December 31, 2014. The $48.9 million improvement in adjusted EBITDA was primarily attributable to the $53.2 million increase in adjusted gross margin discussed in further detail above. Offsetting the increase to adjusted gross margin was a $6.0 million increase in

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general and administrative expenses, net of expenses related to the Southampton Drop-Down, non-cash unit compensation expense and disposals. The increase is discussed above under the heading "General and administrative expenses."

Distributable cash flow

The following is a reconciliation of adjusted EBITDA to distributable cash flow:

	Year Ended December 31, 2015	Year Ended December 31, 2014 (Predecessor)	Change
	(in thousands)		
Reconciliation of adjusted EBITDA to distributable cash flow:			
Adjusted EBITDA	$ 77,272	$ 28,348	$ 48,924
Less:			
Interest expense net of amortization of debt issuance costs and original issue discount	10,099	6,703	3,396
Maintenance capital expenditures	4,359	515	3,844
Distributable cash flow	$ 62,814	$ 21,130	$ 41,684

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

	Year Ended December 31, 2014	Year Ended December 31, 2013	Change
	(Predecessor)		
	(in thousands)		
Product sales	$ 286,641	$ 176,051	$ 110,590
Other revenue	3,495	3,836	(341)
Net revenue	290,136	179,887	110,249
Cost of goods sold, excluding depreciation and amortization	251,058	152,720	98,338
Depreciation and amortization(1)	18,971	11,827	7,144
Total cost of goods sold	270,029	164,547	105,482
Gross margin	20,107	15,340	4,767
General and administrative expenses	10,792	16,150	(5,358)
Loss on disposal of assets	340	223	117
Income (loss) from operations	8,975	(1,033)	10,008
Interest expense	(8,724)	(5,460)	3,264
Early retirement of debt obligation	(73)	—	73
Other income	22	1,019	(997)
Net income (loss) before income tax expense	200	(5,474)	5,674
Income tax expense	15	23	(8)
Net income (loss)	185	(5,497)	5,682
Less net loss attributable to noncontrolling partners' interests	79	58	21
Net income (loss) attributable to Enviva Partners, LP	$ 264	$ (5,439)	$ 5,703

(1) Excludes depreciation of office furniture and equipment of $37 and $60 for the years ended December 31, 2014 and 2013, respectively. Such amount is included in general and administrative expenses.

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Net revenue

Net revenue was $290.1 million and $179.9 million for the years ended December 31, 2014 and 2013, respectively, and was comprised of product sales and other revenue, which are discussed below.

Product sales

Revenue related to product sales (either produced by us or procured from a third party) increased $110.6 million from $176.1 million for the year ended December 31, 2013 to $286.6 million for the year ended December 31, 2014. This increase was due to increased volumes of wood pellet sales driven by two new off-take contracts that were supplied by increased production volumes primarily from the Northampton and Southampton plants.

Other revenue

Other revenue decreased to $3.5 million for the year ended December 31, 2014 from $3.8 million for the year ended December 31, 2013. Other revenue is primarily comprised of terminal services, professional and exclusivity fees and product sales for which we were deemed to be an agent of the purchaser. In these agency related transactions, we do not bear the risk of loss or take title to the wood pellets purchased from a third party.

Costs of goods sold

Costs of goods sold increased to $270.0 million for the year ended December 31, 2014 from $164.5 million for the year ended December 31, 2013. The $105.5 million increase was primarily due to increased wood pellet sales volumes during 2014 compared to 2013. Cost of goods sold included depreciation and amortization expenses of $19.0 million and $11.8 million for the years ended December 31, 2014 and 2013, respectively. Cost of goods sold was also higher during 2014 because, in 2013, there were only eight months of depreciation expense related to the Northampton plant and two months of depreciation expense related to the Southampton plant, as both plants were placed into service during 2013. The Chesapeake terminal's storage capacity was also expanded during the year ended December 31, 2013.

Gross margin

We earned gross margin of $20.1 million and $15.3 million for the years ended December 31, 2014 and 2013, respectively. The gross margin increase of $4.8 million was primarily attributable to the following:

- For the year ended December 31, 2014, gross margin was increased by $16.5 million attributable to an increased volume of wood pellets sold as compared to 2013. Sales of wood pellets increased from 931,000 MT during the year ended December 31, 2013 to 1,508,000 MT during the year ended December 31, 2014, a 62% increase in volume.

- We experienced changes in customer mix during the year ended December 31, 2014 resulting in a higher percentage of sales under contracts with more favorable pricing terms for the year ended December 31, 2014 as compared to the year ended December 31, 2013. The increase in pricing contributed $2.1 million to gross margin during the year ended December 31, 2014.

- Offsetting the above was a gross margin decrease of $6.6 million in 2014 due to higher costs of delivered wood fiber and increased production costs as compared to 2013. In our Mid-Atlantic region, we purchased approximately 1,394,000 MT of wood fiber during the year ended December 31, 2013 compared to 2,378,000 MT during the year ended December 31, 2014, a 71% increase in volume. Constraints on hardwood logging capacity in the region during the first quarter of 2014 as our plants completed their ramp-up periods contributed to higher raw

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material costs. Operational challenges, exacerbated by extreme cold temperatures and excessive precipitation during the first quarter of 2014, reduced plant utilization, particularly impacting the Southampton plant which was still in the initial months of its ramp-up period. Although our operations in the Southeastern United States generally experience some seasonality, these abnormal weather conditions also negatively impacted volumes and pricing of raw materials available within the immediate location of our plants as the sustained wet logging conditions required our suppliers to move further westward to more favorable conditions, increasing our inbound logistics costs included in the cost of delivered wood fiber as compared to 2013. The continuation of the ramping-up of the Southampton plant and increased repair and maintenance costs also contributed to the unfavorable cost position as compared to 2013.

- A $7.1 million increase in depreciation expense further reduced gross margin for the year ended December 31, 2014 compared the year ended December 31, 2013. The consolidated financial statements for the year ended December 31, 2013 include only eight months of depreciation expense related to the Northampton plant and two months of depreciation expense related to the Southampton plant. The Chesapeake terminal storage expansion also occurred during 2013.

Adjusted gross margin per metric ton

	Year Ended December 31,		
	2014	2013	Change
		(Predecessor)	
	(in thousands except per metric ton)		
Metric tons sold	1,508	931	577
Gross margin	$ 20,107	$ 15,340	$ 4,767
Depreciation and amortization(1)	18,971	11,827	7,144
Adjusted gross margin	$ 39,078	$ 27,167	$ 11,911
Adjusted gross margin per metric ton	$ 25.91	$ 29.18	$ (3.27)

(1) Excludes depreciation of office furniture and equipment. Such amount is included in general and administrative expenses.

We earned an adjusted gross margin of $39.1 million, or $25.91 per metric ton, for the year ended December 31, 2014 and an adjusted gross margin of $27.2 million, or $29.18 per metric ton, for the year ended December 31, 2013. The factors impacting adjusted gross margin per metric ton are detailed above under the heading "Gross margin."

General and administrative expenses

General and administrative expenses, including loss on disposal of assets, were $11.1 million for the year ended December 31, 2014 and $16.4 million for the year ended December 31, 2013. For the year ended December 31, 2014, general and administrative expenses included allocated and direct expenses of $9.3 million that were incurred under the MSA. For the year ended December 31, 2014, we also recorded $0.9 million of expenses paid by our sponsor. General and administrative costs for the year ended December 31, 2013 included $8.0 million of charges under the MSA. In 2013, we also incurred $6.3 million of expenses related to plant startup and commissioning activities at the Northampton and Southampton plants as well as overhead costs associated with the construction activities. We do not expect to incur any further general and administrative expenses related to plant development activities. These expenses, which include startup and commissioning activities at our plants prior to beginning production as well as incremental overhead costs related to our construction

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activities, are incurred by entities whose results are not reflected within our consolidated financial statements.

Interest expense

We incurred $8.7 million of interest expense during the year ended December 31, 2014 and $5.5 million during the year ended December 31, 2013. The increase in interest expense was attributable to an increase in our outstanding long-term debt and a decrease in capitalized interest as our new plants and assets related to the terminal storage expansion facility were placed in service. Please read "—Prior Senior Secured Credit Facilities" below.

Adjusted EBITDA

	Year Ended December 31,		
	2014	2013	Change
	(Predecessor)		
	(in thousands)		
Reconciliation of adjusted EBITDA to net income (loss):			
Net income (loss)	$ 185	$ (5,497)	$ 5,682
Add:			
Depreciation and amortization	19,009	11,887	7,122
Interest expense	8,724	5,460	3,264
Early retirement of debt obligation	73	—	73
Non-cash equity compensation	2	5	(3)
Income tax expense	15	23	(8)
Asset impairments and disposals	340	223	117
Adjusted EBITDA	$ 28,348	$ 12,101	$ 16,247

We generated adjusted EBITDA of $28.3 million for the year ended December 31, 2014 compared to $12.1 million for the year ended December 31, 2013. The $16.2 million improvement in adjusted EBITDA was primarily attributable to the $11.9 million increase in adjusted gross margin discussed in further detail above. Also contributing to the adjusted EBITDA was the $5.2 million reduction in general and administrative expenses discussed above under the heading "General and Administrative Expenses."

Liquidity and Capital Resources

Overview

Our principal liquidity requirements for 2015 were to fund working capital, service our debt, maintain cash reserves, finance maintenance capital expenditures, pay distributions and fund the Southampton Drop-Down. We met our liquidity needs in 2015 with a combination of the proceeds of the IPO, the incurrence of additional debt under the Credit Agreement and the Assumption Agreement and funds generated through operations. Our predecessor's principal liquidity requirements for the years ended December 31, 2014 and 2013 were to fund capital expenditures for the construction of the Northampton and Southampton plants, to expand the storage capacity at our Chesapeake terminal and to meet working capital needs. Our predecessor met its liquidity needs with a combination of funds generated through operations, proceeds from long-term indebtedness and equity contributions from our sponsor.

In the future, we expect our sources of liquidity to include cash generated from operations, borrowings under our Senior Secured Credit Facilities and, from time to time, public and private

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offerings of debt or equity securities. We operate in a capital-intensive industry, and our primary liquidity needs are to fund working capital, service our debt, maintain cash reserves, finance maintenance capital expenditures and pay distributions. We believe cash generated from our operations will be sufficient to meet the short-term working capital requirements of our business. However, future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors. Additionally, our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive and other factors beyond our control. We intend to pay at least the minimum quarterly distribution of $0.4125 per common and subordinated unit per quarter, which equates to approximately $10.2 million per quarter, or approximately $40.8 million per year, based on the number of common and subordinated units outstanding as of March 1, 2016, to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses. Because it is our intent to distribute at least the minimum quarterly distribution on all of our units on a quarterly basis, we expect that we will rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund future acquisitions and expansions.

Noncash Working Capital

Noncash working capital is the amount by which current assets, excluding cash, exceed current liabilities and is a measure of our ability to pay our liabilities as they become due. Our noncash working capital was $24.6 million at December 31, 2015 and $32.6 million at December 31, 2014. The primary components of changes in noncash working capital were the following:

Accounts receivable, net and related party receivables

Accounts receivable, net and related party receivables increased noncash working capital by $16.8 million during the year ended December 31, 2015 as compared to December 31, 2014, primarily due to the timing, volume and size of product shipments.

Inventories

Our inventories consist of raw materials, work-in-process, consumable tooling and finished goods. Inventories increased to $24.2 million at December 31, 2015 from $18.1 million at December 31, 2014. The $6.2 million increase in noncash working capital was primarily attributable to an increase in finished goods related to the timing of product shipments.

Restricted cash

As of December 31, 2014, we had $11.6 million in restricted cash consisting of a restricted debt service reserve account in connection with our Prior Senior Secured Credit Facilities compared to $0 in restricted cash as of December 31, 2015. The $11.6 million decrease was primarily attributable to the closing of the debt service reserve account in connection with the Senior Secured Credit Facilities.

Accounts payable, related party payables and accrued liabilities

The increase in accounts payable, related party payables and accrued liabilities at December 31, 2015 as compared to December 31, 2014 decreased noncash working capital by $18.6 million and was primarily attributable to an increase in shipping and trading sales liabilities due to timing and volume of the shipments. Related party payable at December 31, 2015 included $6.0 million related to the MSA and $5.0 million related to the Southampton Drop-Down, compared to $2.4 million related to the Prior MSA at December 31, 2014.

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Cash Flows

The following table sets forth a summary of our net cash flows from operating, investing and financing activities for the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31, 2015	2014	2013 (Predecessor)
	(in thousands)		
Net cash provided by (used in) operating activities	$ 66,218	$ 29,434	$ (7,577)
Net cash used in investing activities	(11,749)	(14,664)	(115,799)
Net cash (used in) provided by financing activities	(52,886)	(17,736)	115,235
Net increase (decrease) in cash and cash equivalents	$ 1,583	$ (2,966)	$ (8,141)

Cash Provided by (Used in) Operating Activities

Net cash provided by (used in) operating activities was $66.2 million, $29.4 million and ($7.6) million for the years ended December 31, 2015, 2014 and 2013, respectively. The improvement was primarily attributable to the following:

- An increase in net income, excluding depreciation and amortization, of $34.7 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The improvement in net income was attributable to the factors detailed above under "—Results of Operations—Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014."

- A decrease in operating assets and liabilities of $6.8 million during the year ended December 31, 2015 compared to the corresponding period in 2014. This change was primarily attributable to a $6.7 million deposit into an escrow account made in accordance with the terms of a new customer contract. Our customer, the new owner of the Langerlo power station in Ghent, Belgium, intends to convert the plant from coal to biomass. Subsequent to year end, an affiliate of our customer filed for insolvency. Although we do not believe that our customer is involved in the insolvency filing, it is possible that our customer will not be able to perform under the terms of the contract. If our customer is unable to perform, then we expect that our $6.7 million deposit will be returned to us.

- A decrease in net loss, excluding depreciation and amortization, of $12.8 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013. The improvement in the net loss was attributable to the factors detailed above under "—Results of Operations—Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013."

- An increase in operating assets and liabilities of $22.0 million during the year ended December 31, 2014 compared to the corresponding period in 2013. This increase was primarily attributable to a decrease in inventories and accounts receivable during the year ended December 31, 2014 as compared to the year ended December 31, 2013, which was primarily due to the timing and size of product shipments and an increase in accounts payable and accrued expenses, including a $2.4 million payable related to the Prior MSA at December 31, 2014.

Cash Used in Investing Activities

Net cash used in investing activities was $11.7 million, $14.7 million and $115.8 million for the years ended December 31, 2015, 2014 and 2013, respectively. The decrease in cash used in investing activities from the year ended December 31, 2014 to the year ended December 31, 2015 related primarily to a decrease in purchases of property, plant and equipment. Of the $8.5 million used for

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property, plant and equipment during the year ended December 31, 2015, approximately, $4.1 million related to projects intended to increase the production capacity of our plants. The remaining $4.4 million was used to maintain our equipment and machinery. The decrease from the year ended December 31, 2013 to the year ended December 31, 2014 related primarily to a decrease in purchases of property, plant and equipment driven by completing the construction of the Northampton and Southampton plants and the Chesapeake terminal storage expansion during 2013.

Cash (Used in) Provided by Financing Activities

Net cash (used in) provided by financing activities was ($52.9) million, ($17.7) million and $115.2 million for the years ended December 31, 2015, 2014 and 2013, respectively. Net cash used in financing activities during the year ended December 31, 2015 related primarily to the Southampton Drop-Down transaction and the distribution of a portion of our IPO proceeds. Borrowings under our Senior Secured Credit Facilities, including the $36.5 million of Incremental Term Advances under the Credit Agreement, and our IPO proceeds totaled $445.2 million. The cash was used to pay debt issuance costs and repay debt, including the Prior Senior Secured Credit Facilities and related party notes totaling $205.9 million, as well as to distribute $297.2 million to our sponsor. Also contributing to the increase was the payment of cash distributions to unitholders of $16.9 million. The net cash used in financing activities was partially offset by the release of $11.6 million of restricted cash upon the repayment of the Prior Senior Secured Credit Facilities.

Net cash provided by financing activities was greater during the year ended December 31, 2013 as compared to the year ended December 31, 2014 primarily as a result of $58.3 million of cash contributions from our sponsor and $60.0 million of net proceeds under the Prior Senior Secured Credit Facilities for construction activities during 2013. Also contributing to the decrease in cash from the year ended December 31, 2013 to the year ended December 31, 2014 was an $8.6 million increase in cash deposited into our restricted debt service reserve account and $6.7 million in principal payments under the term borrowings in connection with our Prior Senior Secured Credit Facilities during 2014.

Senior Secured Credit Facilities

On April 9, 2015 we entered into a credit agreement (the "Credit Agreement") providing for $199.5 million aggregate principal amount of senior secured credit facilities (the "Original Credit Facilities"). The Original Credit Facilities consist of (i) $99.5 million aggregate principal amount of Tranche A-1 advances, (ii) $75.0 million aggregate principal amount of Tranche A-2 advances and (iii) up to $25.0 million aggregate principal amount of revolving credit commitments. We are also able to request loans under incremental facilities under the Credit Agreement on the terms and conditions and in the maximum aggregate principal amounts set forth therein, provided that lenders provide commitments to make loans under such incremental facilities.

On December 11, 2015, we entered into the First Incremental Term Loan Assumption Agreement (the "Assumption Agreement") providing for $36.5 million of incremental borrowings (the "Incremental Term Advances" and, together with the Original Credit Facilities, the "Senior Secured Credit Facilities") under the Credit Agreement. The Incremental Term Advances consist of (i) $10.0 million aggregate principal amount of Tranche A-3 advances and (ii) $26.5 million aggregate principal amount of Tranche A-4 advances.

The Senior Secured Credit Facilities mature in April 2020. Borrowings under the Senior Secured Credit Facilities bear interest, at our option, at either a base rate plus an applicable margin or at a Eurodollar rate (with a 1.00% floor for term loan borrowings) plus an applicable margin.

We borrowed the full amount of the Tranche A-1 and Tranche A-2 facilities at the closing of the Credit Agreement. Of the total proceeds from such borrowings, $82.2 million was used to repay all outstanding indebtedness under the Prior Senior Secured Credit Facilities and related accrued interest,

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$6.4 million was used to pay closing fees and expenses, and the balance of $85.9 million was used to make a distribution to the sponsor. We borrowed the full amount of the Tranche A-3 and Tranche A-4 facilities at the closing of the Assumption Agreement. Of the total proceeds from such borrowings, $35.6 million was used to acquire the Southampton plant and the balance of $0.9 million was used to pay related fees and expenses. Borrowings under the revolving facility may be used for working capital requirements and general partnership purposes, including the issuance of letters of credit. Letters of credit issued under the revolving facility are subject to a fee calculated at the applicable margin for revolving facility Eurodollar rate borrowings.

Interest is payable quarterly for loans bearing interest at the base rate and at the end of the applicable interest period for loans bearing interest at the Eurodollar rate. The principal amounts of the Tranche A-1 and Tranche A-3 facilities are payable in quarterly installments of 0.50% through March 2017, 0.75% thereafter through March 2018 and 1.25% thereafter. The principal amounts of the Tranche A-2 and Tranche A-4 facilities are payable in equal quarterly installments of 0.25%. No amortization is required with respect to the principal amount of the revolving facility. All outstanding amounts under the Senior Secured Credit Facilities will be due and the letter of credit commitments will terminate on the maturity date or upon earlier prepayment or acceleration. We are required to make mandatory prepayments of the Senior Secured Credit Facilities with the proceeds of certain asset sales and debt incurrences.

We had $5.0 million in letters of credit committed under the facility as of December 31, 2015. The letters of credit were issued in connection with contracts between us and third parties, in the ordinary course of business. The amounts required to be secured with letters of credit under these contracts may be adjusted or cancelled based on the specific third-party contract terms. The amounts outstanding as of December 31, 2015 are subject to automatic extensions through the termination dates of the letters of credit facilities. The letters of credit are not cash collateralized and there are no unreimbursed drawings under the letters of credit as of December 31, 2015.

The Credit Agreement contains certain covenants, restrictions and events of default including, but not limited to, a change of control restriction and limitations on our ability to (i) incur indebtedness, (ii) pay dividends or make other distributions, (iii) prepay, redeem or repurchase certain debt, (iv) make loans and investments, (v) sell assets, (vi) incur liens, (vii) enter into transactions with affiliates, (viii) consolidate or merge and (ix) assign certain material contracts to third parties or unrestricted subsidiaries. We will be restricted from making distributions if an event of default exists under the Credit Agreement or if the interest coverage ratio (determined as the ratio of consolidated EBITDA, as defined in the Credit Agreement, to consolidated interest expense, determined quarterly) is less than 2.25:1.00 at such time.

Pursuant to the Credit Agreement, we are required to maintain, as of the last day of each fiscal quarter, a ratio of total debt to consolidated EBITDA ("Total Leverage Ratio"), as defined in the Credit Agreement, of not more than a maximum ratio, initially set at 4.25:1.00 and stepping down to 3.75:1.00 during the term of the Credit Agreement; provided that the maximum permitted Total Leverage Ratio will be increased by 0.50:1.00 for the period from the consummation of certain qualifying acquisitions through the end of the second full fiscal quarter thereafter.

As of December 31, 2015, our total debt to consolidated EBITDA was 2.71:1.00, which was less than the maximum ratio of 4.25:1.00. As of December 31, 2015, we were in compliance with all covenants and restrictions associated with, and no events of default existed under, the Credit Agreement. The obligations under the Credit Agreement are guaranteed by certain of our subsidiaries and secured by liens on substantially all of our and their assets.

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On December 11, 2015, Enviva FiberCo, LLC, a wholly owned subsidiary of our sponsor, became a lender pursuant to the Credit Agreement with a purchase of $15.0 million aggregate principal amount of the Tranche A-4 term advances, net of a 1.0% lender fee.

Contractual Obligations

The following table presents our contractual obligations and other commitments as of December 31, 2015:

Contractual Obligations	Total	2016	2017 - 2018	2019 - 2020	2021 and Beyond
			(in thousands)		
Long-term debt(1)	$ 212,833	$ 6,063	$ 11,732	$ 195,038	$ —
Other loans and capital leases	366	129	187	50	—
Operating leases	4,832	2,333	2,483	16	—
Interest expense(2)	45,801	11,224	22,130	12,447	—
Purchase obligations(3)	5,204	5,204	—	—	—
Other purchase commitments(4)	50,349	27,754	19,144	3,451	—
	$ 319,385	$ 52,707	$ 55,676	$ 211,002	$ —

(1) Our long-term debt as of December 31, 2015 consisted of $170.8 million outstanding, offset by an unamortized discount of $1.7 million, under our Senior Secured Credit Facilities; $21.2 million outstanding, offset by an unamortized discount of $0.2 million under our First Incremental Term Loan, $11.4 million outstanding, offset by an unamortized discount of $0.2 million under our First Incremental Term Loan with a related party; a promissory note of $0.7 million related to the land purchase for the Southampton plant; a construction loan and working capital line outstanding in the amount of $3.3 million related to our Wiggins, MS plant; and a note payable outstanding in the amount of $2.0 million related to the acquisition of our Amory, MS plant.

(2) The cash obligations for interest expense reflect, as of December 31, 2015, (i) interest expense related to $98.0 million of Tranche A-1 advances bearing interest at 5.10%, $74.4 million of Tranche A-2 advances bearing interest at 5.25%, $9.9 million of Tranche A-3 advances bearing interest at 5.10%, $11.5 million of Tranche A-4 advances bearing interest at 5.25%, $15.0 million of Tranche A-4 advances with a related party bearing interest at 5.25% and $5.0 million of advances under the letter of credit facility subject to a fee calculated at the applicable margin for revolving facility Eurodollar rate borrowings under our Senior Secured Credit Facilities, (ii) interest expense related to the $3.3 million Wiggins construction loan and working capital line, which bear interest at a rate of 6.35%, and (iii) interest expense related to the Amory note, which bears interest at a rate of 6.0%.

(3) At December 31, 2015, we had $5.2 million of purchase obligations which consisted of commitments for the purchase of materials, supplies and the engagement of services for the operation of our facilities to be used in the normal course of business. The amounts presented in the table do not include items already recorded in accounts payable or accrued liabilities at December 31, 2015.

(4) Other purchase commitments consist primarily of commitments under certain wood fiber and pellet supply contracts and handling contracts. Some of our suppliers and service providers commit resources based on our planned purchases and require minimum levels of purchases. The amounts in the table represent an estimate of the costs we would incur under these contracts as of December 31, 2015. Many of our contracts are requirement contracts and currently do not represent a firm commitment to purchase from our suppliers; therefore, they are not reflected in the table above. Under these contracts, we may be liable for the costs incurred on services rendered until termination and the costs of any supplies on hand.

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In order to mitigate volatility in our shipping costs, we have entered into fixed-price shipping contracts with reputable shippers matching the terms and volumes of our off-take contracts for which we are responsible for arranging shipping. Our contracts with shippers include provisions as to the minimum amount of metric tons per year to be shipped and may also stipulate the number of shipments. These contracts range in terms from one year to nine years, charges are based on a fixed-price per metric ton and some of our contracts include provisions for adjustment for increases in the price of fuel or for other distribution-related costs. The price per metric ton may also vary depending on the loading port and the discharge port. Shipping contracts are requirement contracts and currently do not represent a firm commitment. However, our shippers commit their resources based on our planned shipments and we would likely be liable for a portion of their expenses if we deviated from our communicated plans. As of December 31, 2015, we estimate our obligations related to these shipping contracts to be approximately $411.1 million through 2025. These amounts will be offset by the related sales transactions in the same period and, accordingly, we have not included them in the table above.

Off-Balance Sheet Arrangements

As of December 31, 2015, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, such as the use of unconsolidated subsidiaries, structured finance, special purpose entities or variable interest entities.

Recently Issued Accounting Pronouncements

On February 25, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. Under the new pronouncement, an entity is required to recognize assets and liabilities arising from a lease for all leases with a maximum possible term of more than 12 months. A lessee is required to recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the leased asset (the underlying asset) for the lease term. For most leases of assets other than property (for example, equipment, aircraft, cars, trucks), a lessee would recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments and recognize the unwinding of the discount on the lease liability as interest separately from the amortization of the right-of-use asset. For most leases of property (that is, land and/or a building or part of a building), a lessee would recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments and recognize a single lease cost, combining the unwinding of the discount on the lease liability with the amortization of the right-of-use asset, on a straight-line basis. The new guidance is effective for public entities for fiscal year and interim periods within those fiscal years beginning after December 15, 2018. Upon adoption, a lessee and a lessor would recognize and measure leases at the beginning of the earliest period presented using either a modified retrospective approach. Early adoption is permitted. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*, to amend the guidance for amounts that are adjusted in a merger or acquisition. The standard eliminates the requirement for an acquirer to retrospectively adjust the financial statements for measurement period adjustments that occur in periods after a business combination is consummated. The ASU is effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. We do not expect adoption to have a material effect on our consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. The standard simplifies the subsequent measurement of inventory by requiring inventory to be measured at the lower of cost and net realizable value for entities using the first-in, first-out method of valuing inventory. ASU No. 2015-11 eliminates other measures required by current guidance to

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determine net realizable value. ASU No. 2015-11 is effective for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years, and early adoption is permitted. We do not expect adoption to have a material effect on the carrying value of inventory.

In April 2015, the FASB issued ASU No. 2015-06, *Earnings Per Share (Topic 260)—Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions—a consensus of the FASB Emerging Issues Task Force (EITF)*. The amendments in ASU No. 2015-06 apply to master limited partnerships subject to the Master Limited Partnerships Subsections of Topic 260 that receive net assets through a dropdown transaction that is accounted for under the Transactions Between Entities Under Common Control Subsections of Subtopic 805-50, Business Combinations—Related Issues. When a general partner transfers, or "drops down," net assets to a master limited partnership and that transaction is accounted for as a transaction between entities under common control, the statements of operations of the master limited partnership are adjusted retrospectively to reflect the dropdown transaction as if it occurred on the earliest date during which the entities were under common control. The amendments in ASU No. 2015-06 specify that for purposes of calculating historical earnings per unit under the two-class method, the earnings (losses) of a transferred business before the date of a dropdown transaction should be allocated entirely to the general partner. In that circumstance, the previously reported earnings per unit of the limited partners (which is typically the earnings per unit measure presented in the financial statements) would not change as a result of the dropdown transaction. Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method also are required. The amendments in ASU No. 2015-06 are effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The amendments in ASU No. 2015-06 should be applied retrospectively for all financial statements presented. We have evaluated this guidance and determined it is consistent with our policy and historical presentation of earnings per unit.

In April 2015, the FASB issued ASU No. 2015-03, *Interest-Imputation of Interest (Topic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU No. 2015-03 requires the presentation of debt issuance costs in the balance sheet as a reduction from the related debt liability rather than as an asset. The amortization of such costs will continue to be reported as interest expense. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015 and allows early adoption for financial statements that have not been previously issued. The update requires retrospective application upon adoption. Upon adoption, we expect to reclassify amounts included as debt issuance costs within total assets on the consolidated balance sheet to a reduction of long-term debt within total liabilities on the consolidated balance sheet for all periods presented. The adoption is not expected to have an impact on the periodic amount recorded as amortization expense.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*. The new standard reduces the number of consolidation models and simplifies their application. The amendments in ASU No. 2015-02 are intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships and similar legal entities. The amendments simplify the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. Specifically, the amendments (1) eliminate the presumption that a general partner should consolidate a limited partnership, (2) eliminate the indefinite deferral of FASB Statement No. 167, thereby reducing the number of variable interest entity ("VIE") consolidation models from four to two (including the limited partnership consolidation model), (3) clarify when fees paid to a decision maker should be a factor to include in the consolidation of VIEs, (4) amend the guidance for assessing how related party relationships affect VIE consolidation analysis and (5) exclude certain money market funds from the consolidation guidance. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after

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December 15, 2015. The standard allows early adoption, including early adoption in an interim period. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement-Extraordinary and Unusual Items*. The standard eliminates the concept of an extraordinary item from GAAP. As a result, an entity will no longer be required to segregate extraordinary items from the results of ordinary operations, to separately present an extraordinary item on its income statement, net of tax, after income from continuing operations or to disclose income taxes and earnings-per-share data applicable to an extraordinary item. However, ASU No. 2015-01 will still retain the presentation and disclosure guidance for items that are unusual in nature and occur infrequently. The standard is effective for periods beginning after December 15, 2015 and early adoption is permitted. The adoption is not expected to have a material effect on our consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The new standard provides new guidance on the recognition of revenue and states that an entity should recognize revenue when control of the goods or services transfers to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as opposed to recognizing revenue when the risks and rewards transfer to the customer under the existing revenue guidance. The new standard also requires significantly expanded disclosure regarding qualitative and quantitative information about the nature, timing and uncertainty of revenue and cash flow arising from contracts with customers. On July 9, 2015, the FASB approved a one-year delay in the effective date of ASU No. 2014-09. The new guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The standard permits either applying retrospectively the amendment to each prior reporting period presented or retrospectively with the cumulative effect of initially applying at the date of initial application. We are in the process of evaluating the impact of adoption on our consolidated financial statements and have not determined which implementation method will be adopted.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported revenues and expenses during the reporting periods. We evaluate these estimates and assumptions on an ongoing basis and base our estimates on historical experience, current conditions and various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Our actual results may materially differ from these estimates.

Listed below are accounting policies we believe are critical to our consolidated financial statements due to the degree of uncertainty regarding the estimates or assumptions involved, which we believe are critical to the understanding of our operations.

Revenue Recognition

We primarily earn revenue by supplying wood pellets to customers under long-term, U.S. dollar-denominated contracts (also referred to as "off-take" contracts). We refer to the structure of our contracts as "take-or-pay" because they include a firm obligation to take a fixed quantity of product at a stated price and provisions that ensure we will be made whole in the case of our customer's failure to accept all or a part of the contracted volumes or for termination by our customer. Each contract defines the annual volume of wood pellets that the customer is required to purchase and we are required to sell and the fixed-price per metric ton for product satisfying a base net calorific value and

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the technical specifications of the product, as well as, in some instances, provides for price adjustments for actual product specification and changes in underlying costs. Revenues from the sale of pellets are recognized when the goods are shipped, title passes, the sales price to the customer is fixed and collectability is reasonably assured.

Depending on the specific off-take contract, shipping terms are either Cost, Insurance and Freight ("CIF") or Free on Board ("FOB"). Under a CIF contract, we procure and pay for shipping costs which include insurance and all other charges up to the port of destination for the customer. These costs are included in the price to the customer and as such, are included in revenue and cost of goods sold. Under an FOB contract, the customer is directly responsible for shipping costs.

In some cases, we may purchase shipments of product from a third-party supplier and resell them in back-to-back transactions that immediately transfer title and risk of loss to the ultimate purchaser. Thus, the revenue from these transactions is recorded net of costs paid to the third-party supplier. We record this revenue as "Other revenue."

In instances when a customer requests the cancellation, deferral or acceleration of a shipment, the customer may pay a fee including reimbursement of any incremental costs, which is included in revenue.

Cost of Goods Sold

Cost of goods sold includes the costs to produce and deliver wood pellets to customers. Raw material, production and distribution costs associated with delivering our wood pellets to our ports and third-party pellet purchase costs are capitalized as a component of inventory. Fixed production overhead, including the related depreciation expense, is allocated to inventory based on the normal capacity of the facilities. These costs are reflected in cost of goods sold when inventory is sold. During the ramp-up period when production volume is often below the expected plant capacity, we charge such under-absorption of fixed overhead to expense. Distribution costs associated with shipping our wood pellets to our customers and amortization are expensed as incurred. Our inventory is recorded using the first-in, first-out method ("FIFO"), which requires the use of judgment and estimates. Given the nature of our inventory, the calculation of cost of goods sold is based on estimates used in the valuation of the FIFO inventory and in determining the specific composition of inventory that is sold to each customer.

Additionally, the purchase price of an acquired customer contract that was recorded as an intangible asset is amortized as deliveries are made under the contract.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, which includes the fair values of assets acquired. Equipment under capital leases is stated at the present value of minimum lease payments. Useful lives of assets are based on historical experience and are adjusted when changes in the expected physical life of the asset, its planned use, technological advances or other factors show that a different life would be more appropriate. Changes in useful lives that do not result in the impairment of an asset are recognized prospectively.

Depreciation and amortization are calculated using the straight-line method based on the estimated useful lives of the related assets. Plant and equipment held under capital leases are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset.

Construction in progress primarily represents expenditures for the development and expansion of facilities. Capitalized interest cost and all direct costs, which include equipment and engineering costs related to the development and expansion of facilities, are capitalized as construction in progress. Depreciation is not recognized for amounts in construction in progress.

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Normal repairs and maintenance costs are expensed as incurred. Amounts incurred that extend an asset's useful life, increase its productivity or add production capacity are capitalized. Direct costs, such as outside labor, materials, internal payroll and benefit costs incurred during the construction of a new plant are capitalized; indirect costs are not capitalized. Repairs and maintenance costs were $11.4 million, $8.5 million and $4.7 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Asset Impairment Assessments

Long-Lived Assets

Long-lived assets, such as property, plant and equipment and amortizable intangible assets, are tested for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by that asset or asset group to such asset or asset group's carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Goodwill

Goodwill represents the purchase price paid for acquired businesses in excess of the identifiable acquired assets and assumed liabilities. Goodwill is not amortized, but is tested for impairment annually on December 1 and whenever an event occurs or circumstances change such that it is more likely than not that the fair value of the reporting unit is less than its carrying amounts. At December 31, 2015 and 2014, the Partnership has identified one reporting unit which corresponded to the Partnership's one segment and has selected the fourth fiscal quarter to perform its annual goodwill impairment test.

The Partnership first performs a qualitative assessment to determine whether it is necessary to perform quantitative testing. If this initial qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is more than its carrying value, goodwill is not considered impaired and the Partnership is not required to perform the two-step impairment test. Qualitative factors considered in this assessment include (i) macroeconomic conditions, (ii) past, current and projected future financial performance, (iii) industry and market considerations, (iv) changes in the costs of raw materials, fuel and labor and (v) entity-specific factors such as changes in management or customer base.

If the results of the qualitative assessment indicate that it is more likely than not that goodwill is impaired, the Partnership will perform a two-step impairment test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed.

If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill.

For the years ended December 31, 2015 and 2014, the Partnership applied the qualitative test and determined that it was more likely than not that the estimated fair value of the reporting unit substantially exceeded the related carrying value, and, accordingly, was not required to apply the two-step impairment test. The Partnership did not record any goodwill impairment for the years ended December 31, 2015 and 2014 (see Note 9, *Goodwill and Other Intangible Assets*).

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices. Historically, our risks have been predominantly related to potential changes in the fair value of our long-term debt due to fluctuations in applicable market interest rates. Our market risk exposure is expected to be limited to risks that arise in the normal course of business, as we do not engage in speculative, non-operating transactions, nor do we use financial instruments or derivative instruments for trading purposes.

Interest Rate Risk

At December 31, 2015, our total debt had a carrying value of $213.2 million, which approximates fair value.

We are exposed to interest rate risk on borrowings under our Senior Secured Credit Facilities. As of December 31, 2015, $206.8 million, net of unamortized discount of $2.1 million, of our total debt related to borrowings under our Senior Secured Credit Facilities.

Borrowings under the Senior Secured Credit Facilities bear interest, at our option, at either a base rate plus an applicable margin or at a Eurodollar rate (with a 1.00% floor for term loan borrowings) plus an applicable margin. The applicable margin is (i) for Tranche A-1 and A-3 base rate borrowings, 3.10% through April 2017, 2.95% thereafter through April 2018 and 2.80% thereafter, and for Tranche A-1 and A-3 Eurodollar rate borrowings, 4.10% through April 2017, 3.95% thereafter through April 2018 and 3.80% thereafter and (ii) 3.25% for Tranche A-2 and A-4 base rate borrowings and revolving facility base rate borrowings and 4.25% for Tranche A-2 and A-4 Eurodollar rate borrowings and revolving facility Eurodollar rate borrowings. To manage our exposure to fluctuations in interest rates under our Senior Secured Credit Facilities, we may enter into interest rate swaps.

Changes in the overall level of interest rates affect the interest expense that we recognize in our consolidated statements of operations related to interest rate swap agreements and borrowings. An interest rate risk sensitivity analysis is used to measure interest rate risk by computing estimated changes in cash flows as a result of assumed changes in market interest rates. Based on the $206.8 million outstanding under the Senior Secured Credit Facilities as of December 31, 2015, if LIBOR-based interest rates increased by 100 basis points, our interest expense would have increased annually by approximately $1.3 million.

Credit Risk

Substantially all of our revenue was from long-term, take-or-pay off-take contracts with three customers for the year ended December 31, 2015 and 2014 and four customers for the year ended December 31, 2013. Most of our customers are major power generators in Northern Europe. This concentration of counterparties operating in a single industry may increase our overall exposure to credit risk, in that the counterparties may be similarly affected by changes in economic, political, regulatory or other conditions. If a customer defaults or if any of our contracts expires in accordance with its terms, and we are unable to renew or replace these contracts, our gross margin and cash flows and our ability to make cash distributions to our unitholders may be adversely affected.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Unitholders
Enviva Partners, LP:

We have audited the accompanying consolidated balance sheets of Enviva Partners, LP and subsidiaries (the Partnership) as of December 31, 2015 and 2014, and the related consolidated statements of operations, partners' capital, and cash flows for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Enviva Partners, LP and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

(signed) KPMG LLP

McLean, Virginia
March 8, 2016

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2015 and 2014

(In thousands, except for number of units)

	2015	2014 (Predecessor)
Assets		
Current assets:		
Cash and cash equivalents	$ 2,175	$ 592
Accounts receivable, net of allowance for doubtful accounts of $85 in 2015 and $61 in 2014	38,684	21,998
Related party receivables	94	—
Inventories	24,245	18,064
Restricted cash	—	11,640
Deferred issuance costs	—	4,052
Prepaid expenses and other current assets	2,123	1,734
Total current assets	67,321	58,080
Property, plant and equipment, net of accumulated depreciation of $64.7 million in 2015 and $40.9 million in 2014	405,582	316,259
Intangible assets, net of accumulated amortization of $7.0 million in 2015 and $1.0 million in 2014	3,399	722
Goodwill	85,615	4,879
Debt issuance costs, net of accumulated amortization of $0.8 million in 2015 and $3.0 million in 2014	5,567	3,594
Other long-term assets	7,063	955
Total assets	$ 574,547	$ 384,489
Liabilities and Partners' Capital		
Current liabilities:		
Accounts payable	$ 9,303	$ 4,013
Related party payables	11,013	2,354
Accrued and other current liabilities	13,059	8,159
Deferred revenue	485	60
Current portion of interest payable	—	73
Current portion of long-term debt and capital lease obligations	6,523	10,237
Related party current portion of long-term debt	150	—
Total current liabilities	40,533	24,896
Long-term debt and capital lease obligations	191,861	83,838
Related party long-term debt	14,664	—
Long-term interest payable	751	572
Interest rate swap derivatives	—	101
Other long-term liabilities	586	554
Total liabilities	248,395	109,961
Commitments and contingencies		
Partners' capital:		
Predecessor equity	—	271,495
Limited partners		
Common unitholders—public (11,502,934 issued and outstanding at December 31, 2015)	210,488	—
Common unitholder—sponsor (1,347,161 issued and outstanding at December 31, 2015)	19,619	—
Subordinated unitholder—sponsor (11,905,138 issued and outstanding at December 31, 2015)	133,427	—
General partner	(40,373)	—
Total Enviva Partners, LP partners' capital	323,161	271,495
Noncontrolling partners' interests	2,991	3,033
Total partners' capital	326,152	274,528
Total liabilities and partners' capital	$ 574,547	$ 384,489

See accompanying notes to consolidated financial statements.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended December 31, 2015, 2014 and 2013

(In thousands, except per unit amounts)

	2015	2014	2013
		(Predecessor)	
Product sales	$ 450,980	$ 286,641	$ 176,051
Other revenue	6,394	3,495	3,836
Net revenue	457,374	290,136	179,887
Cost of goods sold, excluding depreciation and amortization	365,061	251,058	152,720
Depreciation and amortization	30,692	18,971	11,827
Total cost of goods sold	395,753	270,029	164,547
Gross margin	61,621	20,107	15,340
General and administrative expenses	18,360	10,792	16,150
Loss on disposal of assets	2,081	340	223
Income (loss) from operations	41,180	8,975	(1,033)
Other income (expense):			
Interest expense	(10,551)	(8,724)	(5,460)
Related party interest expense	(1,154)	—	—
Early retirement of debt obligation	(4,699)	(73)	—
Other income	979	22	1,019
Total other expense, net	(15,425)	(8,775)	(4,441)
Income (loss) before income tax expense	25,755	200	(5,474)
Income tax expense	2,623	15	23
Net income (loss)	23,132	185	(5,497)
Less net loss attributable to noncontrolling partners' interests	42	79	58
Net income (loss) attributable to Enviva Partners, LP	$ 23,174	$ 264	$ (5,439)
Less: Predecessor loss to May 4, 2015 (prior to IPO)	$ (2,132)		
Less: Pre-acquisition income from April 10, 2015 to December 10, 2015 from operations of Enviva Pellets Southampton Drop-Down allocated to General Partner	6,264		
Enviva Partners, LP limited partners' interest in net income from May 4, 2015 to December 31, 2015	$ 19,042		
Net income per limited partner common unit:			
Basic	$ 0.80		
Diluted	$ 0.79		
Net income per limited partner subordinated unit:			
Basic	$ 0.80		
Diluted	$ 0.79		
Weighted average number of limited partner units outstanding:			
Common—basic	11,988		
Common—diluted	12,258		
Subordinated—basic and diluted	11,905		
Distribution declared per limited partner unit for respective periods	$ 1.1630		

See accompanying notes to consolidated financial statements.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Consolidated Statements of Changes in Partners' Capital

Years ended December 31, 2015, 2014 and 2013

(In thousands)

				Limited Partners' Capital							
				Common Units-Public		Common Units-Sponsor		Subordinated Units-Sponsor			
	Net Parent Investment	General Partner Interest	General Partner-Incentive Distribution Rights	Units	Amount	Units	Amount	Units	Amount	Non-controlling Interests	Total Partners' Capital
Balance as of December 31, 2012	$ 212,788	$ —	$ —	—	$ —	—	$ —	—	$ —	$ 3,170	$ 215,958
Contributed capital	60,945	—	—	—	—	—	—	—	—	—	60,945
Unit-based compensation	5	—	—	—	—	—	—	—	—	—	5
Net loss	(5,439)	—	—	—	—	—	—	—	—	(58)	(5,497)
Balance as of December 31, 2013	268,299	—	—	—	—	—	—	—	—	3,112	271,411
Contributed capital	2,930	—	—	—	—	—	—	—	—	—	2,930
Unit-based compensation	2	—	—	—	—	—	—	—	—	—	2
Net income (loss)	264	—	—	—	—	—	—	—	—	(79)	185
Balance as of December 31, 2014	271,495	—	—	—	—	—	—	—	—	3,033	274,528
Contribution of Enviva Cottondale Acquisition II, LLC	132,765	—	—	—	—	—	—	—	—	—	132,765
Expenses incurred by sponsor	3,088	—	—	—	—	—	—	—	—	—	3,088
Net proceeds from IPO, net of deferred IPO costs	—	—	—	11,500	208,911	—	—	—	—	—	208,911
Distribution to sponsor associated with IPO	(176,702)	—	—	—	—	—	—	—	—	—	(176,702)
Allocation of net Parent investment to sponsor	(228,514)	—	—	—	—	405	7,518	11,905	220,996	—	—
Distribution to sponsor associated with Enviva Pellets Southampton Drop-Down	—	(46,637)	—	—	—	—	(3,015)	—	(88,681)	—	(138,333)
Issuance of units associated with Enviva Pellets Southampton Drop-Down	—	—	—		—	942	15,000	—	—	—	15,000
Issuance of units through Long-Term Incentive Plan	—	—	—	3	42	—	—	—	—	—	42
Cash distributions, phantom units and distribution equivalent rights	—	—	—	—	(8,287)	—	(285)	—	(8,369)	—	(16,941)
Unit-based compensation	—	—	—	—	662	—	—	—	—	—	662
Net income	(2,132)	6,264	—	—	9,160	—	401	—	9,481	(42)	23,132
Partners' Capital, December 31, 2015	$ —	$ (40,373)	$ —	11,503	$ 210,488	1,347	$ 19,619	11,905	$ 133,427	$ 2,991	$ 326,152

See accompanying notes to consolidated financial statements.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2015, 2014 and 2013

(In thousands)

	2015	2014	2013
		(Predecessor)	
Cash flows from operating activities:			
Net income (loss)	$ 23,132	$ 185	$ (5,497)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	30,738	19,009	11,887
Amortization of debt issuance costs and original issue discount	1,606	2,021	1,009
General and administrative expense incurred by Enviva Holdings, LP	475	928	—
Allocation of income tax expense from Enviva Cottondale Acquisition I, LLC	2,663	—	—
Early retirement of debt obligation	4,699	73	—
Loss on disposals of property, plant and equipment	2,081	340	223
Unit-based compensation expense	704	2	5
Change in fair value of interest rate swap derivatives	23	(7)	(36)
Change in operating assets and liabilities:			
Accounts receivable	(3,518)	3,880	(15,977)
Related party receivable	(94)	—	—
Prepaid expenses and other assets	57	3,478	1,088
Inventories	(22)	1,168	(8,090)
Other long-term assets	(6,051)	279	—
Accounts payable, accrued liabilities and other current liabilities	5,538	(1,889)	8,301
Related party payable	3,657	—	—
Accrued interest	105	(248)	(713)
Deferred revenue	425	(542)	471
Other long-term liabilities	—	757	(248)
Net cash provided by (used in) operating activities	66,218	29,434	(7,577)
Cash flows from investing activities:			
Purchases of property, plant and equipment	(8,475)	(14,733)	(124,732)
Restricted cash	—	44	8,910
Payment of acquisition related costs	(3,573)	—	—
Proceeds from the sale of property, plant and equipment	299	25	23
Net cash used in investing activities	(11,749)	(14,664)	(115,799)
Cash flows from financing activities:			
Principal payments on debt and capital lease obligations	(199,638)	(58,136)	(7,537)
Cash paid related to debt issuance costs	(6,287)	—	(23)
Termination payment for interest rate swap derivatives	(146)	—	—
Release of cash restricted for debt service	11,640	—	—
Cash restricted for debt service	—	(8,600)	(540)
IPO proceeds, net	215,050	—	—
Distributions to sponsor	(297,185)	—	—
Cash paid for deferred IPO costs	(1,964)	—	—
Cash distributions to unitholders and equivalent rights paid	(16,883)	—	—
Proceeds from contributions from sponsor	12,387	—	58,335
Proceeds from debt issuance	230,140	49,000	65,000
Net cash (used in) provided by financing activities	(52,886)	(17,736)	115,235
Net increase (decrease) in cash and cash equivalents	1,583	(2,966)	(8,141)
Cash and cash equivalents, beginning of period	592	3,558	11,699
Cash and cash equivalents, end of period	$ 2,175	$ 592	$ 3,558

See accompanying notes to consolidated financial statements.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 2015, 2014 and 2013

(In thousands)

	2015	2014	2013
		(Predecessor)	
Non-cash investing and financing activities:			
The Partnership acquired property, plant and equipment in non-cash transactions as follows:			
Property, plant and equipment acquired included in accounts payable and accrued liabilities	$ 579	$ 830	$ 10,581
Property, plant and equipment acquired included in other assets as notes receivable	—	175	—
Property, plant and equipment acquired under capital leases	—	290	259
Property, plant and equipment acquired under notes payable	39	—	—
Property, plant and equipment transferred from prepaid expenses	173	—	—
Property, plant and equipment transferred from inventory	146	—	—
Contribution of Enviva Pellets Cottondale, LLC non-cash net assets	122,529	—	—
Application of deferred IPO costs to partners' capital	5,913	—	—
Distribution included in liabilities	58	—	—
Distribution due to sponsor	5,002	—	—
Debt issuance costs included in accrued liabilities	36	—	—
Distribution of Enviva Pellets Cottondale, LLC assets to sponsor	319	—	—
Non-cash adjustments to financed insurance and prepaid expenses	105	—	—
Application of sales tax accrual to fixed assets	73	—	—
Financed insurance	—	2,157	2,011
Grant receivable included in other liabilities	—	187	—
Contribution to tax accounts of sponsor	35	—	—
Depreciation capitalized to inventories	211	149	401
Capitalized debt issuance costs and original issue discount	—	—	1,011
Early retirement of debt obligation:			
Deposit applied to principal outstanding under promissory note	—	391	—
Deposit applied to accrued interest under promissory note	—	154	—
Non-cash capital contributions from sponsor	339	2,001	2,610
Supplemental information:			
Interest paid, net of capitalized interest of $0 million, $0 million and $1.4 million, respectively	$ 9,933	$ 6,734	$ 3,745

See accompanying notes to consolidated financial statements.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(In thousands, except per unit amounts and unless otherwise noted)

(1) Business and Basis of Presentation

Enviva Partners, LP (the "Partnership") is a Delaware limited partnership formed on November 12, 2013, as a wholly owned subsidiary of Enviva Holdings, LP (the "sponsor"). Through its interests in Enviva, LP (the "Predecessor" or "Enviva LP") and Enviva GP, LLC, the general partner of the Predecessor, the Partnership supplies utility-grade wood pellets to major power generators under long-term, take-or-pay off-take contracts. The Partnership procures wood fiber and processes it into utility-grade wood pellets. The Partnership loads the finished wood pellets into railcars, trucks and barges that are transported to deep-water marine terminals, where they are received, stored and ultimately loaded onto oceangoing vessels for transport to the Partnership's principally Northern European customers.

The Partnership operates six industrial-scale wood pellet production plants located in the Mid-Atlantic and Gulf Coast regions of the United States. Wood pellets are exported from a wholly-owned deep-water marine terminal in Chesapeake, Virginia and from third-party deep-water marine terminals in Mobile, Alabama and Panama City, Florida under long-term contracts.

On May 4, 2015, the Partnership completed an initial public offering (the "IPO") of common units representing limited partner interests in the Partnership (see Note 2, *Initial Public Offering*). Prior to the closing of the IPO, the sponsor contributed to the Partnership its interests in the Predecessor, Enviva GP, LLC, and Enviva Cottondale Acquisition II, LLC ("Acquisition II"), which was the owner of Enviva Pellets Cottondale, LLC ("Enviva Pellets Cottondale"), which owns a wood pellet production plant in Cottondale, Florida (the "Cottondale plant"). The primary assets contributed to the Partnership by the sponsor included five industrial-scale wood pellet production plants and a wholly-owned deep-water terminal and long-term contractual arrangements to sell the wood pellets produced at the plants to third parties.

Until April 9, 2015, Enviva MLP Holdco, LLC, a wholly owned subsidiary of the sponsor, was the owner of the Predecessor, and Enviva Cottondale Acquisition I, LLC ("Acquisition I"), a wholly owned subsidiary of the sponsor, was the owner of Acquisition II.

On January 5, 2015, the sponsor acquired Green Circle Bio Energy, Inc. ("Green Circle"), which owned the Cottondale plant. Acquisition I contributed Green Circle to the Partnership in April 2015 in exchange for subordinated units in the Partnership. Prior to such contribution, the sponsor converted Green Circle into a Delaware limited liability company and changed the name of the entity to "Enviva Pellets Cottondale, LLC."

In connection with the closing of the Senior Secured Credit Facilities (as defined below) (see Note 10, *Long-Term Debt and Capital Lease Obligations*), on April 9, 2015, the Partnership, the Predecessor and the sponsor executed a series of transactions that were accounted for as common control transactions and are referred to as the "Reorganization:"

- Under a Contribution Agreement, the Predecessor conveyed 100% of the outstanding limited liability company interest in Enviva Pellets Southampton, LLC ("Enviva Pellets Southampton"), which owns a wood pellet production plant in Southampton County, Virginia (the "Southampton plant"), to a joint venture between the sponsor and Hancock Natural Resource Group, Inc. and certain other affiliates of John Hancock Life Insurance Company (the "Hancock JV"), which is consolidated by the sponsor; and

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(1) Business and Basis of Presentation (Continued)

- Under a separate Contribution Agreement by and among the sponsor, Enviva MLP Holdco, LLC, Acquisition I, the Predecessor and the Partnership, the parties executed the following transactions:

  - The Predecessor distributed cash and cash equivalents of $1.7 million and accounts receivable of $2.4 million to the sponsor;
  - The sponsor contributed to the Partnership 100% of the outstanding limited liability company interest in Acquisition II, the former owner of Enviva Pellets Cottondale (formerly Green Circle Bio Energy, Inc.), which owns the Cottondale plant;
  - The sponsor contributed 100% of the outstanding interests in each of the Predecessor and Enviva GP, LLC to the Partnership; and
  - The Partnership used $82.2 million of the proceeds from borrowings under the Original Credit Facilities (as defined below) to repay all outstanding indebtedness under the Predecessor's $120.0 million Prior Senior Secured Credit Facilities (as defined below) and related accrued interest (see Note 10, *Long-Term Debt and Capital Lease Obligations*).

As a result of the Reorganization, the Partnership became the owner of the Predecessor, Enviva GP, LLC and Acquisition II.

In connection with the closing of the IPO, under a Contribution Agreement by and among the sponsor, Enviva MLP Holdco, LLC, Acquisition I, the Predecessor and the Partnership, Acquisition II merged into the Partnership and the Partnership contributed its interest in Enviva Pellets Cottondale to the Predecessor.

In connection with the closing of the Senior Secured Credit Facilities (see Note 10, *Long-Term Debt and Capital Lease Obligations*), on December 11, 2015, under the terms of a Contribution Agreement by and among the Partnership and the Hancock JV, the Hancock JV contributed to Enviva LP, all of the issued and outstanding limited liability interests in Enviva Pellets Southampton for total consideration of $131.0 million. The acquisition (the "Southampton Drop-Down") included the Southampton plant, a ten-year 500,000 metric tons per year ("MTPY") take-or-pay off-take contract and a matching ten-year shipping contract.

The purchase price for the Southampton Drop-Down was financed with (a) $36.5 million of incremental borrowings under the Credit Agreement (as defined below), (b) the issuance to a wholly owned subsidiary of the sponsor of 942,023 common units at a value of $15.92 per unit, or $15.0 million of equity proceeds, and (c) $79.5 million of cash. The Partnership accounted for the Southampton Drop-Down as a combination of entities under common control at historical cost in a manner similar to a pooling of interests. Accordingly, the consolidated financial statements for periods prior to the Southampton Drop-Down were retrospectively recast to reflect the acquisition as if it had occurred on April 9, 2015, the date Southampton was originally conveyed to the sponsor by Enviva, LP.

As of December 31, 2015, the Partnership has 99.999% ownership of the following:

- Enviva, LP

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(1) Business and Basis of Presentation (Continued)

Enviva, LP has 100% ownership of the following:

- Enviva Pellets Amory, LLC ("Enviva Pellets Amory")
- Enviva Pellets Ahoskie, LLC ("Enviva Pellets Ahoskie")
- Enviva Port of Chesapeake, LLC ("Enviva Port of Chesapeake")
- Enviva Pellets Northampton, LLC ("Enviva Pellets Northampton")
- Enviva Pellets Southampton, LLC ("Enviva Pellets Southampton")
- Enviva Pellets Cottondale, LLC ("Enviva Pellets Cottondale")
- Enviva Materials, LLC ("Enviva Materials")
- Enviva Energy Services, LLC ("Enviva Energy Services")
- Enviva Pellets Perkinston, LLC

Enviva LP had 67% ownership to the following:

- Enviva Pellets Wiggins, LLC ("Enviva Pellets Wiggins")

During 2013, the sponsor contributed $58.3 million to the Partnership for the purpose of the construction of certain facilities. During 2014 and 2015, the sponsor did not contribute any amounts for the purpose of the construction of certain facilities.

The accompanying consolidated financial statements ("financial statements") include the accounts of the Predecessor and its subsidiaries and were prepared using the Predecessor's historical basis. Prior to the IPO, certain of the assets and liabilities of the Predecessor were transferred to the Partnership within the sponsor's consolidated group in a transaction under common control and, as such, the consolidated historical financial statements of the Predecessor are presented as the Partnership's historical financial statements as the Partnership believes they provide a representation of management's ability to execute and manage its business plan. The financial statements include all revenues, costs, assets and liabilities attributed to the Predecessor. The financial statements for periods prior to the Reorganization have been retroactively recast to reflect the contribution of the sponsor's interests in the Predecessor and Enviva GP, LLC as if the contributions had occurred at the beginning of the periods presented and the contribution of the sponsor's interests in Acquisition II as if the contribution occurred on January 5, 2015, the date Acquisition II was acquired by the sponsor.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(1) Business and Basis of Presentation (Continued)

The following table outlines the changes in consolidated net assets resulting from the contribution of Acquisition II to the Partnership on April 9, 2015:

Assets:	
Cash	$ 10,236
Accounts receivable	13,457
Inventories	6,095
Prepaid expenses and other current assets	507
Property, plant and equipment, net	108,736
Intangibles, net	8,700
Goodwill	80,736
Other assets	58
Total assets	228,525
Liabilities:	
Accounts payable	3,597
Accrued liabilities	4,849
Long-term debt and capital leases	87,314
Other liabilities	—
Total liabilities	95,760
Net assets contributed to Partnership	$ 132,765

(2) Initial Public Offering

On May 4, 2015, the Partnership completed an IPO of 11,500,000 common units, including common units issued upon exercise of the underwriter's option, representing limited partner interests in the Partnership at a price to the public of $20.00 per unit ($18.80 per common unit, net of underwriting discounts and commissions) and constituting approximately 48.3% of the Partnership's outstanding limited partner interests. The IPO was registered pursuant to a registration statement on Form S-1 originally filed on October 27, 2014, as amended (Registration No. 333-199625), that was declared effective by the SEC on April 28, 2015. The net proceeds from the IPO of approximately $215.1 million after deducting the underwriting discount and structuring fee were used to (i) repay intercompany indebtedness related to the acquisition of Green Circle in the amount of approximately $83.0 million and (ii) distribute approximately $86.7 million to the sponsor related to its contribution of assets to the Partnership in connection with the IPO, with the Partnership retaining $45.4 million for general partnership purposes, including offering expenses.

In connection with the closing of the IPO, the Partnership issued to the sponsor 405,138 common units and all of the Partnership's subordinated units, representing 51.7% of the Partnership's limited partner interests. Enviva Partners GP, LLC, the Partnership's general partner and a wholly owned subsidiary of the sponsor (the "General Partner"), owns all the outstanding incentive distribution rights ("IDRs").

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The consolidated financial statements include the accounts of the Partnership and its subsidiaries. All intercompany accounts and transactions have been eliminated.

As the acquisition of Enviva Pellets Cottondale and the Southampton Drop-Down represented transfers of entities under common control, the consolidated financial statements and related information presented herein have been recast to include the historical results of Enviva Pellets Cottondale effective January 5, 2015, the date the Partnership's sponsor acquired Acquisition II, and Enviva Pellets Southampton effective April 9, 2015, the date Enviva Pellets Southampton was originally conveyed to Hancock JV.

Certain amounts for the years ended December 31, 2014 and 2013 have been reclassified to conform to the current presentation.

Common Control Transactions

Assets and businesses acquired from the Partnership's sponsor and its subsidiaries are accounted for as common control transactions whereby the net assets acquired are combined at their historical costs and financial statements are adjusted retrospectively to reflect the transaction as if it occurred on the earliest date during which the entities were under common control. If any recognized consideration transferred in such a transaction exceeds the carrying value of the net assets acquired, the excess is treated as a capital distribution to the Partnership's General Partner. If the carrying value of the net assets acquired exceeds any recognized consideration transferred including, if applicable, the fair value of any limited partner units issued, then that excess is treated as a capital contribution from the General Partner. To the extent that such transactions require prior periods to be recast, historical net equity amounts prior to the transaction date are attributed to the "General Partner."

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the amounts reported in the Partnership's consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Segment and Geographic Information

Operating segments are defined as components of an enterprise about which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Partnership views its operations and manages its business as one operating segment. All long-lived assets of the Partnership are located in the United States.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Other Comprehensive Income (Loss)

Comprehensive income (loss) includes net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under GAAP are recorded as an element of partners' capital but are excluded from net income (loss). The Partnership had no components of other comprehensive income (loss) for the years ended December 31, 2015, 2014 and 2013.

Net Income per Limited Partner Unit

The Partnership computes net income per unit using the two-class method as the Partnership has more than one class of participating securities, including common units, subordinated units, certain equity based-compensation awards and IDRs. The Partnership bases its calculation of net income per unit on the weighted-average number of common and subordinated limited partner units outstanding during the period. Diluted net income per unit includes the effects of potentially dilutive time-based and performance-based phantom units on our common units.

The General Partner owns a non-economic interest in the Partnership, which does not entitle it to receive cash distributions, but owns all of the outstanding IDRs as of December 31, 2015. Pursuant to the partnership agreement, IDRs represent the right to receive increasing percentages (ranging from 15% to 50%) of quarterly distributions from operating surplus after the minimum quarterly distribution and certain target distribution levels have been achieved. No amounts were paid to holders of the IDRs in 2015. Net income per unit applicable to limited partners (including the holder of subordinated units) is computed by dividing limited partners' interest in net income by the weighted-average number of outstanding common and subordinated units.

Income Taxes

The Partnership and sponsor are pass-through entities and are not considered taxable entities for federal income tax purposes. Therefore, there is not a provision for U.S. federal and most state income taxes in the accompanying consolidated financial statements. The Partnership's net income or loss is allocated to its partners in accordance with the partnership agreement. The partners are taxed individually on their share of the Partnership's earnings. At December 31, 2015 and December 31, 2014, the Partnership and sponsor did not have any liabilities for uncertain tax position or gross unrecognized tax benefit. Some states impose franchise and capital taxes on the Partnership. Such taxes are not material to the consolidated financial statements. Income tax expense for the year ended December 31, 2015 includes expense incurred by Acquisition II prior to converting to a nontaxable entity.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments readily convertible into cash with an original maturity of three months or less.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Restricted Cash

The Predecessor funded a restricted debt service reserve account in connection with the Prior Senior Secured Credit Facilities. The restricted debt service reserve account was released as a result of the repayment in full of the Prior Senior Secured Credit Facilities on April 9, 2015.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. In establishing an allowance for doubtful accounts, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, the current receivables aging and current payment patterns. The Partnership reviews the aging of accounts receivables monthly. Past due balances over 90 days and over a specified amount are reviewed individually for collectability. There were no bad debt write-offs during the years ended December 31, 2015, 2014 and 2013. The Partnership has an allowance for doubtful accounts in the amount of $85.4 and $61.4 as of December 31, 2015 and 2014, respectively. The Partnership does not have any off-balance-sheet credit exposure related to its customers.

Inventories

Inventories consist of raw materials, work-in-progress, consumable tooling and finished goods. Fixed production overhead, including related depreciation expense, is allocated to inventory based on the normal capacity of the facilities. To the extent the Partnership does not achieve normal production levels, the Partnership charges such under absorption of fixed overhead to operations.

Consumable tooling consists of spare parts and tooling to be consumed in the production process. Spare parts are expensed as used and tooling items are amortized to expense over an estimated service life.

Inventories are stated at the lower of cost or market using the first-in, first-out method ("FIFO") for all inventories.

Revenue Recognition

The Partnership primarily earns revenue by supplying wood pellets to customers under long-term, U.S. dollar-denominated contracts (also referred to as "off-take" contracts). The Partnership refers to the structure of the contracts as "take-or-pay" because they include a firm obligation to take a fixed quantity of product at a stated price and provisions that ensure the Partnership will be made whole in the case of the customer's failure to accept all or a part of the contracted volumes or for termination by the customer. Each contract defines the annual volume of wood pellets that the customer is required to purchase and the Partnership is required to sell, the fixed price per metric ton for product satisfying a base net calorific value and other technical specifications, and, in some instances, provides for price adjustments for actual product specification and changes in underlying costs. Revenues from the sale of wood pellets are recognized when the goods are shipped, title passes, the sales price to the customer is fixed and collectability is reasonably assured.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Depending on the specific off-take contract, shipping terms are either Cost, Insurance and Freight ("CIF") or Free on Board ("FOB"). Under a CIF contract, the Partnership procures and pays for shipping costs, which include insurance and all other charges, up to the port of destination for the customer. These costs are included in the price to the customer and, as such, are included in revenue and cost of goods sold. Under an FOB contract, the customer is directly responsible for shipping costs.

In some cases, the Partnership may purchase shipments of product from a third-party supplier and resell them in back-to-back transactions that immediately transfer title and risk of loss to the ultimate purchaser. Thus, the revenue from these transactions is recorded net of costs paid to the third-party supplier. The Partnership records this revenue as "Other revenue."

In instances when a customer requests the cancellation, deferral or acceleration of a shipment, the customer may pay a fee, including reimbursement of any incremental costs incurred by the Partnership, which is included in revenue.

Cost of Goods Sold

Cost of goods sold includes the costs to produce and deliver wood pellets to customers. Raw material, production and distribution costs associated with delivering wood pellets to the ports and third-party wood pellet purchase costs are capitalized as a component of inventory. Fixed production overhead, including the related depreciation expense, is allocated to inventory based on the normal capacity of the facilities. These costs are reflected in cost of goods sold when inventory is sold. Distribution costs associated with shipping wood pellets to customers and amortization are expensed as incurred. Inventory is recorded using FIFO, which requires the use of judgment and estimates. Given the nature of the inventory, the calculation of cost of goods sold is based on estimates used in the valuation of the FIFO inventory and in determining the specific composition of inventory that is sold to each customer.

Additionally, the purchase price of acquired customer contracts that were recorded as intangible assets are amortized as deliveries are made during the contract term.

Derivative Instruments

The Predecessor used derivative financial instruments to manage its exposure to fluctuations in interest rates on long-term debt as required per the terms of the Prior Senior Secured Credit Facilities (see Note 10, *Long-Term Debt and Capital Lease Obligations*). The Partnership does not hold or issue derivative financial instruments for trading or speculative purposes. The Predecessor accounted for the interest rate swaps by recognizing all derivative financial instruments on the consolidated balance sheets at fair value. The Predecessor's interest rate swap agreements were not designated as hedges; therefore, the gain or loss was recognized in the consolidated statements of operations in interest expense. In connection with the repayment of the Prior Senior Secured Credit Facilities in April 2015 (see Note 10, *Long-Term Debt and Capital Lease Obligations*), the Predecessor terminated the interest rate swaps and paid a termination fee of $0.1 million. The Partnership does not currently hold any interest rate swaps or derivative financial instruments.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, which includes the fair values of assets acquired. Equipment under capital leases are stated at the present value of minimum lease payments. Useful lives of assets are based on historical experience and are adjusted when changes in the expected physical life of the asset, its planned use, technological advances, or other factors show that a different life would be more appropriate. Changes in useful lives are recognized prospectively.

Depreciation and amortization are calculated using the straight-line method based on the estimated useful lives of the related assets. Plant and equipment held under capital leases are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset.

Construction in progress primarily represents expenditures for the development and expansion of facilities. Capitalized interest cost and all direct costs, which include equipment and engineering costs related to the development and expansion of facilities, are capitalized as construction in progress. Depreciation is not recognized for amounts in construction in progress.

Normal repairs and maintenance costs are expensed as incurred. Amounts incurred that extend an asset's useful life, increase its productivity or add production capacity are capitalized. Direct costs, such as outside labor, materials, internal payroll and benefit costs, incurred during the construction of a new plant are capitalized; indirect costs are not capitalized.

The principal useful lives are as follows:

Asset	Estimated useful life
Land improvements	15 to 17 years
Buildings	5 to 40 years
Machinery and equipment	2 to 25 years
Vehicles	5 to 6 years
Furniture and office equipment	2 to 10 years
Leasehold improvements	Shorter of estimated useful life or lease term, generally 10 years

Costs and accumulated depreciation applicable to assets retired or sold are removed from the accounts, and any resulting gain or loss is included in the consolidated statement of operations.

Debt Issuance Costs and Original Issue Discount

Debt issuance costs represent legal fees and other direct expenses associated with securing the Partnership's credit agreements and are capitalized on the consolidated balance sheets as other long-term assets. Original issue discounts are recorded on the consolidated balance sheets within the carrying amount of long-term debt. Debt issuance costs and original issue discount are amortized over the term of the related debt using straight line amortization, which approximates the effective interest rate method.

The Partnership and the Predecessor primarily incurred debt issuance costs and original issue discount in connection with the Original Credit Facilities, Incremental Credit Facilities and Prior Senior Secured Credit Facilities, respectively (see Note 10, *Long-Term Debt and Capital Lease Obligations*).

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Debt issuance costs, net at December 31, 2015 and 2014, were $5.6 million and $3.6 million, respectively.

Gains or losses on debt extinguishment include any associated unamortized debt issuance costs and original issue discount.

Capitalized Interest

The Predecessor capitalized interest cost incurred on debt during the construction of major projects. A reconciliation of total interest cost to interest expense as reported in the consolidated statements of operations for the years ended December 31, 2015, 2014 and 2013 is as follows:

	2015	2014	2013
Interest cost capitalized to construction in progress	$ —	$ —	$ 1,428
Interest cost, including related party, charged to operations	11,705	8,724	5,460
Total interest cost	$ 11,705	$ 8,724	$ 6,888

Goodwill

Goodwill represents the purchase price paid for acquired businesses in excess of the identifiable acquired assets and assumed liabilities. Goodwill is not amortized, but is tested for impairment annually and whenever an event occurs or circumstances change such that it is more likely than not that the fair value of the reporting unit is less than its carrying amounts. At December 31, 2015 and 2014, the Partnership has identified one reporting unit which corresponded to the Partnership's one segment and has selected the fourth fiscal quarter to perform its annual goodwill impairment test.

The Partnership first performs a qualitative assessment to determine whether it is necessary to perform quantitative testing. If this initial qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is more than its carrying value, goodwill is not considered impaired and the Partnership is not required to perform the two-step impairment test. Qualitative factors considered in this assessment include (i) macroeconomic conditions, (ii) past, current and projected future financial performance, (iii) industry and market considerations, (iv) changes in the costs of raw materials, fuel and labor and (v) entity-specific factors such as changes in management or customer base.

If the results of the qualitative assessment indicate that it is more likely than not that goodwill is impaired, the Partnership will perform a two-step impairment test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed.

If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

For the years ended December 31, 2015 and 2014, the Partnership applied the qualitative test and determined that it was more likely than not that the estimated fair value of the reporting unit substantially exceeded the related carrying value, and, accordingly, was not required to apply the two-step impairment test. The Partnership did not record any goodwill impairment for the years ended December 31, 2015 and 2014 (see Note 9, *Goodwill and Other Intangible Assets*).

In making this qualitative analysis for the years ended December 31, 2015, and 2014, the Partnership evaluated the following economic factors:

- The Partnership's consolidated financial results reflect continued improved financial performance in 2015 compared to 2014 as reflected by increases in revenue and metric tons sold, as well as the generation of positive net income in 2015 and 2014.
- The Partnership continued its expansion of production capacity with the acquisition of Enviva Pellets Cottondale in April 2015 and the acquisition of Enviva Pellets Southampton in December 2015.
- The Partnership now benefits from six production plants located in the Southeastern U.S.
- In May 2015, the Partnership received proceeds of approximately $215.1 million from the IPO and its market capitalization exceeds the carrying value of its net assets as of December 31, 2015.
- The Partnership began deliveries under two new customer contracts in 2013. As a result of the Southampton Drop-Down, the Partnership acquired a new ten-year customer contract which will commence in 2016 and ramp to 500,000 MTPY.
- The Partnership has had no cancellations of contracts.

Intangible Assets

In April 2015, the sponsor contributed net assets to the Partnership associated with the acquisition of Green Circle in January 2015, which included intangible assets related to favorable customer contracts (see Note 1, *Business and Basis of Presentation*). The Partnership also recorded payments made to acquire a six-year wood pellet off-take contract with a European utility in 2010 as an intangible asset. These costs are recoverable through the future revenue streams generated from the customer contracts and are closely related to the revenue from the customer contracts. These costs are recorded as an asset and charged to expense as the revenue is recognized (see Note 9, *Goodwill and Other Intangible Assets*). All other costs, such as general and administrative expenses and costs associated with the negotiation of a contract that is not consummated, are charged to expense as incurred.

Deferred Issuance Costs

Deferred issuance costs primarily consist of legal, accounting, printing and other fees relating to the IPO. These costs were offset against the proceeds of the IPO. As of December 31, 2015 and 2014, the Partnership had $0 and $4.1 million of deferred issuance costs, respectively.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of prepaid insurance.

Other Long-Term Assets

Other long-term assets primarily consist of a deposit made in accordance with the terms of a new customer contract and security deposits for utilities.

Advertising

Costs incurred related to advertising of the Partnership's products and services are expensed as incurred.

Unit-Based Compensation

Employees, consultants and directors of the General Partner and any of its affiliates are eligible to receive awards under the Enviva Partners, LP Long-Term Incentive Plan. For accounting purposes, units granted to employees of the Partnership's affiliates are treated as if they are distributed by the Partnership. In May, June and July 2015, phantom units in tandem with corresponding distribution equivalent rights ("DERs") were granted to employees of Enviva Management Company, LLC who provide services to the Partnership and to certain non-employee directors of the General Partner. These awards vest subject to the satisfaction of service requirements or the achievement of certain performance goals, following which common units in the Partnership will be delivered to the holder of the phantom units. Affiliate entities recognize compensation expense for the phantom units awarded to their employees and a portion of that expense is allocated to the Partnership (see Note 11, *Related Party Transactions-Management Services Agreement* and Note 15, *Equity-Based Awards*). The Partnership's outstanding unit-based awards do not have a cash option and are classified as equity on the Partnership's consolidated balance sheets. The Partnership also recognizes compensation expense for units awarded to non-employee directors.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment and amortizable intangible assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require that a long-lived asset or asset group be tested for possible impairment, the Partnership first compares undiscounted cash flows expected to be generated by that asset or asset group to such asset or asset group's carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. The Partnership did not record any impairments for the years ended December 31, 2015, 2014 and 2013 (see Note 9, *Goodwill and Other Intangible Assets*).

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Fair Value Measurements

The Partnership applies authoritative accounting guidance for fair value measurements of financial and nonfinancial assets and liabilities. The Partnership uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Partnership determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted, quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Recent and Pending Accounting Pronouncements

On February 25, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. Under the new pronouncement, an entity is required to recognize assets and liabilities arising from a lease for all leases with a maximum possible term of more than 12 months. A lessee is required to recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the leased asset (the underlying asset) for the lease term. For most leases of assets other than property (for example, equipment, aircraft, cars, trucks), a lessee would recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments and recognize the unwinding of the discount on the lease liability as interest separately from the amortization of the right-of-use asset. For most leases of property (that is, land and/or a building or part of a building), a lessee would recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments and recognize a single lease cost, combining the unwinding of the discount on the lease liability with the amortization of the right-of-use asset, on a straight-line basis. The new guidance is effective for public entities for fiscal year and interim periods within those fiscal years beginning after December 15, 2018. Upon adoption, a lessee and a lessor would recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Early adoption is permitted. The Partnership is in the process of evaluating the impact of adoption on its consolidated financial statements.

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(3) Significant Accounting Policies (Continued)

In September 2015, the FASB issued ASU No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*, to amend the guidance for amounts that are adjusted in a merger or acquisition. The standard eliminates the requirement for an acquirer to retrospectively adjust the financial statements for measurement period adjustments that occur in periods after a business combination is consummated. The ASU is effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. The Partnership does not expect adoption to have a material effect on the consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. The standard simplifies the subsequent measurement of inventory by requiring inventory to be measured at the lower of cost and net realizable value for entities using the first-in, first-out method of valuing inventory. ASU No. 2015-11 eliminates other measures required by current guidance to determine net realizable value. ASU No. 2015-11 is effective for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years, and early adoption is permitted. The Partnership does not expect adoption to have a material effect on the carrying value of inventory.

In April 2015, the FASB issued ASU No. 2015-06, *Earnings Per Share (Topic 260)—Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions—a consensus of the FASB Emerging Issues Task Force (EITF)*. The amendments in ASU No. 2015-06 apply to master limited partnerships subject to the Master Limited Partnerships Subsections of Topic 260 that receive net assets through a dropdown transaction that is accounted for under the Transactions Between Entities Under Common Control Subsections of Subtopic 805-50, Business Combinations—Related Issues. When a general partner transfers, or "drops down," net assets to a master limited partnership and that transaction is accounted for as a transaction between entities under common control, the statements of operations of the master limited partnership are adjusted retrospectively to reflect the dropdown transaction as if it occurred on the earliest date during which the entities were under common control. The amendments in ASU No. 2015-06 specify that for purposes of calculating historical earnings per unit under the two-class method, the earnings (losses) of a transferred business before the date of a dropdown transaction should be allocated entirely to the general partner. In that circumstance, the previously reported earnings per unit of the limited partners (which is typically the earnings per unit measure presented in the financial statements) would not change as a result of the dropdown transaction. Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method also are required. The amendments in ASU No. 2015-06 are effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The amendments in ASU No. 2015-06 should be applied retrospectively for all financial statements presented. The Partnership has evaluated this guidance and determined it is consistent with its policy and historical presentation of earnings per unit.

In April 2015, the FASB issued ASU No. 2015-03, *Interest-Imputation of Interest (Topic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU No. 2015-03 requires the presentation of debt issuance costs in the balance sheet as a reduction from the related debt liability rather than as an asset. The amortization of such costs will continue to be reported as interest expense. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15,

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

2015 and allows early adoption for financial statements that have not been previously issued. The update requires retrospective application upon adoption. Upon adoption, the Partnership expects to reclassify amounts included as debt issuance costs within total assets on the consolidated balance sheet to a reduction of long-term debt within total liabilities on the consolidated balance sheet for all periods presented. The adoption is not expected to have an impact on the periodic amount amortized.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*. The new standard reduces the number of consolidation models and simplifies their application. The amendments in ASU No. 2015-02 are intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships and similar legal entities. The amendments simplify the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. Specifically, the amendments (1) eliminate the presumption that a general partner should consolidate a limited partnership, (2) eliminate the indefinite deferral of FASB Statement No. 167, thereby reducing the number of variable interest entity ("VIE") consolidation models from four to two (including the limited partnership consolidation model), (3) clarify when fees paid to a decision maker should be a factor to include in the consolidation of VIEs, (4) amend the guidance for assessing how related party relationships affect VIE consolidation analysis and (5) exclude certain money market funds from the consolidation guidance. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The standard allows early adoption, including early adoption in an interim period. The Partnership is in the process of evaluating the impact of adoption on its consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement-Extraordinary and Unusual Items*. The new standard eliminates the concept of an extraordinary item from GAAP. As a result, an entity will no longer be required to segregate extraordinary items from the results of ordinary operations, to separately present an extraordinary item on its income statement, net of tax, after income from continuing operations or to disclose income taxes and earnings-per-share data applicable to an extraordinary item. However, ASU No. 2015-01 will still retain the presentation and disclosure guidance for items that are unusual in nature and occur infrequently. The standard is effective for periods beginning after December 15, 2015 and early adoption is permitted. The adoption is not expected to have a material effect on the Partnership's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The new standard provides new guidance on the recognition of revenue and states that an entity should recognize revenue when control of the goods or services transfers to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as opposed to recognizing revenue when the risks and rewards transfer to the customer under the existing revenue guidance. The new standard also requires significantly expanded disclosure regarding qualitative and quantitative information about the nature, timing and uncertainty of revenue and cash flow arising from contracts with customers. On July 9, 2015, the FASB approved a one-year delay in the effective date of ASU No. 2014-09. The new guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The standard permits either applying retrospectively the amendment to each prior reporting period

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(3) Significant Accounting Policies (Continued)

presented or retrospectively with the cumulative effect of initially applying at the date of initial application. The Partnership is in the process of evaluating the impact of adoption on its consolidated financial statements and has not determined which implementation method will be adopted.

(4) Significant Risks and Uncertainties, Including Business and Credit Concentrations

The Partnership's business is significantly impacted by greenhouse gas emission and renewable energy legislation and regulations in the European Union (the "E.U."). If the E.U. significantly modifies such legislation and regulations, the Partnership's ability to enter into new contracts as the current contracts expire may be materially affected.

The Partnership's primary industrial customers are located in the United Kingdom and Belgium. Three customers accounted for 93% of the Partnership's product sales in 2015, three customers accounted for 97% of the Partnership's product sales in 2014 and four customers accounted for 99% of the Partnership's product sales in 2013. The following table shows product sales from third-party customers that accounted for 10% or a greater share of consolidated product sales for each of the three years ended December 31:

	2015	2014 (Predecessor)	2013 (Predecessor)
Customer A	56%	70%	33%
Customer B	19%	10%	34%
Customer C	18%	17%	18%
Customer D	—	—	14%

The Partnership's cash and cash equivalents are placed in or with various financial institutions. The Partnership has not experienced any losses on such accounts and does not believe it has any significant risk in this area.

(5) Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31:

	2015	2014 (Predecessor)
Land	$ 13,564	$ 11,984
Land improvements	36,431	24,899
Buildings	77,581	57,275
Machinery and equipment	338,592	259,186
Vehicles	515	768
Furniture and office equipment	2,142	1,736
	468,825	355,848
Less accumulated depreciation	(64,738)	(40,858)
	404,087	314,990
Construction in progress	1,495	1,269
Total property, plant and equipment, net	$ 405,582	$ 316,259

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(5) Property, Plant and Equipment (Continued)

Total depreciation expense was $24.7 million, $18.7 million and $11.6 million for the years ended December 31, 2015, 2014 and 2013, respectively. At December 31, 2015, the Partnership had assets under capital leases with a cost and related accumulated depreciation of $0.8 million and $0.4 million, respectively and at December 31, 2014, the Partnership had assets under capital leases with a cost and related accumulated depreciation of $1.1 million and $0.7 million, respectively.

(6) Inventories

Inventories consisted of the following at December 31:

	2015	2014 (Predecessor)
Raw materials and work-in-process	$ 5,632	$ 6,880
Consumable tooling	9,932	6,934
Finished goods	8,681	4,250
Total inventories	$ 24,245	$ 18,064

(7) Derivative Instruments

The Partnership used interest rate swaps that met the definition of a derivative instrument to manage changes in interest rates on its variable-rate debt instruments.

The Prior Credit Agreement required the Predecessor to swap a minimum of 50% of the term loan balance outstanding under the Prior Senior Secured Credit Facilities. In connection with the issuance of the Prior Senior Secured Credit Facilities (see Note 10, *Long-Term Debt and Capital Lease Obligations*), the Predecessor entered into floating-to-fixed interest rate swaps (the Partnership received a floating market rate and paid a fixed interest rate) to manage the interest rate exposure related to the Prior Senior Secured Credit Facilities. All indebtedness outstanding under the Prior Senior Secured Credit Facilities was repaid in full on April 9, 2015, and the related interest rate swaps were terminated and paid the Predecessor a termination fee of $0.1 million.

For the years ended December 31, 2015, 2014 and 2013, the Partnership recorded an insignificant amount as interest expense related to the change in fair value of the interest rate swaps.

(8) Fair Value Measurements

The amounts reported in the consolidated balance sheets as cash and cash equivalents, restricted cash, accounts receivable, related party receivable, prepaid expenses and other assets, accounts payable, related party payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

Interest rate swaps and long-term and short-term debt are classified as Level 2 instruments due to the usage of market prices not quoted on active markets and other observable market data. The carrying amount of Level 2 instruments approximates fair value as of December 31, 2015 and 2014.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(9) Goodwill and Other Intangible Assets

Intangible Assets

Intangible assets consisted of the following at:

		December 31, 2015			December 31, 2014 (Predecessor)		
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Favorable customer contracts	3 years	$ 8,700	$ (5,698)	$ 3,002	$ —	$ —	$ —
Wood pellet contract	6 years	1,750	(1,353)	397	1,750	(1,028)	722
Total intangible assets		$ 10,450	$ (7,051)	$ 3,399	$ 1,750	$ (1,028)	$ 722

Intangible assets include favorable customer contracts associated with the acquisition of Green Circle in January 2015. The Partnership also recorded payments made to acquire a six-year wood pellet contract with a European utility in 2010 as an intangible asset. These costs are recoverable through the future revenue streams generated from the customer contracts and are closely related to the revenue from the customer contracts. The Partnership amortizes the customer contract intangible assets as deliveries are completed during the respective contract terms. During the years ended December 31, 2015, 2014 and 2013, amortization of $6.0 million, $0.3 million and $0.3 million, respectively, was included in cost of goods sold in the accompanying consolidated statements of operations.

The estimated aggregate maturities of amortization expense for the next five years are as follows:

Year Ending December 31:	
2016	$ 1,541
2017	1,516
2018	342
2019	—
2020	—
Thereafter	—
Total	$ 3,399

Goodwill

Goodwill was $85.6 million and $4.9 million at December 31, 2015 and 2014, respectively. In 2015, the Partnership recorded an addition to goodwill of $80.7 million as part of the acquisition of Enviva Pellets Cottondale by the sponsor and its contribution to the Partnership as part of the Reorganization. Goodwill also includes $4.9 million from the acquisitions in 2010 of a business from IN Group Companies and of a company now known as Enviva Pellets Amory. The Partnership's reported goodwill balance at December 31, 2015 and 2014 of $85.6 million and $4.9 million, respectively, was allocated to the Partnership's one reporting unit, which also represents the Partnership's one segment.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(10) Long-Term Debt and Capital Lease Obligations

Senior Secured Credit Facilities

On April 9, 2015, the Partnership entered into a Credit Agreement (the "Credit Agreement") providing for $199.5 million aggregate principal amount of senior secured credit facilities (the "Original Credit Facilities"). The Original Credit Facilities consist of (i) $99.5 million aggregate principal amount of Tranche A-1 advances, (ii) $75.0 million aggregate principal amount of Tranche A-2 advances and (iii) up to $25.0 million aggregate principal amount of revolving credit commitments. The Partnership is also able to request loans under incremental facilities under the Credit Agreement on the terms and conditions and in the maximum aggregate principal amounts set forth therein, provided that lenders provide commitments to make loans under such incremental facilities.

On December 11, 2015, the Partnership entered into the First Incremental Term Loan Assumption Agreement (the "Assumption Agreement") providing for $36.5 million of incremental borrowings (the "Incremental Term Advances" and, together with the Original Credit Facilities, the "Senior Secured Credit Facilities") under the Credit Agreement. The Incremental Term Advances consist of (i) $10.0 million aggregate principal amount of Tranche A-3 advances and (ii) $26.5 million aggregate principal amount of Tranche A-4 advances.

The Senior Secured Credit Facilities mature in April 2020. Borrowings under the Senior Secured Credit Facilities bear interest, at the Partnership's option, at either a base rate plus an applicable margin or at a Eurodollar rate (with a 1.00% floor for term loan borrowings) plus an applicable margin. The applicable margin is (i) for Tranche A-1 and Tranche A-3 base rate borrowings, 3.10% through April 2017, 2.95% thereafter through April 2018 and 2.80% thereafter, and for Tranche A-1 and Tranche A-3 Eurodollar rate borrowings, 4.10% through April 2017, 3.95% thereafter through April 2018 and 3.80% thereafter and (ii) 3.25% for Tranche A-2 and Tranche A-4 base rate borrowings and revolving facility base rate borrowings and 4.25% for Tranche A-2 and Tranche A-4 Eurodollar rate borrowings and revolving facility Eurodollar rate borrowings. On December 31, 2015, Tranche A-3 and Tranche A-4 advances were converted to Eurodollar borrowings. The applicable margin for revolving facility borrowings will be reduced by 0.50% if the Total Leverage Ratio (as defined below) is less than or equal to 2.00:1.00. During the continuance of an event of default, overdue amounts under the Senior Secured Credit Facilities will bear interest at 2.00% plus the otherwise applicable interest rate.

The Partnership borrowed the full amount of the Tranche A-1 and Tranche A-2 facilities at the closing of the Credit Agreement. Of the total proceeds from such borrowings, $82.2 million was used to repay all outstanding indebtedness under the Prior Senior Secured Credit Facilities and related accrued interest, $6.4 million was used to pay closing fees and expenses, and the balance of $85.9 million was used to make a distribution to the sponsor. The Partnership borrowed the full amount of the Tranche A-3 and Tranche A-4 facilities at the closing of the Assumption Agreement. Of the total proceeds from such borrowings, $35.6 million was used to acquire Enviva Pellets Southampton, which was treated as a distribution to the sponsor, and the balance of $0.9 million was used to pay related fees and expenses. Borrowings under the revolving facility may be used for working capital requirements and general partnership purposes, including the issuance of letters of credit.

The Senior Secured Credit Facilities include customary lender and agency fees, including a 1.00% fee that was paid to the lenders at the closing of the Credit Agreement, a 1.00% fee that was paid to the lenders at the closing of the Assumption Agreement and a commitment fee payable on undrawn

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(10) Long-Term Debt and Capital Lease Obligations (Continued)

revolving facility commitments of 0.50% per annum (subject to a stepdown to 0.375% per annum if the Total Leverage Ratio is less than or equal to 2.00:1.00). Letters of credit issued under the revolving facility are subject to a fee calculated at the applicable margin for revolving facility Eurodollar rate borrowings.

Interest is payable quarterly for loans bearing interest at the base rate and at the end of the applicable interest period for loans bearing interest at the Eurodollar rate. The principal amounts of the Tranche A-1 and Tranche A-3 facilities are payable in quarterly installments of 0.50% through March 2017, 0.75% thereafter through March 2018 and 1.25% thereafter, in each case subject to a quarterly increase of 0.50% during each year if less than 75% of the aggregate projected production capacity of the wood pellet production plants for the two-year period beginning on January 1 of such year is contracted to be sold during such period pursuant to certain qualifying off-take contracts. The principal amounts of the Tranche A-2 and Tranche A-4 facilities are payable in equal quarterly installments of 0.25%. All outstanding amounts under the Senior Secured Credit Facilities will be due and the letter of credit commitments will terminate on the maturity date or upon earlier prepayment or acceleration.

The Partnership had $5.0 million outstanding under the letter of credit facility as of December 31, 2015. The letters of credit were issued in connection with contracts between the Partnership and third parties, in the ordinary course of business. The amounts required to be secured with letters of credit under these contracts may be adjusted or cancelled based on the specific third-party contract terms. The amounts outstanding as of December 31, 2015 are subject to automatic extensions through the termination dates of the letters of credit facilities. The letters of credit are not cash collateralized and there are no unreimbursed drawings under the letters of credit as of December 31, 2015. Letters of credit issued under the revolving facility are subject to a fee calculated at the applicable margin for revolving facility Eurodollar rate borrowings.

The Partnership is required to make mandatory prepayments of the Senior Secured Credit Facilities with the proceeds of certain asset sales and debt incurrences. The Partnership may voluntarily prepay the Senior Secured Credit Facilities in whole or in part at any time without premium or penalty, except that prepayments of any portion of the Tranche A-1, Tranche A-2, Tranche A-3 or Tranche A-4 facilities made in connection with a repricing transaction (as well as any repricing of the Senior Secured Credit Facilities) prior to the six-month anniversary of the Assumption Agreement closing date will incur a premium of 1.00% of amounts prepaid (or repriced).

The Credit Agreement contains certain covenants, restrictions and events of default including, but not limited to, a change of control restriction and limitations on the Partnership's ability to (i) incur indebtedness, (ii) pay dividends or make other distributions, (iii) prepay, redeem or repurchase certain debt, (iv) make loans and investments, (v) sell assets, (vi) incur liens, (vii) enter into transactions with affiliates, (viii) consolidate or merge and (ix) assign certain material contracts to third parties or unrestricted subsidiaries. The Partnership will be restricted from making distributions if an event of default exists under the Credit Agreement or if the interest coverage ratio (determined as the ratio of consolidated EBITDA, as defined in the Credit Agreement, to consolidated interest expense, determined quarterly) is less than 2.25:1.00 at such time.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(10) Long-Term Debt and Capital Lease Obligations (Continued)

Pursuant to the Credit Agreement, the Partnership is required to maintain, as of the last day of each fiscal quarter, a ratio of total debt to consolidated EBITDA ("Total Leverage Ratio"), as defined in the Credit Agreement, of not more than a maximum ratio, initially set at 4.25:1.00 and stepping down to 3.75:1.00 during the term of the Credit Agreement; provided that the maximum permitted Total Leverage Ratio will be increased by 0.50:1.00 for the period from the consummation of certain qualifying acquisitions through the end of the second full fiscal quarter thereafter.

As of December 31, 2015, the Partnership was in compliance with all covenants and restrictions associated with, and no events of default existed under, the Credit Agreement. The obligations under the Credit Agreement are guaranteed by certain of the Partnership's subsidiaries and secured by liens on substantially all assets.

On December 11, 2015, Enviva FiberCo, LLC, a wholly owned subsidiary of the Partnership's sponsor, became a lender pursuant to the Credit Agreement with a purchase of $15.0 million aggregate principal amount of the Tranche A-4 term advances, net of a 1.0% lender fee. The Partnership recorded an insignificant amount as interest expense related to this related indebtedness. The advances, were $14.8 million net of unamortized discount of $0.2 million as of December 31, 2015, with quarterly interest payments beginning December 31, 2015 at a Eurodollar Rate of 5.25% at December 31, 2015. A principal payment of $38 is due quarterly through December 31, 2019 and $14.4 million is due on the April 9, 2020 maturity date.

Prior Senior Secured Credit Facilities

In November 2012, the Predecessor entered into the Credit and Guaranty Agreement (the "Prior Credit Agreement") that provided for a $120.0 million aggregate principal amount of senior secured credit facilities (the "Prior Senior Secured Credit Facilities"). The Prior Senior Secured Credit Facilities consisted of (i) $35.0 million aggregate principal amount of Tranche A advances, (ii) up to $60.0 million aggregate principal amount of delayed draw term commitments, (iii) up to $15.0 million aggregate principal amount of working capital commitments and (iv) up to $10.0 million aggregate principal amount of letter of credit facility commitments. All outstanding indebtedness under the Prior Senior Secured Credit Facilities was repaid in full, including related accrued interest, in the amount of $82.2 million on April 9, 2015. The Partnership funded the repayment with a portion of borrowings under the Original Credit Facilities. For the year ended December 31, 2015, the Partnership recorded a $4.7 million loss on early retirement of debt obligation related to the repayment.

Related Party Notes Payable

In connection with the January 5, 2015 acquisition of Green Circle, the sponsor made a term advance of $36.7 million to Green Circle under a revolving note. The revolving note accrued interest at an annual rate of 4.0%. In connection with the acquisition, the sponsor also advanced its wholly owned subsidiary, Acquisition II, $50.0 million under a note payable accruing interest at an annual rate of 4.0%. Enviva Pellets Cottondale repaid $4.8 million of the outstanding principal in March 2015. As a result of the sponsor's contribution of Acquisition II, which owned Enviva Pellets Cottondale, to the Partnership on April 9, 2015, the Partnership recorded $81.9 million of outstanding principal and $0.9 million of accrued interest related to these notes.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(10) Long-Term Debt and Capital Lease Obligations (Continued)

In connection with the closing of the IPO on May 4, 2015, the related party notes payable outstanding principal of $81.9 million and related accrued interest of $1.1 million were repaid by the Partnership to the sponsor. During the year ended December 31, 2015, $1.1 million of related party interest expense associated with the related party notes payable was incurred.

Enviva Pellets Southampton Promissory Note

In connection with the purchase of land for the Southampton plant, the Partnership entered into a $1.5 million promissory note with Southampton County, Virginia, with no stated interest, maturing on June 8, 2017. The effective-interest method was applied using an interest rate of 7.6% to determine the present value of $1.1 million on June 8, 2012. On February 24, 2014, the Partnership amended its performance agreement with Southampton County. Under the amended terms, the Partnership reduced its promissory note balance and its claims to receive certain incentive payments by $0.6 million. As a result of the amendment, the outstanding promissory note as of December 31, 2014 has been reduced to a present value of approximately $0.7 million. (see Note 17, *Commitments and Contingencies—Southampton Promissory Note*). Interest expense during the years ended December 31, 2015, 2014 and 2013 was insignificant.

Enviva Pellets Wiggins Construction Loan and Working Capital Line

The Enviva Pellets Wiggins construction loan and working capital line are secured by all machinery and equipment located at the Enviva Pellets Wiggins plant.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(10) Long-Term Debt and Capital Lease Obligations (Continued)

Long-term debt, at carrying value which approximates fair value, and capital lease obligations consisted of the following:

	December 31, 2015	December 31, 2014 (Predecessor)
Senior Secured Credit Facilities, Tranche A-1 Advances, net of unamortized discount of $1.1 million as of December 31, 2015, with quarterly interest payments beginning June 30, 2015 at a Eurodollar Rate of 5.10% at December 31, 2015. A principal payment of $0.5 million is due quarterly through March 2017, $0.7 million is due quarterly June 2017 through March 2018, $1.2 million is due quarterly June 2018 through December 2019, and the final payment of $83.8 million is due on the April 9, 2020 maturity date	$ 96,943	$ —
Senior Secured Credit Facilities, Tranche A-2 Advances, net of unamortized discount of $0.6 million as of December 31, 2015, with quarterly interest payments beginning June 30, 2015 at a Eurodollar Rate of 5.25% at December 31, 2015. A principal payment of $0.2 million is due quarterly through December 2019, and the final payment of $71.4 million is due on the April 9, 2020 maturity date	73,796	—
Senior Secured Credit Facilities, Tranche A-3 Advances, net of unamortized discount of $0.1 million as of December 31, 2015, with quarterly interest payments beginning December 31, 2015 at a Eurodollar Rate of 5.10% at December 31, 2015. A principal payment of $0.1 million is due quarterly through December 2019 and $8.5 million is due on the April 9, 2020 maturity date	9,851	—
Senior Secured Credit Facilities, Tranche A-4 Advances, net of unamortized discount of $0.3 million as of December 31, 2015, with quarterly interest payments beginning December 31, 2015 at a Eurodollar Rate of 5.25% at December 31, 2015. A principal payment of $67 is due quarterly through December 31, 2019 and $25.4 million is due on the April 9, 2020 maturity date	26,172	—
Prior Senior Secured Credit Facilities, Tranche A Advances, net of unamortized discount of $1.6 million as of December 31, 2014, with quarterly interest payments at a Eurodollar Rate of 5.50% at December 31, 2014	—	29,718
Prior Senior Secured Credit Facilities, delayed draw term commitments with elected quarterly interest payments beginning the first quarter following the day that the cash was drawn, at a Eurodollar Rate of 5.50% at December 31, 2014	—	57,000
Enviva Pellets Wiggins construction loan, with monthly principal and interest (at an annual rate of 6.35%) payments of $32.9 and a lump sum payment of $2.4 million due on the October 18, 2016 maturity date	2,546	2,770
Enviva Pellets Wiggins working capital line, with monthly principal and interest (at an annual rate of 6.35%) payments of $10.3 and a lump sum payment of $0.7 million due on the October 18, 2016 maturity date	795	864
Enviva Pellets Amory note, with principal and accrued interest (at an annual rate of 6.0%) due on the August 4, 2017 maturity date	2,000	2,000
Enviva Pellets Southampton promissory note, with principal and interest in the amount of $0.9 million due on the June 8, 2017 maturity date. Present value for 3 years at an annual rate of 7.6%	729	729
Other loans	37	419
Capital leases	329	575
Total long-term debt and capital lease obligations	213,198	94,075
Less current portion of long-term debt and capital lease obligations	(6,673)	(10,237)
Long-term debt and capital lease obligations, excluding current installments	$ 206,525	$ 83,838

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(10) Long-Term Debt and Capital Lease Obligations (Continued)

The aggregate maturities of long-term debt and capital lease obligations are as follows:

Year Ending December 31:	
2016	$ 6,192
2017	6,407
2018	5,512
2019	6,051
2020	189,036
Thereafter	—
Total long-term debt and capital lease obligations	$ 213,198

Depreciation expense relating to assets held under capital lease obligations was $0.1 million for each of the years ended December 31, 2015, 2014 and 2013, respectively.

(11) Related Party Transactions

Management Services Agreement

On April 9, 2015, the Partnership, the General Partner, the Predecessor, Enviva GP, LLC and certain subsidiaries of the Predecessor (collectively, the "Service Recipients") entered into a five-year Management Services Agreement (the "MSA") with Enviva Management Company, LLC (the "Provider"), a subsidiary of Enviva Holdings, LP, pursuant to which the Provider provides the Service Recipients with general administrative and management services and other similar services (the "Services"). Under the terms of the MSA, the Service Recipients are required to reimburse the Provider the amount of all direct or indirect, internal or third-party expenses incurred, including without limitation: (i) the portion of the salary and benefits of the employees engaged in providing the Services reasonably allocable to the Service Recipients; (ii) the charges and expenses of any third party retained to provide any portion of the Services; (iii) office rent and expenses and other overhead costs incurred in connection with, or reasonably allocable to, providing the Services; (iv) amounts related to the payment of taxes related to the business of the Service Recipients; and (v) costs and expenses incurred in connection with the formation, capitalization, business or other activities of the Provider pursuant to the MSA.

Direct or indirect, internal or third-party expenses incurred are either directly identifiable or allocated to the Partnership by the Provider. The Provider estimates the percentage of salary, benefits, third-party costs, office rent and expenses and any other overhead costs associated with the Services to be provided to the Partnership. Each month, the Provider allocates the actual costs accumulated in the financial accounting system. The allocations are intended to approximate the costs that the Partnership would have incurred on a stand-alone basis. The Provider charges the Partnership for any directly identifiable costs such as goods or services provided at the Partnership's request.

During the year ended December 31, 2015, the Partnership incurred $35.5 million related to the MSA. Of these amounts, during the year ended December 31, 2015, $22.3 million is included in cost of goods sold and $12.7 million is included in general and administrative expenses on the consolidated

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(11) Related Party Transactions (Continued)

statement of operations. At December 31, 2015, $0.5 million incurred under the MSA is included in finished goods inventory.

Prior Management Services Agreement

On November 9, 2012, the Predecessor entered into a six-year management services agreement (the "Prior MSA") with Enviva Holdings, LP (the "Service Provider") to provide the Predecessor with general administrative and management services and other similar services (the "Prior Services"). Under the Prior MSA, the Predecessor incurred the following costs:

- A maximum annual fee in the amount of $7.2 million could be charged by the Service Provider. Under the Prior MSA, during 2014, the Predecessor incurred $6.7 million for the annual fee and, during 2013, incurred and paid $6.6 million to the Service Provider, and the amounts were included in general and administrative expenses on the consolidated statement of operations.

- The Predecessor reimbursed the Service Provider for all direct or indirect costs and expenses incurred by, or chargeable to, the Service Provider in connection with the Prior Services. This included (1) the portion of the salary and benefits of employees engaged in providing the Prior Services reasonably allocable to the provision of the Prior Services, excluding those included in the annual fee, (2) the charges and expenses of any third party retained by the Service Provider to provide any portion of the Prior Services and (3) office rent and expenses and other overhead costs of the Service Provider incurred in connection with, or reasonably allocable to, providing the Prior Services (collectively, "Reimbursable Expenses"). During 2014, the Predecessor incurred $2.6 million of Reimbursable Expenses to the Service Provider of which $2.0 million is included in general and administrative expenses and $0.6 million is included in cost of goods sold on the consolidated statement of operations. During 2013, the Predecessor incurred $2.2 million of Reimbursable Expenses to Enviva Holdings and is included in general and administrative expenses on the consolidated statement of operations.

As of December 31, 2015, $6.0 million is included in related party payable related to the MSA, and as of December 31, 2014, the Predecessor had $2.4 million included in related party payable related to the Prior MSA.

During the year ended December 31, 2015, the Partnership capitalized deferred issuance costs that were paid by the Service Provider of $0.1 million, and during the year ended December 31, 2014, $1.9 million. These costs, which consist of direct incremental legal and professional accounting fees related to the IPO, were recognized as an offset against proceeds upon the consummation of the IPO.

During the years ended December 31, 2015, 2014 and 2013, the Predecessor recorded $0.5 million, $0.9 million and $0, respectively, of general and administrative expenses that were incurred by the Service Provider and recorded as capital contributions. The Prior MSA automatically terminated upon the execution of the MSA.

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(11) Related Party Transactions (Continued)

Common Control Transactions

On January 5, 2015, the sponsor acquired Green Circle Bio Energy, Inc. ("Green Circle"), which owned the Cottondale plant. Acquisition I contributed Green Circle to the Partnership in April 2015 in exchange for subordinated units in the Partnership. Prior to such contribution, the sponsor converted Green Circle into a Delaware limited liability company and changed the name of the entity to "Enviva Pellets Cottondale, LLC" (see Note 1, *Business and Basis of Presentation).*

In connection with the closing of the Senior Secured Credit Facilities (see Note 10, *Long-Term Debt and Capital Lease Obligations*), on December 11, 2015, under the terms of a Contribution Agreement by and among the Partnership and the Hancock JV, the Hancock JV contributed to Enviva LP, all of the issued and outstanding limited liability interests in Enviva Pellets Southampton for total consideration of $131.0 million (see Note 1, *Business and Basis of Presentation).*

Related Party Indebtedness

On December 11, 2015, Enviva FiberCo, LLC, a wholly owned subsidiary of the Partnership's sponsor, became a lender pursuant to the Credit Agreement with a purchase of $15.0 million aggregate principal amount of the Tranche A-4 term advances, net of a 1.0% lender fee. The Partnership recorded an insignificant amount as interest expense related to this related indebtedness.

Related Party Notes Payable

The net assets contributed by the sponsor included notes payable issued by the sponsor to related parties. In January 2015, the sponsor issued a revolving note to Green Circle in the amount of $36.7 million and issued a note payable to Acquisition II in the amount of $50.0 million. In connection with the closing of the IPO on May 4, 2015, the related party notes payable outstanding principal of $81.9 million and accrued interest of $1.1 million were repaid by the Partnership (see Note 10, *Long-Term Debt and Capital Lease Obligations*).

Biomass Purchase and Terminal Services Agreements

On April 9, 2015, the Partnership entered into the Biomass Purchase Agreement with the Hancock JV pursuant to which the Hancock JV sold to the Partnership, at a fixed price per metric ton, certain volumes of wood pellets per month. The Partnership sold the wood pellets purchased from the Hancock JV to customers under the Partnership's existing off-take contracts. The Partnership also entered into the Terminal Services Agreement pursuant to which the Partnership would have provided terminal services at the Chesapeake terminal for the production from the Southampton plant that was not sold to the Partnership under the Biomass Purchase Agreement.

The Hancock JV sold all wood pellets produced to the Partnership at a fixed price per metric ton from April 10, 2015 through December 11, 2015, the date of the Southampton Drop-Down. As a result of the Partnership purchasing all wood pellets produced by the Hancock JV, no terminal service fees were recorded. In connection with the Southampton Drop-Down, the Partnership entered into termination agreements with the Hancock JV to terminate such sales and to terminate the Terminal Services Agreement. As a result of the Southampton Drop-Down and the recasting of the consolidated financial statements, certain costs incurred under the Biomass Purchase Agreement have been eliminated.

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(12) Operating Leases

The MSA fee charged by Enviva Holdings, LP to the Partnership includes rent related amounts for a noncancelable operating lease for office space in Maryland held by Enviva Holdings, LP. Rent expense was insignificant for the year ended December 31, 2015 and $0.1 million and $0.3 million for the years ended December 31, 2014 and 2013, respectively.

Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2015 are as follows:

2016	$ 2,423
2017	1,978
2018	823
2019	80
2020	—
Later years	—
Total future minimum lease payments	$ 5,304

(13) Income Taxes

The Partnership's U.S. operations are organized as limited partnerships and several entities that are disregarded entities for federal and state income tax purposes. As a result, the Partnership is not subject to U.S. federal and most state income taxes. The partners and unitholders of the Partnership are liable for these income taxes on their share of the Partnership's taxable income. Some states impose franchise and capital taxes on the Partnership. Such taxes are not material to the consolidated financial statements and have been included in other income (expense) as incurred.

For fiscal year 2015, the only periods subject to examination for federal and state income tax returns are 2012 through 2015. In foreign taxing jurisdictions, the periods open to examination for the various entities consist of years 2010 through 2015. The Partnership believes its income tax filing positions, including its status as a pass-through entity, would be sustained on audit and does not anticipate any adjustments that would result in a material change to its consolidated balance sheet. Therefore, no reserves for uncertain tax positions, nor interest and penalties, have been recorded. For the years ended December 31, 2014 and 2013 no provision for federal or state income taxes has been recorded in the consolidated financial statements.

The Partnership's consolidated statement of operations for the year ended December 31, 2015, includes income tax expense of $2.7 million related to the activities of the Cottondale plant from the date of acquisition on January 5, 2015 through April 8, 2015. This amount is reflected as a capital contribution. During this period, Green Circle was a corporate subsidiary of the predecessor entity of Acquisition II. Green Circle, which is now Enviva Cottondale Acquisition I, LLC, and Acquisition II were each treated as a corporation for federal income purposes until April 7, 2015 and April 8, 2015, respectively. Prior to the contribution of Acquisition II to the Partnership on April 9, 2015, the financial results of the predecessor entity of each of Acquisition II and Green Circle were included in the consolidated federal income tax return of the tax paying entity, Acquisition I.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(14) Partners' Capital

In connection with the closing of the IPO, the Partnership recapitalized the outstanding limited partner interests held by the sponsor into 405,138 common units and 11,905,138 subordinated units representing a 51.7% ownership interest in the Partnership as of the closing of the IPO. On December 11, 2015, the Partnership issued 942,023 common units to a wholly owned subsidiary of the sponsor in connection with the Southampton Drop-Down. In addition, the sponsor is the owner of the General Partner and the General Partner holds the incentive distribution rights.

Allocations of Net Income

The partnership agreement contains provisions for the allocation of net income and loss to the unitholders and the General Partner. For purposes of maintaining partner capital accounts, the partnership agreement specifies that items of income and loss shall be allocated among the partners in accordance with their respective percentage ownership interest. Normal allocations according to percentage interests are made after giving effect, if any, to priority income allocations in an amount equal to incentive cash distributions allocated 100% to the General Partner.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive increasing percentages (ranging from 15.0% to 50.0%) of quarterly distributions from operating surplus after distributions in amounts exceeding specified target distribution levels have been achieved. The General Partner currently holds the incentive distribution rights, but may transfer these rights at any time.

Cash Distributions

The partnership agreement sets forth the calculation to be used to determine the amount of cash distributions that the common and subordinated unitholders and sponsor will receive.

The following table details the cash distributions paid or declared per common unit during 2015 (in millions, except per unit amounts):

Quarter Ended	Record Date	Payment Date	Distribution Per Unit	Total Cash Distribution
June 30, 2015	August 14, 2015	August 31, 2015	$ 0.2630	$ 6.3
September 30, 2015	November 17, 2015	November 27, 2015	$ 0.4400	$ 10.5
December 31, 2015	February 17, 2016	February 29, 2016	$ 0.4600	$ 11.4

No distributions have been declared for the holders of incentive distribution rights.

For purposes of calculating the Partnership's earnings per unit under the two-class method, common units are treated as participating preferred units, and the subordinated units are treated as the residual equity interest, or common equity. Incentive distribution rights are treated as participating securities.

Distributions made in future periods based on the current period calculation of cash available for distribution are allocated to each class of equity that will receive the distribution. Any unpaid cumulative distributions are allocated to the appropriate class of equity.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(14) Partners' Capital (Continued)

The Partnership determines the amount of cash available for distribution for each quarter in accordance with the partnership agreement. The amount to be distributed to common unitholders, subordinated unitholders and incentive distribution rights holders is based on the distribution waterfall set forth in the partnership agreement. Net earnings for the quarter are allocated to each class of partnership interest based on the distributions to be made. Additionally, if, during the subordination period, the Partnership does not have enough cash available to make the required minimum distribution to the common unitholders, the Partnership will allocate net earnings to the common unitholders based on the amount of distributions in arrears. When actual cash distributions are made based on distributions in arrears, those cash distributions will not be allocated to the common unitholders, as such earnings were allocated in previous quarters.

Noncontrolling Interests—Enviva Pellets Wiggins, LLC

The Partnership has a controlling interest in Enviva Pellets Wiggins, LLC (formerly known as "Tomorrow's Energy, LLC"), a Mississippi limited liability company located in Stone County, Mississippi. The Partnership and the former owners of Tomorrow's Energy LLC each held 10.0 million Series B units in the joint venture. Enviva committed to invest up to $10.0 million in expansion and other capital for the plant in return for 10.0 million Series A units. Due to capital requirements, the Enviva Pellets Wiggins board of managers approved for Enviva to invest an additional $10.0 million in return for an additional 10.0 million Series A units and 10.0 million Series B units. At December 31, 2015 and 2014, the Company held 20.0 million of the 30.0 million outstanding Series B units, which accounted for a 67% controlling interest.

A prior owner who is currently a holder of an interest in Series B units of Enviva Pellets Wiggins owns 0.5 million Series A Preferred units which were acquired for a cash contribution of $0.5 million under an option granted as part of the initial acquisition. Board and voting control still resides with the Company.

(15) Equity-Based Awards

Long-Term Incentive Plan

Effective April 30, 2015, the General Partner adopted the Enviva Partners, LP Long-Term Incentive Plan ("LTIP") for employees, consultants and directors of the General Partner and any of its affiliates that perform services for the Partnership. The LTIP provides for the grant, from time to time, at the discretion of the board of directors of the General Partner or a committee thereof, of unit options, unit appreciation rights, restricted units, phantom units, DERs, unit awards, and other unit-based awards. The LTIP limits the number of common units that may be delivered pursuant to awards under the plan to 2,738,182 common units. Common units subject to awards that are forfeited, cancelled, exercised, paid, or otherwise terminate or expire without the actual delivery of common units will be available for delivery pursuant to other awards. The common units to be delivered under the LTIP will consist, in whole or in part, of common units acquired in the open market or from any affiliate or any other person, newly issued common units or any combination of the foregoing as determined by the Board of Directors of the General Partner or a committee thereof.

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(15) Equity-Based Awards (Continued)

During 2015, the Board granted phantom units in tandem with corresponding DERs to employees of the Provider who provide services to the Partnership (the "Affiliate Grants"), and phantom units in tandem with corresponding DERs to certain non-employee directors of the General Partner (the "Director Grants"). The phantom units and corresponding DERs are subject to certain vesting and forfeiture provisions. Award recipients do not have all the rights of a unitholder with respect to the phantom units until the phantom units have vested and been settled. Awards of the phantom units are settled in common units within 60 days after the applicable vesting date. If a phantom unit award recipient experiences a termination of service under certain circumstances set forth in the applicable award agreement, the unvested phantom units and corresponding DERs are forfeited.

A summary of the Affiliate Grant unit awards subject to vesting for the year ended December 31, 2015 is set forth below:

	Phantom Units		Performance Based Phantom Units		Total Affiliate Grant Phantom Units	
	Units	Weighted Average Grant Date Fair Value (per unit)(1)	Units	Weighted Average Grant Date Fair Value (per unit)(1)	Units	Weighted Average Grant Date Fair Value (per unit)(1)
Nonvested December 31, 2014	—	$ —	—	$ —	—	$ —
Granted	200,351	20.62	81,803	20.36	282,154	20.54
Forfeitures	12,230	21.26	—	—	12,230	21.26
Vested	—	—	—	—	—	—
Nonvested December 31, 2015	188,121	$ 20.58	81,803	$ 20.36	269,924	$ 20.51

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.

The Affiliate Grant phantom units vest on the third anniversary of the grant date except for performance based phantom units which vest on the achievement of specific performance milestones. The fair value of the Affiliate Grants was $5.8 million based on the market price per unit on the date of grant. These units are accounted for as if they are distributed by the Partnership. The fair value of Affiliate Grants is remeasured by the provider at each reporting period until the award is settled. Compensation cost recorded each period will vary based on the change in the award's fair value. For awards with performance goals, the expense is accrued only if the performance goals are considered to be probable of occurring. The Provider recognizes unit-based compensation expense for the units awarded and a portion of that expense is allocated to the Partnership. The Provider allocates unit-based compensation expense to the Partnership in the same manner as other corporate expenses. The Partnership's portion of the unit-based compensation expense is included in general and administrative expenses. During the year ended December 31, 2015, the Partnership recognized $0.4 million of general and administrative expense associated with the Affiliate Grants.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(15) Equity-Based Awards (Continued)

A summary of the Director Grant unit awards subject to vesting for the year ended December 31, 2015, is set forth below:

	Phantom Units		Performance Based Phantom Units		Total Director Grant Phantom Units	
	Units	Weighted Average Grant Date Fair Value (per unit)(1)	Units	Weighted Average Grant Date Fair Value (per unit)(1)	Units	Weighted Average Grant Date Fair Value (per unit)(1)
Nonvested December 31, 2014	—	$ —	—	$ —	—	$ —
Granted	14,112	21.26	—	—	14,112	21.26
Forfeitures	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Nonvested December 31, 2015	14,112	$ 21.26	—	$ —	14,112	$ 21.26

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.

The Director Grant phantom units have an aggregate grant date fair value of $0.3 million and vest on the first anniversary of the grant date. For the year ended December 31, 2015, the Partnership recorded an insignificant amount of compensation expense with respect to the Director Grants.

The DERs associated with the Affiliate and Director Grant phantom units entitle the recipients to receive payments equal to any distributions made by the Partnership to the holders of common units within 60 days following the record date for such distributions. The DERs associated with the performance-based Affiliate Grants will remain outstanding and unpaid from the grant date until the earlier of the settlement or forfeiture of the related phantom units. Cash distributions paid related to DERs for the year ended December 31, 2015 were not significant.

(16) Net Income per Limited Partner Unit

Net income (loss) per unit applicable to limited partners (including subordinated unitholders) is computed by dividing limited partners' interest in net income (loss) attributable to Enviva Partners, LP, after deducting any incentive distributions, by the weighted-average number of outstanding common and subordinated units. As the Partnership has more than one class of participating securities, the two-class method is used when calculating the net income (loss) per unit applicable to limited partners. The classes of participating securities include common units, subordinated units and IDRs.

The Partnership's net income (loss) is allocated to the limited partners in accordance with their respective ownership interests, after giving effect to priority income allocations for incentive distributions, if any, to the holder of the IDRs, pursuant to the partnership agreement. The distributions are declared and paid following the close of each quarter. Earnings in excess of distributions are allocated to the limited partners based on their respective ownership interests. Payments made to the Partnership's unitholders are determined in relation to actual distributions declared and are not based on the net income (loss) allocations used in the calculation of earnings per

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(16) Net Income per Limited Partner Unit (Continued)

limited partner unit. Earnings (losses) per unit is only calculated for the Partnership for the periods following the IPO as no units were outstanding prior to May 4, 2015.

In addition to the common and subordinated units, the Partnership has also identified the IDRs and phantom units as participating securities and uses the two-class method when calculating the net income (loss) per unit applicable to limited partners, which is based on the weighted-average number of common units outstanding during the period. Diluted net income per limited partner unit includes the effects of potentially dilutive time-based and performance-based phantom units on the Partnership's common units. Basic and diluted earnings (losses) per unit applicable to subordinated limited partners are the same because there are no potentially dilutive subordinated units outstanding.

The computation of net income (loss) per limited partner unit is a follows:

	Year Ended December 31,		
	2015	2014	2013
		(Predecessor)	
	(in thousands, except per unit amounts)		
Net income (loss)	$ 23,132	$ 185	$ (5,497)
Less net loss attributable to noncontrolling partners' interests	42	79	58
Net income (loss) attributable to Enviva Partners, LP	$ 23,174	$ 264	$ (5,439)
Less: Predecessor loss to May 4, 2015 (prior to IPO)	$ (2,132)		
Less: Pre-acquisition income from April 10, 2015 to December 10, 2015 from operations of Enviva Pellets Southampton Drop-Down allocated to General Partner	6,264		
Enviva Partners, LP limited partners' interest in net income from May 4, 2015 to December 31, 2015	$ 19,042		
Less: Distributions declared on:			
Common units(1)	$ 14,282		
Subordinated units(1)	13,846		
Total distributions declared	28,128		
Earnings less than distributions	$ (9,086)		

(1) On July 29, 2015, the Partnership declared a prorated initial cash distribution of $0.2630 per unit, totaling $6.3 million, for the period subsequent to the IPO. The distribution was calculated based on the minimum quarterly distribution of $0.4125, prorated from May 4, 2015 to June 30, 2015. The distribution was paid on August 31, 2015 to unitholders of record on August 14, 2015.

On October 28, 2015, the Partnership declared a quarterly cash distribution of $0.4400 per unit, totaling $10.5 million, for the three months ended September 30, 2015. The distribution was paid on November 27, 2015 to unitholders of record on November 17, 2015.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(16) Net Income per Limited Partner Unit (Continued)

On February 3, 2016, the Partnership declared a quarterly cash distribution of $0.4600 per unit, totaling $11.4 million, for the three months ended December 31, 2015. The distribution will be paid on February 29, 2016 to unitholders of record on February 17, 2016.

Basic and diluted net income (loss) per limited partner unit is a follows:

	Year Ended December 31, 2015		
	Common Units	Subordinated Units	General Partner
	(in thousands, except per unit amounts)		
Weighted average common units outstanding—basic	11,988	11,905	—
Effect of nonvested phantom units	270	—	—
Weighted average common units outstanding—diluted	12,258	11,905	—

	Year Ended December 31, 2015			
	Common Units	Subordinated Units	General Partner	Total
	(in thousands, except per unit amounts)			
Distributions declared	$ 14,282	$ 13,846	$ —	$ 28,128
Earnings less than distributions	(4,721)	(4,365)	—	(9,086)
Net income attributable to partners	$ 9,561	$ 9,481	$ —	$ 19,042
Weighted average units outstanding—basic	11,988	11,905	—	23,893
Weighted average units outstanding—diluted	12,258	11,905	—	24,163
Net income per limited partner unit—basic	$ 0.80	$ 0.80	$ —	$ 1.60
Net income per limited partner unit—diluted	$ 0.79	$ 0.79	$ —	$ 1.58

(17) Commitments and Contingencies

Southampton Promissory Note

In connection with the $1.5 million note issued for the Enviva Pellets Southampton land purchase, the Partnership received various incentives from the Industrial Development Authority of Southampton County, Virginia. The Partnership has commitments of investments in land, buildings and equipment, initial investment in machinery and tools, creation of full-time jobs, average annual compensation and an investment to extend natural gas service to the site. On February 24, 2014, the Partnership amended the performance agreement with Southampton County. Under the amended terms, the Partnership reduced its promissory note balance (see Note 10, *Long-Term Debt and Capital Lease Obligations*). As of December 31, 2015, the Partnership met the necessary requirements due through December 31, 2015 and expects to meet the remaining requirements. The Partnership has not recorded any provision for reimbursement in the financial statements.

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ENVIVA PARTNERS, LP AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(In thousands, except per unit amounts and unless otherwise noted)

(18) Subsequent Events

Long-Term Incentive Plan

On February 3, 2016, the Board granted 297,502 Affiliate Grants in tandem with corresponding DERs. Of the total Affiliate Grants, 201,043 phantom units vest on the third anniversary of the grant date and 96,459 phantom units vest on the performance of specific milestones. The fair value of the Affiliate Grants was $5.4 million based on the market price per unit on the date of grant.

Current Portion of Long-Term Debt

On January 22, 2016, a non-controlling interest holder in Enviva Pellets Wiggins became the holder of the Enviva Pellets Wiggins construction loan and working capital line. There were no changes to the terms of the loans.

(19) Quarterly Financial Data (Unaudited)

The following table presents the Partnership's unaudited quarterly financial data. This information has been prepared on a basis consistent with that of the Predecessor's audited consolidated financial statements and all necessary material adjustments, consisting of normal recurring accruals and adjustments, have been included to present fairly the unaudited quarterly financial data. As discussed in Note 1, *Business and Basis of Presentation,* the consolidated financial statements for the periods prior to the Reorganization and the Southampton Drop-Down have been retroactively recast. The quarterly information presented below has also been recast accordingly. The quarterly results of operations for these periods are not necessarily indicative of future results of operations. Basic and diluted earnings per unit are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per unit information may not equal annual basic and diluted earnings per unit.

For the Year Ended December 31, 2015	First Quarter (Recast)	Second Quarter (Recast)	Third Quarter (Recast)	Fourth Quarter	Total
Net revenue	$ 114,314	$ 109,659	$ 116,588	$ 116,813	$ 457,374
Gross margin	11,655	15,259	16,583	18,124	61,621
Net income	2,511	2,865	8,793	8,963	23,132
Enviva Partners, LP limited partners' interest in net income from May 4, 2015 to December 31, 2015		5,685	6,412	6,945	19,042
Basic income per limited partner common unit		$ 0.24	$ 0.27	$ 0.29	$ 0.80
Diluted income per limited partner common unit		$ 0.24	$ 0.27	$ 0.29	$ 0.79
Basic income per limited partner subordinated unit		$ 0.24	$ 0.27	$ 0.29	$ 0.80
Diluted income per limited partner subordinated unit		$ 0.24	$ 0.27	$ 0.29	$ 0.79

For the Year Ended December 31, 2014 (Predecessor)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net revenue	$ 66,498	$ 68,551	$ 76,110	$ 78,977	$ 290,136
Gross margin	999	2,899	8,066	8,143	20,107
Net (loss) income	(3,357)	(1,871)	3,105	2,308	185

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-15(e) under the Exchange Act) was carried out under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of our General Partner. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer of our General Partner concluded that the design and operation of these disclosure controls and procedures were effective as of December 31, 2015, the end of the period covered by this Annual Report.

Internal Control Over Financial Reporting and Changes in Internal Control Over Financial Reporting

The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), adopted rules that generally require every company that files reports with the SEC to include a management report on such company's internal control over financial reporting in its annual report. In addition, our independent registered public accounting firm must attest to our internal control over financial reporting. This Annual Report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by SEC rules applicable to new public companies. Management will be required to provide an assessment of effectiveness of our internal control over financial reporting as of December 31, 2016. We are not required to comply with the auditor attestation requirement of Section 404 of the Sarbanes-Oxley Act while we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012.

During the year ended December 31, 2015, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We are managed and operated by the board of directors and executive officers of our General Partner. Our unitholders do not elect our General Partner or its directors or otherwise directly participate in our management or operations, nor will they be entitled to do so in the future. Our General Partner owes certain contractual duties to our unitholders as well as a fiduciary duty to its owners.

The board of directors of our General Partner has eight directors, including three directors meeting the independence standards established by the NYSE and the Exchange Act. The board of directors met four times during 2015. As a result of owning our General Partner, our sponsor has the right to appoint all members of the board of directors of our General Partner.

Executive Officers and Directors of Our General Partner

The following table shows information for the executive officers and directors of our General Partner. As the owner of our General Partner, our sponsor appoints all members of the board of directors of our General Partner. Directors hold office until their successors have been elected or qualified or until the earlier of their death, resignation, removal or disqualification. Executive officers are appointed by and serve at the discretion of the board. There are no family relationships among any of our directors or executive officers. One of our directors and all of our executive officers also serve as executive officers of our sponsor.

Name	Age	Position With Our General Partner
John K. Keppler	45	Chairman, President and Chief Executive Officer
Stephen F. Reeves	56	Executive Vice President and Chief Financial Officer
Thomas Meth	43	Executive Vice President of Sales and Marketing
William H. Schmidt, Jr.	43	Executive Vice President, General Counsel and Secretary
James P. Geraghty	38	Vice President and Controller
E. Royal Smith	43	Vice President, Operations
Raymond J. Kaszuba, III	37	Vice President and Treasurer
Michael B. Hoffman	65	Director
Ralph C. Alexander	60	Director
Carl L. Williams	39	Director
Robin J. A. Duggan	49	Director
John C. Bumgarner, Jr.	73	Director
William K. Reilly	76	Director
Janet S. Wong	57	Director

John K. Keppler. Mr. Keppler has served as Chairman of the board of directors and President and Chief Executive Officer of our General Partner since our inception in November 2013. Mr. Keppler co-founded Intrinergy, the predecessor to our sponsor, in 2004, and has been responsible for setting Enviva's strategic direction and leading the company's growth. From 2002 to 2004, Mr. Keppler was the Director of Corporate Strategy in the Office of the Vice Chairman with America Online and, prior to that, he was Senior Manager, Business Affairs and Development with America Online from 2001 to 2002. Mr. Keppler holds a B.A. in political economy from the University of California, Berkeley, as well as an MBA from The Darden Graduate School of Business Administration at The University of Virginia. Over the course of Mr. Keppler's career, he has gained extensive experience growing innovative ideas into successful businesses across a broad range of industries and has developed a wealth of experience in business strategy and operations and a keen knowledge of the renewable energy sector. For the past ten years, Mr. Keppler has been responsible for setting our strategic direction and

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leading the company's growth from a start-up company to the world's leading producer of wood biomass fuels. In light of this experience, we believe that he has the requisite set of skills to serve as a director, as well as Chairman, President and Chief Executive Officer.

Stephen F. Reeves. Mr. Reeves has served as Executive Vice President and Chief Financial Officer of our General Partner since our inception in November 2013. Mr. Reeves has served in the same capacity at our sponsor and Enviva, LP since 2012. He served as Senior Vice President and Chief Financial Officer of The Black & Decker Corporation, a global manufacturer and marketer of power tools, home improvement products and industrial fastening equipment, from 2008 through 2010, and prior to that served in the Worldwide Power Tools and Accessories division of Black and Decker as Vice President—Global Finance from April 2000. Mr. Reeves was previously with the audit firm of Ernst & Young LLP. Mr. Reeves earned a B.S. in Accounting from the Pennsylvania State University.

Thomas Meth. Mr. Meth has served as Executive Vice President of Sales and Marketing of our General Partner since our inception in November 2013. He was also a co-founder of Intrinergy. Mr. Meth is responsible for our commercial customer relations as well as our marketing, sustainability, communications and public relations initiatives. Prior to Intrinergy, Mr. Meth was Head of Sales and Marketing in Europe, the Middle East and Africa for the Colfax Corporation from 2002 to 2004. From 1993 to 2000, Mr. Meth was the Director of Sales for Europay Austria, a consumer financial services company that offered MasterCard, Maestro and Electronic Purse services. Mr. Meth holds a bachelor of commerce from Vienna University of Economics and Business Administration in Austria as well as an MBA from The Darden Graduate School of Business Administration at The University of Virginia. Mr. Meth was an executive officer of Intrinergy Deutschland Management GmbH ("IDM") and Enviva Pellets GmbH and Co. KG ("EPD"), which were engaged in pellet manufacturing in Germany unrelated to our core business. Both entities filed for insolvency in Amtsgerichts Straubing, a district court located in Germany, in November 2010. Our predecessor distributed its indirect interests in IDM and EPD to our sponsor as part of the Reorganization.

William H. Schmidt, Jr. Mr. Schmidt has served as Executive Vice President, General Counsel and Secretary of our General Partner since our inception in November 2013, and has served in the same capacity at our sponsor and Enviva, LP since March 2013. Mr. Schmidt is responsible for our and our sponsor's legal affairs and as President of Enviva Development Holdings, LLC, for our sponsor's corporate development activities. Prior to joining us, Mr. Schmidt was the Senior Vice President and General Counsel of Buckeye GP LLC, the general partner of Buckeye Partners, L.P., a master limited partnership that owned and operated petroleum pipelines and terminals in the U.S., marine terminals serving international petroleum markets, natural gas storage facilities, and a petroleum products marketing business. From November 2010 to February 2013, he was Vice President and General Counsel of Buckeye GP LLC and, from November 2007 to November 2010, he was Vice President, General Counsel and Secretary of Buckeye GP LLC. Prior to November 2007, Mr. Schmidt served as Vice President and General Counsel of Buckeye Pipe Line Services Company, an affiliate of Buckeye Partners, L.P., since February 2007 and as Associate General Counsel since September 2004. Mr. Schmidt also was the President of Lodi Gas Storage, L.L.C., a subsidiary of Buckeye Partners, L.P., from August 2009 to January 2012. Prior to joining Buckeye, Mr. Schmidt practiced law at Chadbourne & Parke LLP, an international law firm.

James P. Geraghty. Mr. Geraghty has served as Vice President and Controller of our General Partner since our inception in November 2013, and has served in the same capacity at our sponsor and Enviva, LP since January 2011. From July 2008 to January 2011, Mr. Geraghty was Project Manager at Rose Financial Services, a consulting firm that specializes in assisting early stage high-growth companies to scale their finance functions in preparation for private and public debt and equity offerings. Prior to that, he was the Controller at The George Washington University Hospital since July 2002. From September 1999 to July 2002, Mr. Geraghty worked in the Assurance and Business Advisory Services of

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Arthur Andersen, LLP. Mr. Geraghty holds a B.S. in Accounting from Mount Saint Mary's University, an MBA from the George Washington University School of Business and holds a Certified Public Accountant accreditation.

E. Royal Smith. Mr. Smith has served as Vice President, Operations of our General Partner and our sponsor since July 2014, and has served in the same capacity at Enviva, LP since April 2014. Prior to joining Enviva, LP, he served as Director of Operations, NAA Division of Guilford Performance Textiles, a global textile manufacturing company, from March 2012 to July 2014. From August 2010 to March 2012, Mr. Smith also served as Director of Quality, NAA Division. Prior to joining Guilford, Mr. Smith worked as a Plant Manager at Pactiv, a food packaging manufacturer, from May 2009 to August 2010. Mr. Smith served as General Manager of a facility operated by United Plastics Group International from December 2005 to May 2009, after serving in other roles at the company from April 2002. From January 1999 to September 1999, he served as Production Supervisor of The General Motors Corporation, before serving as Mechanical Device/Tool and Die Supervisor from September 1999 to August 2000. Mr. Smith holds a B.S. in Mechanical Engineering from GMI Engineering and Management Institute.

Raymond J. Kaszuba, III. Mr. Kaszuba has served as Vice President and Treasurer of our General Partner and Enviva, LP since July 2015. Prior to joining Enviva, LP, he worked in several Treasury and finance-related positions at Exxon Mobil Corporation, a leading oil and natural gas company, for 8 years. Mr. Kaszuba holds a B.S. in Finance and Economics from the University of Dayton and an MBA from the Tepper School of Business at Carnegie Mellon University.

Michael B. Hoffman. Mr. Hoffman has served as a director on the board of directors of our General Partner since our inception in November 2013. Mr. Hoffman is a partner of Riverstone, where he is principally responsible for investments in power and renewable energy for Riverstone's funds. Mr. Hoffman is co-head of Riverstone's Renewable Energy Funds I and II. Mr. Hoffman also serves on the board of directors of Talen Energy Corporation and Pattern Energy Group Inc. Before joining Riverstone in 2003, Mr. Hoffman was senior managing director and head of the mergers and acquisitions advisory business of The Blackstone Group for 15 years, where he also served on the firm's principal group investment committee as well as its executive committee. Prior to joining Blackstone, Mr. Hoffman was managing director and co-head of the mergers and acquisitions department of Smith Barney, Harris Upham & Co. In addition to serving on the boards of a number of Riverstone portfolio companies and their affiliates, Mr. Hoffman is chairman of the board of directors of Onconova Therapeutics Inc. He is also a member of the board of trustees of The Rockefeller University. We believe Mr. Hoffman's extensive leadership and financial expertise enable him to contribute significant managerial, strategic and financial oversight skills to the board of directors of our General Partner and our management team.

Ralph C. Alexander. Mr. Alexander has served as a director on the board of directors of our General Partner since our inception in November 2013. Mr. Alexander is a Managing Director of Riverstone and joined Riverstone in September 2007. During 2007, Mr. Alexander served as a consultant to TPG Capital. For nearly 25 years, Mr. Alexander served in various positions with subsidiaries and affiliates of BP plc, one of the world's largest energy firms. From June 2004 until December 2005, he served as Chief Executive Officer of Innovene, BP's $20 billion olefins and derivatives subsidiary. From 2001 until June 2004, he served as Chief Executive Officer of BP's Gas, Power and Renewables and Solar segment and was a member of the BP group executive committee. Prior to that, Mr. Alexander served as a Group Vice President in BP's Exploration and Production segment and BP's Refinery and Marketing segment. He held responsibilities for various regions of the world, including North America, Russia, the Caspian, Africa and Latin America. Prior to these positions, Mr. Alexander held various positions in the upstream, downstream and finance groups of BP. In addition to serving on the boards of a number of Riverstone portfolio companies and their affiliates,

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Mr. Alexander has served as a director of Talen Energy since June 2015, Niska Gas Storage Partners LLC since December 2014 and of EP Energy Corporation since September 2013. He previously served on the board of Stein Mart Corporation, KiOR Inc., Amyris, Inc., Foster Wheeler AG and Anglo American plc. He holds a B.S. and M.S. in nuclear engineering from Brooklyn Polytech (now NYU Polytechnic) and holds an M.S. in management science from Stanford University. He is currently chairman of the board of NYU Polytechnic and is a New York University Trustee. We believe Mr. Alexander's extensive experience with the energy industry enables him to provide essential guidance to the board of directors of our General Partner and our management team.

Carl L. Williams. Mr. Williams has served as a director on the board of directors of our General Partner since our inception in November 2013. Mr. Williams is a Managing Director at Riverstone. Prior to joining Riverstone in 2008, Mr. Williams was in the Global Natural Resources investment banking group at Goldman, Sachs & Co. from 2005 to 2008. While at Goldman, he focused on mergers and acquisitions and financing transactions in the power generation, alternative energy, oil and gas and refining industries. Prior to that, he held various positions in engineering and strategic sourcing with Lyondell Chemical Company, a supplier of raw materials and technology to the coatings industry, from 1999 to 2004. He received his MBA from Columbia Business School, and holds a B.S. in chemical engineering and a B.A. in economics and managerial studies from Rice University. We believe that Mr. Williams' extensive experience in, and knowledge of, each of the finance and energy sectors enable him to provide essential guidance to the board of directors of our General Partner and our management team.

Robin J. A. Duggan. Mr. Duggan has served as a director on the board of directors of our General Partner since our inception in November 2013. Mr. Duggan has been a Managing Director of Riverstone since 2014, and previously served as a Principal of Riverstone for seven years. Prior to joining Riverstone, Mr. Duggan was the founder of Commodity Optimization Ventures Ltd., a business that provided advice to clients in the private equity industry, including Texas Pacific Group. Before founding his business, he served for over 17 years in various positions with subsidiaries and affiliates of BP plc. From 2004 to 2005, Mr. Duggan was the Vice President of European Business Optimization at Innovene, BP's olefins and derivatives subsidiary, where he was responsible for commercial activity for olefins and refining in Europe and also oversaw Innovene's successful separation from BP in Europe. From 1999 to 2003, Mr. Duggan held a number of senior level positions in BP's Petrochemicals segment, including serving as the Performance Unit Leader of the Aromatics and Olefins division, Global Business Manager of the Styrene business unit, and the Planning, Performance and Strategy Manager of the Acetyls business unit. Prior to that time, Mr. Duggan held various positions in BP's Upstream segment in the United Kingdom, Australia and Venezuela over a period of ten years. Mr. Duggan serves on the boards of a number of Riverstone portfolio companies and their affiliates. He holds a B.A in biochemistry from Oxford University and an M.S. in management science from Stanford University. Based upon his strong background in various aspects of the energy industry, we believe Mr. Duggan has the requisite set of skills to serve as a director.

John C. Bumgarner, Jr. Mr. Bumgarner has served as a director on the board of directors of our General Partner since April 2015. Mr. Bumgarner has been engaged in private investment since November 2002, and currently assists in operating a family-owned, multi-faceted real estate company. Mr. Bumgarner previously served as Co-Chief Operating Officer and President of Strategic Investments for Williams Communications Group, Inc., a high technology company, from May 2001 to November 2002. Williams Communications Group, Inc. filed a Plan of Reorganization with the U.S. Bankruptcy Court in August 2002. Mr. Bumgarner joined The Williams Companies, Inc., in 1977 and, prior to working at Williams Communications Group, Inc., served as Senior Vice President of Williams Companies Corporate Development and Planning, President of Williams International Company and President of Williams Real Estate Company. He most recently served as a director of Energy Partners, Ltd., an oil and natural gas exploration and production company, from January 2000 to

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February 2009, and at Market Planning Solutions Inc. from February 1982 until April 2011. Energy Partners, Ltd. filed a Plan of Reorganization with the U.S. Bankruptcy Court in May 2009. Mr. Bumgarner holds a B.S. from the University of Kansas and an M.B.A. from Stanford University. Mr. Bumgarner's substantial experience as an executive at a conglomerate and as a director on boards of public and private companies engaged in a variety of industries provide him with unique insight that is particularly helpful and valuable to the board of directors of our General Partner.

William K. Reilly. Mr. Reilly has served as a director on the board of directors of our General Partner since April 2015. Mr. Reilly served as Administrator of the U.S. Environmental Protection Agency from 1989 to 1993. From June 1999 to December 2012, Mr. Reilly has served as President and Chief Executive Officer of Aqua International Partners, an investment group which finances water improvements in developing countries. He is also a Senior Advisor to TPG Capital. In 2010, Mr. Reilly was appointed by President Obama as co-chair of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. He currently serves on the board of directors of Royal Caribbean Cruises Ltd. and as a director of the National Geographic Education Foundation. Mr. Reilly served as a director of Conoco Inc. from 1998 until its merger with Phillips Petroleum Company in 2002, and thereafter served as a director of ConocoPhillips until May 2013. From 1993 until April 2012, Mr. Reilly also served on the Board of Directors of E.I. duPont de Nemours and Company. He has also previously served as the first Payne Visiting Professor at Stanford University, President of the World Wildlife Fund and President of The Conservation Foundation. He is Chairman Emeritus of the World Wildlife Fund, Chairman Emeritus of the ClimateWorks Foundation and Chairman of the Nicholas Institute for Environmental Policy Solutions at Duke University. Mr. Reilly's extensive environmental regulatory experience and his service on various other boards make him well qualified to serve as a member of the board of directors of our General Partner, and allow him to provide unique and valuable perspective on matters critical to our operations.

Janet S. Wong. Ms. Wong has served as a director on the board of directors of our General Partner since April 2015. Since January 2013, Ms. Wong has served as an Executive Advisor for Ascend, a non-profit professional organization that enables its members, corporate partners and the community to realize the leadership potential of Pan-Asians in global corporations. At Ascend, Ms. Wong has been a co-developer and instructor for its Executive Insight courses. Ms. Wong was elected to serve on the Audit Committee for the American Heart Association as well as the Budget Review Subcommittee. Ms. Wong also currently sits on the board of directors of the Cynthia Woods Mitchell Pavilion, one of the top five outdoor amphitheaters in the U.S. by ticket sales and revenue, and on the Advisory Board of the College of Business of Louisiana Tech University. A Certified Public Accountant for over 30 years, Ms. Wong served as a Partner at Grant Thornton LLP from August 2008 through July 2012, where she was the Central Region Corporate and Partnership Services Lead Partner. In 2008, Ms. Wong retired from the partnership of KPMG, culminating a career with the global firm from 1985 through 2008, where she served as the National Industry Practice Lead Partner. Ms. Wong has extensive experience working with clients in the consumer markets, energy, financial services, manufacturing, and technology sectors. We believe Ms. Wong's audit expertise and her professional and leadership experience enable her to provide essential guidance to the board of directors of our General Partner and our management team.

Director Independence

The board of directors of our General Partner has three independent directors. The NYSE does not require a publicly traded partnership such as ours to have a majority of independent directors on the board or to establish a compensation committee or a nominating committee. However, our General Partner is required to have an audit committee of at least three members, and all its members are required to meet the independence and experience standards established by the NYSE and the Exchange Act, subject to certain transitional relief during the one-year period following the initial

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listing of our common units on the NYSE. This one-year transitional period will end on April 29, 2016. Our General Partner reviewed the applicable independence standards established by the NYSE and the Exchange Act and appointed John C. Bumgarner, Jr., William K. Reilly and Janet S. Wong as independent directors.

Committees of the Board of Directors

The board of directors of our General Partner has three standing committees: an audit committee, a compensation committee and a health, safety, sustainability and environmental committee. The board of directors of our General Partner may also form a conflicts committee from time to time.

Audit Committee

We are required to have an audit committee of at least three members, and all the members of the audit committee are required to meet the independence and experience standards established by the NYSE and the Exchange Act, subject to certain transitional relief during the one-year period described above. In connection with our IPO, John C. Bumgarner, Jr., Ralph C. Alexander and Janet S. Wong were appointed to serve as members of the audit committee. The board determined that all members of the audit committee are financially literate and that Mr. Bumgarner and Ms. Wong are "independent" under the standards of the NYSE and SEC regulations currently in effect. In accordance with the rules of the NYSE, our sponsor must appoint an independent member to replace Mr. Alexander within one year of the listing of our common units on the NYSE, or by April 29, 2016. SEC rules also require that a public company disclose whether or not its audit committee has an "audit committee financial expert" as a member. An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes defined by Regulation S-K Item 407(d)(s)(ii). The board of directors of our General Partner believes Janet S. Wong satisfies the definition of "audit committee financial expert."

The audit committee assists the board of directors in its oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements and partnership policies and controls. The audit committee has the sole authority to (1) retain and terminate our independent registered public accounting firm, (2) approve all auditing services and related fees and the terms thereof performed by our independent registered public accounting firm, and (3) pre-approve any non-audit services and tax services to be rendered by our independent registered public accounting firm. The audit committee is also responsible for confirming the independence and objectivity of our independent registered public accounting firm. Our independent registered public accounting firm has been given unrestricted access to the audit committee and our management.

Conflicts Committee

Our General Partner's board of directors may, from time to time, establish a conflicts committee to which the board will appoint at least one director and which may be asked to review specific matters that the board believes may involve conflicts of interest and determines to submit to the conflicts committee for review. The conflicts committee determines if the resolution of the conflict of interest is adverse to the interest of the partnership. The members of the conflicts committee may not be officers or employees of our General Partner or directors, officers or employees of its affiliates, including our sponsor, and must meet the independence standards established by the NYSE and the Exchange Act to serve on an audit committee of a board of directors, along with other requirements in our partnership agreement. Any matters approved by the conflicts committee will be conclusively deemed to be approved by us and all of our partners and not a breach by our General Partner of any duties it may owe us or our unitholders.

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Compensation Committee

As a limited partnership listed on the NYSE, we are not required to have a compensation committee. However, in connection with our IPO, the board of directors of our General Partner established a compensation committee consisting of Mr. Bumgarner, Mr. Alexander and Michael B. Hoffman to, among other things, administer our long-term incentive plan and establish and review general policies related to, and determine and approve, or make recommendations to the board with respect to, the compensation and benefits of the non-employee members of the board.

Health, Safety, Sustainability and Environmental Committee

In connection with our IPO, the board of directors of our General Partner formed a Health, Safety, Sustainability and Environmental Committee (the "HSSE committee") consisting of William K. Reilly and Robin J.A. Duggan. The HSSE committee assists the board of directors of our General Partner in fulfilling its oversight responsibilities with respect to the board's and our continuing commitment to (i) ensuring the safety of our employees and the public and assuring that our businesses and facilities are operated and maintained in a safe and environmentally sound manner, (ii) sustainability, including sustainable forestry practices, (iii) delivering environmental benefits to our customers, the forests from which we source our wood fiber and the communities in which we operate and (iv) minimizing the impact of our operations on the environment. The HSSE committee reviews and oversees our health, safety, sustainability and environmental policies, programs, issues and initiatives, reviews associated risks that affect or could affect us, our employees and the public and ensures proper management of those risks and reports to the board on health, safety, sustainability and environmental matters affecting us, our employees and the public. The members of the HSSE committee are non-employee directors of our General Partner.

Executive Sessions of Non-Management Directors

The board of directors of our General Partner holds regular executive sessions in which the non-management directors meet without any members of management present. The purpose of these executive sessions is to promote open and candid discussion among the non-management directors. In the event that the non-management directors include directors who are not independent under the listing requirements of the NYSE, then at least once a year, there will be an executive session including only independent directors. Unitholders and any other interested parties may also communicate directly with the presiding director or with the non-management directors as a group, by mail addressed to:

Presiding Director
c/o General Counsel
Enviva Partners, LP
7200 Wisconsin Avenue, Suite 1000
Bethesda, Maryland 20814

Communication with the Board of Directors

As set forth in the Communications Policy adopted by the board of directors of our General Partner, a holder of our units or other interested party who wishes to communicate with any director of our General Partner may do so by sending communications to the board, any committee of the board, the Chairman of the board or any other director to:

General Counsel
Enviva Partners, LP
7200 Wisconsin Avenue, Suite 1000
Bethesda, Maryland 20814

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and marking the envelope containing each communication as "Unitholder Communication with Directors" and clearly identifying the intended recipient(s) of the communication. Communications will be relayed to the intended recipient of the board of directors of our General Partner pursuant to the Communications Policy, which is available on the "Investors Relations" section of our website at http://www.envivabiomass.com. Any communications withheld under the Communications Policy will nonetheless be recorded and available for any director who wishes to review them.

Corporate Governance

Our General Partner has adopted a Code of Business Conduct and Ethics that applies to our General Partner's directors, officers and employees, as well as to employees of our subsidiaries or affiliates that perform work for us. The Code of Business Conduct and Ethics also serves as the financial code of ethics for our Chief Executive Officer, Chief Financial Officer, controller and other senior financial officers. Our General Partner has also adopted Corporate Governance Guidelines that outline the important policies and practices regarding our governance.

We make available free of charge, within the "Investors Relations" section of our website at http://www.envivabiomass.com and in print to any interested party who so requests, our Code of Business Conduct and Ethics, Corporate Governance Guidelines, Audit Committee Charter, Compensation Committee Charter and HSSE Committee Charter. Requests for print copies may be directed to Investor Relations, Enviva Partners, LP, 7200 Wisconsin Ave., Suite 1000, Bethesda, Maryland 20814, or by telephone at (301) 657-5560. We will post on our website all waivers to or amendments of the Code of Business Conduct and Ethics, which are required to be disclosed by applicable law and the listing requirements of the NYSE. The information contained on, or connected to, our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report we file with or furnish to the SEC.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that the directors and executive officers of our General Partner and all persons who beneficially own more than 10% of our common units file initial reports of ownership and reports of changes in ownership of our common units with the SEC. As a practical matter, we assist the directors and executive officers of our General Partner by monitoring transactions and completing and filing Section 16 reports on their behalf.

Based solely upon our review of copies of filings or written representations from the reporting persons, we believe that, for the year ended December 31, 2015, Enviva Holdings, LP failed to file, on a timely basis, one report on Form 4 required to be filed under Section 16(a) of the Exchange Act with respect to one transaction. On December 11, 2015, we issued to Enviva Holdings, LP 942,023 common units in connection with the Southampton Drop-Down. The Form 4 required to be filed by Enviva Holdings, LP as a result of this transaction was filed on December 23, 2015.

ITEM 11. EXECUTIVE COMPENSATION

Neither we nor our general partner have any employees. All of our executive officers are currently employed by Enviva Management.

We are providing compensation disclosure that satisfies the requirements applicable to emerging growth companies. For 2015, we determined our named executive officers ("Named Executive Officers" or "NEOs") to be:

- John K. Keppler, Chairman of the board of directors, President and Chief Executive Officer,
- Stephen F. Reeves, Executive Vice President and Chief Financial Officer, and

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- E. Royal Smith, Vice President, Operations.

The executive officers of our general partner split their time between managing our business and the other businesses of our sponsor that are unrelated to us. Except with respect to awards that may be granted under the Enviva Partners, LP Long-Term Incentive Plan (the "LTIP"), all responsibility and authority for compensation-related decisions for the NEOs remains with Enviva Management and its affiliates, and such decisions are not subject to any approval by us, our general partner's board of directors or any committees thereof. Other than awards that may be granted under the LTIP, Enviva Management and its affiliates have the ultimate decision-making authority with respect to the total compensation of our executive officers and employees.

The compensation disclosed below with respect to the NEOs reflects only the portion of compensation expense that is allocated to us pursuant to the management services agreement among us, our general partner and Enviva Management (the "MSA"). For more information about the MSA, please read Item 13. "Certain Relationships and Related Transactions, and Director Independence—Other Transactions with Related Persons—Management Services Agreement."

The disclosures below relating to cash compensation paid by Enviva Management is based on information provided to us by Enviva Management. With the exception of the grants made under the LTIP, the elements of compensation discussed below are not subject to approvals by the board of directors of our general partner or any of its committees.

SUMMARY COMPENSATION TABLE

The table below sets forth the annual compensation expensed by us for our Named Executive Officers for the fiscal year ended December 31, 2015. As noted above, the amounts included in the table below reflect only the portion of compensation expense that is allocated to us pursuant to the MSA.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Unit Awards(2)	All Other Compensation(3)	Total ($)
John K. Keppler *(Chairman of the Board of Directors, President and Chief Executive Officer)*	2015	$ 210,615	$ 260,000	$ 400,007	—	$ 870,622
Stephen F. Reeves *(Executive Vice President and Chief Financial Officer)*	2015	$ 244,133	$ 278,600	$ 299,247	$ 8,400	$ 830,380
E. Royal Smith *(Vice President, Operations)*	2015	$ 237,434	$ 210,600	$ 161,988	$ —	$ 610,022

(1) Pursuant to the Enviva Management Annual Incentive Compensation Plan, bonus compensation for fiscal 2015 represents the aggregate amount of the annual discretionary cash bonuses paid to each Named Executive Officer.

(2) The amounts reflected in this column represent the grant date fair value of phantom units (which include tandem distribution equivalent rights ("DERs")) granted to the NEOs pursuant to the LTIP, computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") Topic 718. The grant date fair value for time-based phantom unit awards is based on the closing price of our common units on the grant date of May 4, 2015, which was $21.26 per unit. The grant date fair value of performance-based phantom unit awards is reported based on the probable outcome of the performance conditions on the grant date. The value of the performance-based phantom unit awards granted in 2015, assuming achievement of the maximum performance level, would be: Mr. Keppler: $400,007; Mr. Reeves: $299,247; and

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Mr. Smith: $161,988. See Note 15, *Equity-Based Awards,* to our consolidated financial statements for additional detail regarding assumptions underlying the value of these awards.

(3) Amounts reported in the "All Other Compensation" column reflect employer contributions to the Named Executive Officers' accounts under the 401(k) plan in which the Named Executive Officers participate.

NARRATIVE DISCLOSURE TO THE SUMMARY COMPENSATION TABLE

Management Services Agreement

Effective April 9, 2015, the executive officers of our general partner became employed by Enviva Management and split their time between managing our business and the other businesses of our sponsor. The amount of time that each executive officer devotes to our business and the other businesses of our sponsor is determined based on a variety of factors. In April 2015, we and our general partner entered into the MSA with Enviva Management. For more information about the MSA, please read Item 13. "Certain Relationships and Related Transactions, and Director Independence—Other Transactions with Related Persons—Management Services Agreement."

Phantom Unit Awards

On May 4, 2015, the board of directors of our general partner granted phantom units under the LTIP to each of our Named Executive Officers in connection with the initial public offering of the Partnership. One-half of these awards are subject to time-based vesting conditions ("time-based phantom units") and will become vested on the third anniversary of the grant date so long as the applicable Named Executive Officer remains continuously employed by Enviva Management or one of our affiliates from the grant date through the applicable vesting date. The other half of these awards vest based on the achievement of specific performance metrics ("performance-based phantom units"). Vested phantom units (less any phantom units withheld to satisfy applicable tax withholding obligations) will be settled through the issuance of common units within 60 days following the applicable vesting date. While a Named Executive Officer holds unvested phantom units, he is entitled to receive DER credits equal to the amount of cash distributions paid in respect of a common unit of the Partnership. The DERs included with performance-based phantom units are paid in cash within 60 days following the vesting of the associated phantom units (and are forfeited at the same time the associated phantom units are forfeited). The DERs included with time-based phantom units are paid in cash within 60 days following a cash distribution with respect to our common units. The potential acceleration and forfeiture events relating to these phantom units are described in greater detail under "—Potential Payments Upon Termination or a Change of Control" below.

Employment Agreements

Each of our NEOs is a party to an employment agreement with Enviva Management. We refer to these employment agreements herein collectively as the "Employment Agreements." Each Employment Agreement includes an initial two-year term that automatically renews annually for successive 12-month periods unless either party provides written notice of non-renewal at least 60 days prior to each renewal date. In May 2015, the Employment Agreements with Messrs. Reeves and Smith were amended and restated. Under the Employment Agreements, our NEOs are each entitled to an annualized base salary and are eligible for discretionary annual bonuses based on performance targets established annually by the board of directors of the general partner of our sponsor or a committee thereof, in its sole discretion. The Employment Agreements provide that each such annual bonus will have a target value that is not less than 110% (in the case of Mr. Keppler), 90% (in the case of Mr. Reeves) or 75% (in the case of Mr. Smith) of the applicable NEO's annualized base salary as in effect on the first day of the calendar year to which such annual bonus relates. Effective for 2016, the target value of

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Mr. Keppler's annual bonus was increased to 120% of his annualized base salary in effect on January 1, 2016. The Employment Agreements also provide that the NEOs will be eligible to receive annual awards based upon our common units under the LTIP. The Employment Agreements provide that such annual LTIP awards will have target values equal to 200%, 150% and 60% of the annualized base salary of Messrs. Keppler, Reeves and Smith, respectively, as in effect of the first day of the year to which such annual awards relate. Effective for 2016, the target value of Mr. Keppler's LTIP awards was increased to 210% of his annualized base salary in effect on January 1, 2016. As discussed below under "—Potential Payments Upon Termination or a Change in Control," the Employment Agreements also provide for certain severance payments in the event a NEO's employment is terminated under certain circumstances.

OUTSTANDING EQUITY AWARDS AT 2015 FISCAL YEAR-END

The following table reflects information regarding outstanding equity-based awards held by our Named Executive Officers as of December 31, 2015.

	Option Awards(1)				Unit Awards(7)			
Name	Number of Securities Underlying Unexercised Options Unexercisable (#)(2)	Number of Securities Underlying Unexercised Options Exercisable (#)(3)	Option Exercise Price ($)	Option Expiration Date ($)	Number of Units That Have Not Vested (#)(6)	Market Value of Units That Have Not Vested ($)(7)	Equity Incentive Plan Awards: Number of Unearned Performance-based Units That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested ($)(8)
John K. Keppler								
Class C-1 Units	—	232,941	N/A(5)	N/A(5)				
Class C-2 Units	—	666,000	N/A(5)	N/A(5)				
Class E-1 Units	—	275,000	N/A(5)	N/A(5)				
Phantom Units					18,815	$ 341,492	9,408	$ 170,755
Stephen F. Reeves								
Class C-2 Units	—	200,000	N/A(5)	N/A(5)				
Class E-1 Units	—	225,000	N/A(5)	N/A(5)				
Phantom Units					10,054	$ 182,480	5,027	$ 91,240
E. Royal Smith								
Class C-4 Units(4)	87,500	87,500	N/A(5)	N/A(5)				
Class E-1 Units(4)	12,500	12,500	N/A(5)	N/A(5)				
Phantom Units					4,233	$ 76,829	2,117	$ 38,424

(1) The equity awards that are disclosed in this Outstanding Equity Awards at 2015 Fiscal Year-End table under Option Awards are incentive units in Enviva Holdings, LP ("Holdings") that are intended to constitute profits interests for federal tax purposes rather than traditional option awards.

(2) Awards reflected as "Unexercisable" are Holdings incentive units that have not yet become vested.

(3) Awards reflected as "Exercisable" are Holdings incentive units that have become vested, but have not yet been settled.

(4) One-half of the unvested Holdings incentive units reflected in this row will become vested on each of July 25, 2016 and July 25, 2017 so long as Mr. Smith remains continuously employed by Enviva Management or one of our affiliates through each such date.

(5) These equity awards are not traditional options and, therefore, there is no exercise price or expiration date associated with them.

(6) Except as otherwise provided in the applicable award agreement, the phantom units subject to time-based vesting conditions will vest on May 4, 2018 so long as the applicable Named Executive Officer remains continuously employed by Enviva Management or one of our affiliates from the grant date through such vesting date.

(7) The amounts reflected in this column represent the market value of our common units underlying the phantom unit awards granted to the Named Executive Officers, computed based on the closing price of our common units on December 31, 2015, which was $18.15 per unit.

(8) The values reported in this column are calculated by multiplying the market value of our common units on December 31, 2015 ($18.15) by the number of common units that would be earned if the threshold (rather than target) performance targets were met for those awards. The actual payout values may increase or decrease based upon the value of our common units and the settlement requirements set forth in the award agreements.

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ADDITIONAL NARRATIVE DISCLOSURE

Retirement Benefits

We have not maintained, and do not currently maintain, a defined benefit pension plan or a nonqualified deferred compensation plan providing for retirement benefits. Our Named Executive Officers currently participate in a 401(k) plan maintained by Enviva Management. The 401(k) plan permits all eligible employees, including the Named Executive Officers, to make voluntary pre-tax contributions and/or Roth after-tax contributions to the plan. In addition, Enviva Management is permitted to make discretionary matching contributions under the plan. Matching contributions under the plan are subject to a three-year cliff vesting schedule. All contributions under the plan are subject to certain annual dollar limitations, which are periodically adjusted for changes in the cost of living.

Potential Payments Upon Termination or a Change in Control

Under the Employment Agreements, if the applicable NEO's employment is terminated without "cause," by the applicable NEO for "good reason" or due to the applicable NEO's "disability," then so long as the applicable NEO executes (and does not revoke within the time provided to do so) a release in a form satisfactory to Enviva Management within the time period specified in the Employment Agreements, such NEO will receive the following severance benefits: (i) in the case of Mr. Keppler, a severance payment (generally payable in installments) in an aggregate amount equal to 1.5 (or, if such termination occurs within 12 months following a "change in control," 2.0) times the sum of his annualized based salary and target annual bonus as in effect on the date of such termination; (ii) in the case of Messrs. Reeves and Smith, a severance payment (generally payable in installments) in an aggregate amount equal to the sum of his annualized based salary and target annual bonus as in effect on the date of such termination; (iii) full vesting of outstanding awards under our LTIP (which vesting for awards that include a performance requirement (other than continued service) will be based on (1) actual performance if such termination occurs within six months prior to the expiration of the performance period or (2) target performance if such termination occurs at any other time during the performance period); and (iv) monthly reimbursement for the amount the NEO pays for continuation coverage under the employer's group health plans for up to 12 months following such termination (or, in the case of Mr. Keppler, up to 18 months following such termination, plus Mr. Keppler would be entitled to an additional cash payment equal to six times his monthly premium for such coverage in the event his employment terminates within 12 months following a change in control and he has not obtained coverage under a group health plan sponsored by another employer within the time period specified in his Employment Agreement).

Under the Employment Agreements, "cause" means the applicable NEO's: (i) material breach of any policy established by Enviva Management or its affiliates that pertains to drug and/or alcohol abuse and is applicable to the NEO; (ii) engaging in acts of disloyalty to the employer or its affiliates, including fraud, embezzlement, theft, commission of a felony, or proven dishonesty; or (iii) willful misconduct in the performance of, or willful failure to perform a material function of, the NEO's duties under the Employment Agreement. In addition, "good reason," for purposes of the Employment Agreements, means, without the applicable NEO's consent and subject to certain notice and cure periods, (w) the material diminution in such NEO's authority, duties, title or responsibilities, (x) the material diminution in such NEO's annualized base salary, minimum target annual bonus opportunity or target annual long-term incentive award, (y) the relocation of the geographic location of such NEO's principal place of employment by more than 100 miles from the location of his principal place of employment as of the effective date of the Employment Agreement or (z) the employer's delivery of a written notice of non-renewal of the Employment Agreement. "Disability" is defined for purposes of the Employment Agreements as existing if the applicable NEO is unable to perform the essential functions of his position, with reasonable accommodation, due to an illness or physical or mental impairment or other incapacity that continues for a period in excess of 90 days, whether consecutive or

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not, in any period of 365 consecutive days. The determination of a disability will be made by the employer after obtaining an opinion from a doctor selected by the employer. A "change in control" is defined in Mr. Keppler's Employment Agreement as (1) the sale or disposal by Holdings of all or substantially all of its assets to any person other than an affiliate of Holdings, (2) the merger or consolidation of Holdings with or into another entity (other than a merger or consolidation in which Holdings, unitholders immediately prior to such transaction retain a greater than 50% equity interest in the surviving entity), (3) the failure of the Riverstone Funds and its affiliates to possess the power to direct the management and policies of Holdings, or (4) (A) the sale of all or substantially all of our assets to any person other than one of our affiliates, (B) our merger or consolidation with or into another entity (other than a merger or consolidation in which our unitholders immediately prior to such transaction retain a greater than 50% equity interest in the surviving entity), or (C) the failure of the Riverstone Funds and its affiliates to possess the power to direct our management and policies.

The Employment Agreements also contain certain restrictive covenants pursuant to which our NEOs have recognized an obligation to comply with, among other things, certain confidentiality covenants as well as covenants not to compete in a defined market area with Enviva Management (or any of its affiliates to which they have provided services or about which they have obtained confidential information) or solicit their employer's or its affiliates' employees, in each case, during the term of the agreement and for a period of one year thereafter.

In addition, the Restricted Units Agreements pursuant to which Mr. Smith was granted Series C Units and Series E Units in Holdings provide that if his employment with Enviva Management or any of its affiliates is terminated by him for "good reason," by Enviva Management or one of its affiliates without "cause" (including as a result of Enviva Management or one of its affiliates providing notice of non-renewal under an employment agreement) or as a result of his death or "disability," then the number of unvested Series C and Series E Units in Holdings, if any, that would have become vested in the 180-day period beginning on the date of such termination if Mr. Smith had remained continuously employed by Enviva Management or one of its affiliates during the entirety of such period will become vested as of the date of such termination. For this purpose, "cause," "good reason" and "disability" generally have the same meanings assigned to them under the Employment Agreements.

Director Compensation

Officers or employees of our predecessor or our sponsor or its affiliates who also serve as directors of our general partner do not receive additional compensation for such service. Directors of our general partner who are not also officers or employees of our predecessor or our sponsor or its affiliates ("independent directors") receive compensation for their service on our general partner's board of directors and committees thereof consisting of an annual retainer of $75,000, an additional annual retainer of $15,000 for service as the chair of any standing committee, an additional payment of $1,500 each time such independent director attends a board or committee meeting, and one or more awards under the LTIP relating to our common units that, in the aggregate, result in approximately $100,000 of annual compensation (based on the value of our common units on the date of grant of such awards). The board of directors of our general partner also approved a one-time payment to Mr. Bumgarner for his service as the conflicts committee chair in 2015. Until the earlier of (i) four years after an independent director is appointed to the board of directors of our general partner or (ii) the date on which such independent director first holds an amount of our common units with an aggregate value equal to at least $250,000, one-half of all annual retainers and payments for attending board or committee meetings are paid to such independent director in the form of common units pursuant to the LTIP and the remainder are paid in cash. Each non-employee director is reimbursed for out-of-pocket expenses incurred in connection with attending board and committee meetings. Each director will be fully indemnified by us for actions associated with serving as a director to the fullest extent permitted under Delaware law.

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In consideration of the time and effort required prior to their appointment to the board of directors of our general partner, Messrs. Bumgarner and Reilly and Ms. Wong received compensation from our general partner consisting of a cash retainer of $7,500 per month and $1,500 each time they attended a meeting of our general partner's directors and director nominees (or a subset thereof) through the date they were appointed to the board of directors of our general partner. Our general partner also reimbursed the director nominees for their out-of-pocket expenses incurred while performing services as a director nominee.

The following table provides information concerning the compensation of our non-employee directors for the fiscal year ended December 31, 2015.

Name	Fees Earned or Paid in Cash ($)(1)	Unit Awards ($)(2)	Total ($)
John C. Bumgarner, Jr.	$ 134,500	$ 100,007	$ 234,507
William K. Reilly	$ 84,750	$ 120,256	$ 205,006
Janet S. Wong	$ 89,250	$ 121,766	$ 211,016

(1) Includes annual cash retainer fee and committee chair fees for each independent director during fiscal 2015, as more fully explained above. These amounts also include cash retainers paid to our independent directors prior to their appointment to the board of directors of our general partner.

(2) Reflects the aggregate grant date fair value of phantom units (which include tandem DERs) granted to the independent directors pursuant to the LTIP, computed in accordance with FASB ASC Topic 718. See Note 15, *Equity-Based Awards*, to our consolidated financial statements on Form 10-K for the year ended December 31, 2015 for additional detail regarding assumptions underlying the value of these equity awards. The grant date fair value for the phantom unit awards is based on the closing price of our common units on the grant date of May 4, 2015, which was $21.26 per unit. Each independent director's phantom unit awards will become vested in full on May 4, 2016, in each case, so long as the director continues to serve on the board of directors of our general partner through such date.

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

The following table sets forth the beneficial ownership of common units and subordinated units of Enviva Partners, LP as of March 1, 2016 held by:

- beneficial owners of 5% or more of our common units;
- each director and named executive officer; and
- all of our directors and executive officers as a group.

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Unless otherwise noted, the address for each beneficial owner listed below is 7200 Wisconsin Ave., Suite 1000, Bethesda, MD 20814.

Name of Beneficial Owner	Common Units Beneficially Owned(1)	Percentage of Common Units Beneficially Owned	Subordinated Units Beneficially Owned	Percentage of Subordinated Units Beneficially Owner	Percentage of Common and Subordinated Units Beneficially Owned
Enviva Holdings, LP(2)(3)(4)	1,347,161	10.5%	11,905,138	100%	53.5%
Enviva Partners GP, LLC	—	—%	—	—	—%
Morgan Stanley Strategic Investments, Inc.(5)	1,460,266	11.4%	—	—	5.9%
GSO Capital Partners, LP(6)	1,198,340	9.3%	—	—	4.8%
Goldman Sachs Asset Management(7)	1,028,402	8.0%	—	—	4.2%
ClearBridge Investments, LLC(8)	1,043,050	8.1%	—	—	4.2%
FS Global Credit Opportunities Fund(9)	703,610	5.5%	—	—	2.8%
John K. Keppler	—	—%	—	—	—%
Stephen F. Reeves	1,250	*	—	—	*%
E. Royal Smith	—	—%	—	—	—%
Michael B. Hoffman	—	—%	—	—	—%
Ralph C. Alexander	—	—%	—	—	—%
Carl L. Williams	—	—%	—	—	—%
Robin J. A. Duggan	—	—%	—	—	—%
John C. Bumgarner, Jr.(10).	165,928	1.3%	—	—	*%
William K. Reilly	2,520	*%	—	—	*%
Janet S. Wong	5,204	*%	—	—	*%
All directors and executive officers as a group (14 persons)	176,902	1.4%	—	—	*%

* Less than 1% of common units outstanding.

(1) This column does not include phantom units granted to our directors and officers pursuant to the LTIP.

(2) Of this aggregate amount beneficially owned, (i) Enviva Development Holdings, LLC, a wholly-owned subsidiary of Enviva Holdings, LP, has shared voting power over 942,023 common units and shared dispositive power over 942,023 common units, (ii) Enviva Holdings, LP has shared voting power over 1,347,161 common units and shared dispositive power over 1,347,161 common units, (iii) Enviva Holdings GP, LLC has shared voting power over 1,347,161 common units and shared dispositive power over 1,347,161 common units, (iv) R/C Wood Pellet Investment Partnership, L.P. has shared voting power over 1,347,161 common units and shared dispositive power over 1,347,161 common units, (v) Riverstone/Carlyle Renewable Energy Partners II, L.P. has shared voting power over 1,347,161 common units and shared dispositive power over 1,347,161 units and (vi) R/C Renewable Energy GP II, L.L.C. has shared voting power over 1,347,161 common units and shared dispositive power over 1,347,161 common units.

(3) R/C Renewable Energy GP II, L.L.C is the general partner of Riverstone/Carlyle Renewable Energy Partners II, L.P., which is the general partner of R/C Wood Pellet Investment Partnership, L.P., which is the sole member of Enviva Holdings GP, LLC, which is the general partner of Enviva Holdings, LP, which is the sole member of Enviva MLP Holdco, LLC and Enviva Cottondale Acquisition I, LLC. R/C Renewable Energy GP II, L.L.C. is managed by a seven-person investment committee. Pierre F. Lapeyre, Jr., David M. Leuschen, Ralph C.

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Alexander, Michael B. Hoffman, Daniel A. D'Aniello and Edward J. Mathias are the members of the investment committee of R/C Renewable Energy GP II, L.L.C.

(4) The address for each of R/C Renewable Energy GP II, L.L.C., Riverstone/Carlyle Renewable Energy Partners II, L.P. and R/C Wood Pellet Investment Partnership, L.P. is c/o Riverstone Holdings, LLC, 712 Fifth Avenue, 36th Floor, New York, New York 10019.

(5) Based solely on the Form 13F-HR filed with the SEC by Morgan Stanley with respect to Morgan Stanley Strategic Investments, Inc. on February 9, 2016. According to the filing, Morgan Stanley Strategic Investments, Inc. has sole voting power over 1,460,266 common units. The address of Morgan Stanley Strategic Investments, Inc. is 1585 Broadway, New York, NY 10036.

(6) Based solely on the Form 13F-HR filed with the SEC by Blackstone Group L.P. with respect to GSO Capital Partners LP on February 16, 2016. According to the filing, GSO Capital Partners LP has shared voting power over 1,198,340 common units. The address of GSO Capital Partners LP is 345 Park Avenue, 31st Floor New York, NY 10154.

(7) As reported on Schedule 13G/A as of December 31, 2015 and filed with the SEC on February 8, 2016 by GS Investment Strategies, LLC and Goldman Sachs Asset Management, L.P. (collectively, "Goldman Sachs Asset Management"), Goldman Sachs Asset Management discloses that it beneficially owns in the aggregate 1,028,402 common units. Of this aggregate amount beneficially owned, (i) GS Investment Strategies, LLC is reported to have shared voting power over 1,028,402 common units and shared dispositive power over 1,028,402 common units and (ii) Goldman Sachs Asset Management, L.P. is reported to have shared voting power over 1,028,402 common untis and shared dispositive power over 1,028,402 common units. The address of Goldman Sachs Asset Management is 200 West Street, New York, NY 10282.

(8) As reported on Schedule 13G as of December 31, 2015 and filed with the SEC on February 16, 2016 by ClearBridge Investments, LLC, ClearBridge Investments, LLC discloses that it beneficially owns in the aggregate 1,043,050 common units. Of this aggregate amount beneficially owned, ClearBridge Investments, LLC is reported to have sole voting power over 1,043,050 common units and sole dispositive power over 1,043,050 common units. The address of ClearBridge Investments, LLC is 620 8th Avenue, New York, NY 10018.

(9) As reported on Schedule 13G as of December 31, 2015 and filed with the SEC on February 12, 2016 by (i) FS Global Credit Opportunities Fund, (ii) FS Global Advisor, LLC, which serves as the investment adviser to FS Global Credit Opportunities Fund, (iii) Michael C. Forman, who is a control person of FS Global Advisor, LLC and (iv) David J. Adelman, who is a control person of FS Global Advisor, LLC (collectively, the "FS Global Reporting Persons"), the FS Global Reporting Persons disclose that they beneficially own in the aggregate 703,610 common units. Of this aggregate amount beneficially owned, (i) FS Global Credit Opportunities Fund is reported to have shared voting power over 703,610 common units and shared dispositive power over 703,610 shares; (ii) FS Global Advisor, LLC is reported to have shared voting power over 703,610 common units and shared dispositive power over 703,610 common units; (iii) Michael C. Forman is reported to have shared voting power over 703,610 common units and shared dispositive power over 703,610 common units; and (iv) David J. Adelman is reported to have shared voting power over 703,610 common units and shared dispositive power over 703,610 common units. The address of the FS Global Reporting Persons is 201 Rouse Boulevard, Philadelphia, PA 19112.

(10) These 165,928 common units are held by the Bumgarner Family Trust. Mr Bumgarner has investment control over these units.

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Equity Compensation Plan Information

The following table sets forth information with respect to the securities that may be issued under the LTIP as of December 31, 2015.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)(2)	Weighted-average exercise price of outstanding options, warrants and rights ($) (b)(3)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)(4)
Equity compensation plans approved by security holders(1)	284,036	n/a	2,378,094
Equity compensation plans not approved by security holders	—	—	—
Total	284,036	n/a	2,378,094

(1) The LTIP was approved by the board of directors of our General Partner prior to the IPO.

(2) The amount in column (a) of this table reflects the aggregate number of outstanding phantom units under the LTIP as of December 31, 2015.

(3) This column is not applicable because only phantom units have been granted under the LTIP and phantom units do not have an exercise price.

(4) The amount in this column reflects the total number of common units remaining available for future issuance under the LTIP as of December 31, 2015. For additional information about the LTIP and the awards granted thereunder, please read Part III, Item 11. "Executive Compensation."

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

As of March 1, 2016, our sponsor owned 1,347,161 common units and 11,905,138 subordinated units representing an aggregate approximately 53.5% limited partner interest in us. In addition, our sponsor owns and controls (and appoints all the directors of) our General Partner, which maintains a non-economic general partner interest in us and owns all our incentive distribution rights.

The terms of the transactions and agreements disclosed in this section were determined by and among affiliated entities and, consequently, are not the result of arm's-length negotiations. These terms are not necessarily at least as favorable to the parties to these transactions and agreements as the terms that could have been obtained from unaffiliated third parties.

Distributions and Payments to Our General Partner and Its Affiliates

We generally make 100% of our cash distributions to our unitholders, including affiliates of our general partner. In addition, if distributions exceed the minimum quarterly distribution and other higher target distribution levels, our general partner, or the holder of our incentive distribution rights, will be entitled to increasing percentages of the distributions, up to 50.0% of the distributions above the highest target distribution level.

Assuming we have sufficient cash available for distribution to pay the full minimum quarterly distribution on all of our outstanding common units and subordinated units for four quarters, our General Partner and its affiliates would receive an annual distribution of approximately $21.9 million on their units.

Source: Enviva Partners, LP, 10-K, March 08, 2016 Powered by Morningstar® Document Research℠
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Our General Partner does not receive a management fee or other compensation for its management of our partnership, but we reimburse our General Partner and its affiliates for all direct and indirect expenses they incur and payments they make on our behalf. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our General Partner by its affiliates. Under our MSA (as defined below), we are obligated to reimburse Enviva Management for all direct or indirect costs and expenses incurred by, or chargeable to, Enviva Management in connection with its provision of services necessary for the operation of our business. If the MSA were terminated without replacement, or our General Partner or its affiliates provided services outside of the scope of the MSA, our partnership agreement would require us to reimburse our General Partner and its affiliates for all expenses they incur and payments they make on our behalf. Our partnership agreement does not set a limit on the amount of expenses for which our General Partner and its affiliates may be reimbursed.

If our General Partner withdraws or is removed, its non-economic general partner interest and its incentive distribution rights will either be sold to the new general partner for cash or converted into common units, in each case for an amount equal to the fair market value of those interests.

If we are ever liquidated, the partners, including our general partner, will be entitled to receive liquidating distributions according to their respective capital account balances.

Agreements with Affiliates

In connection with the IPO, we entered into the following agreements with our sponsor and our affiliates, as described in more detail below.

EVA-MGT Contract

In the first quarter of 2016, the Hancock JV entered into the MGT Contract under which the Hancock JV will be the sole source supplier to the Tees REP for imported biomass fuel. Following the execution of the MGT Contract, we entered into the EVA-MGT Contract with the Hancock JV pursuant to which we will supply 375,000 MTPY of the volumes under the MGT Contract to the Tees REP. The EVA-MGT Contract is denominated in British Pound Sterling and commences in 2019, ramps to full supply in 2021, and continues through 2034. Both the EVA-MGT Contract and the MGT Contract are contingent upon Tees REP reaching financial close.

Southampton Contribution Agreement

On November 25, 2014, we entered into the Southampton Contribution Agreement pursuant to which we agreed to convey the ownership interests in Southampton, the entity which owns the Southampton plant, to the Hancock JV following the release, under the Prior Senior Secured Credit Facilities, of all liens on such interests and on the Southampton plant incurred in connection with the execution of the Initial Contribution Agreement (as defined below). The Southampton Contribution Agreement contains customary representations and warranties. Pursuant to the Southampton Contribution Agreement, we will indemnify the Hancock JV for losses to the extent they relate to liabilities occurring for periods prior to the date of contribution, including tax and environmental liabilities.

Contribution Agreements

On April 9, 2015, we entered into a contribution agreement (the "Initial Contribution Agreement") that effected certain transactions in connection with the closing of the Senior Secured Credit Facilities, including the transfer of ownership interests in our Predecessor by our sponsor to us and the repayment of outstanding indebtedness and release of liens under the Prior Senior Secured Credit Facilities.

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In connection with our IPO, on April 28, 2015, we entered into a contribution agreement (the "IPO Contribution Agreement") to effect certain transactions in connection with our IPO, including the use of the net proceeds of from our IPO.

Registration Rights Agreement

On May 4, 2015, we entered into a registration rights agreement with our sponsor pursuant to which we may be required to register the sale of the (i) common units issued (or issuable) to our sponsor pursuant to the IPO Contribution Agreement, (ii) subordinated units and (iii) common units issuable upon conversion of the subordinated units pursuant to the terms of the partnership agreement (together, the "Registrable Securities") it holds. Under the registration rights agreement, our sponsor will have the right to request that we register the sale of Registrable Securities held by it, and our sponsor will have the right to require us to make available shelf registration statements permitting sales of Registrable Securities into the market from time to time over an extended period, subject to certain limitations. In addition, the registration rights agreement gives our sponsor piggyback registration rights under certain circumstances. The registration rights agreement also includes provisions dealing with indemnification and contribution and allocation of expenses. All of the Registrable Securities held by our sponsor and any permitted transferee will be entitled to these registration rights.

Purchase Rights Agreement

On May 4, 2015, we entered into a purchase rights agreement with our sponsor pursuant to which our sponsor will provide to us, for a period of five years following the closing of our IPO, a right of first offer to purchase the Wilmington Projects or any other wood pellet production plant or deep-water marine terminal that it, its subsidiaries or any other entity that it controls (including the Hancock JV) owns and proposes to sell (each, a "ROFO Asset"). We will have thirty days following receipt of the sponsor entity's intention to sell a ROFO Asset to propose an offer for the ROFO Asset. If we submit an offer, our sponsor will negotiate with us exclusively and in good faith to enter into a letter of intent or definitive documentation for the purchase of the ROFO Asset on mutually acceptable terms. If we are unable to agree to terms within 45 days, the sponsor entity will have 150 days to enter into definitive documentation with a third party purchaser on terms that are, in the good faith judgment of the sponsor entity selling such ROFO Assets, superior to the most recent offer proposed by us.

Biomass Purchase and Terminal Services Agreements

On April 9, 2015, we entered into a master biomass purchase and sale agreement (the "Biomass Purchase Agreement") with the Hancock JV pursuant to which the Hancock JV sold to us, at a fixed price per metric ton, certain volumes of wood pellets per month that were produced at the Southampton plant. We sold the wood pellets purchased from the Hancock JV to customers under our existing off-take contracts. We also entered into a terminal services agreement (the "Terminal Services Agreement") pursuant to which we would have provided terminal services at the Chesapeake terminal for the production from the Southampton plant that was not sold to us under the Biomass Purchase Agreement. In connection with the Southampton Drop-Down, we entered into termination agreements with the Hancock JV to terminate such sales and to terminate the Terminal Services Agreement. As a result of the Partnership purchasing all wood pellets produced by the Hancock JV, no terminal services were provided.

Management Services Agreement

On November 9, 2012, we entered into a six-year management services agreement (the "Prior MSA") with Enviva Holdings, LP (the "Service Provider") to provide us with general administrative and management services and other similar services (the "Services"). Prior to 2014, we incurred a maximum annual fee due to the Service Provider in the amount of $7.2 million. In addition, we were obligated to

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reimburse the Service Provider for all direct or indirect costs and expenses incurred by, or chargeable to, the Service Provider in connection with the Services. This included (1) the portion of the salary and benefits of employees engaged in providing the Services reasonably allocable to the provision of the Services excluding those included in the annual fee, (2) the charges and expenses of any third party retained by the Service Provider to provide any portion of the Services and (3) office rent and expenses and other overhead costs of the Service Provider incurred in connection with, or reasonably allocable to, providing the Services (collectively, "Reimbursable Expenses"). Prior to 2014, the Reimbursable Expenses maximum was $3.0 million per year and payable monthly. Beginning in 2014, each of the annual fee due and the maximum amount of Reimbursable Expenses was subject to an annual 2% escalation.

The Prior MSA automatically terminated upon the execution of the new management services agreement discussed below in April 2015.

New Management Services Agreement

On April 9, 2015, all of our employees and management became employed by Enviva Management, and we and our General Partner entered into the MSA with Enviva Management, pursuant to which Enviva Management provides us with all services necessary for the operation of our business. The MSA has a term of five years, which is automatically renewed unless terminated by us for cause. Enviva Management is also able to terminate the agreement if we fail to reimburse it for its costs and expenses allocable to us.

Pursuant to the MSA, we reimburse Enviva Management for all direct or indirect costs and expenses incurred by, or chargeable to, Enviva Management in connection with the provision of the services, including, without limitation, salary and benefits of employees engaged in providing such services, as well as office rent, expenses and other overhead costs of Enviva Management. Enviva Management determines the amount of costs and expenses that is allocable to us.

Other Transactions with Related Persons

On December 11, 2015, we entered into and consummated the transactions contemplated by the Southampton Contribution Agreement. Pursuant to the Southampton Contribution Agreement, the Hancock JV contributed to us all of the issued and outstanding limited liability company interests in Southampton for total consideration of $131 million. The acquisition included the Southampton plant, a ten-year 500,000 MTPY take-or-pay off-take contract and a matching ten-year shipping contract.

The purchase price for the Southampton Drop-Down was financed with (a) $36.5 million of Incremental Term Advances under the Credit Agreement, (b) the issuance to Enviva FiberCo, LLC, a wholly owned subsidiary of our sponsor, of 942,023 common units at a value of $15.92 per unit, or $15.0 million of equity proceeds, and (c) $79.5 million in cash.

In connection with the Southampton Drop-Down, Enviva FiberCo, LLC purchased $15.0 million aggregate principal amount of the Tranche A-4 Incremental Term Advances from a Credit Agreement lender for a purchase price net of a 1.0% lender fee, and Enviva FiberCo, LLC became a lender pursuant to the Credit Agreement.

Procedures for Review, Approval and Ratification of Transactions with Related Persons

In connection with the closing of our IPO, the board of directors of our General Partner adopted policies for the review, approval and ratification of transactions with related persons. The board adopted a written Code of Business Conduct and Ethics, under which a director is expected to bring to the attention of the chief executive officer or the board any conflict or potential conflict of interest that may arise between the director or any affiliate of the director, on the one hand, and us or our General

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Partner on the other. The resolution of any such conflict or potential conflict should, at the discretion of the board in light of the circumstances, be determined by a majority of the disinterested directors.

Under the provisions of our Code of Business Conduct and Ethics, any executive officer will be required to avoid conflicts of interest unless approved by the board of directors of our general partner.

The Code of Business Conduct and Ethics described above was adopted in connection with the closing of our IPO and, as a result, the transactions described above that were entered into prior to or in connection with the IPO were not reviewed according to such procedures.

The board has also adopted a Conflicts of Interest Policy, under which if a conflict or potential conflict of interest arises between our General Partner or its affiliates, on the one hand, and us or our unitholders, on the other hand, the resolution of any such conflict or potential conflict should be addressed by the board of directors of our General Partner in accordance with the provisions of our partnership agreement. At the discretion of the board in light of the circumstances, the resolution may be determined by the board in its entirety or by a conflicts committee meeting the definitional requirements for such a committee under our partnership agreement.

The Conflicts of Interest Policy also provides that the board may determine on our behalf that certain contracts between us, on the one hand, and the General Partner and any of its affiliates, on the other hand, are fair and reasonable and in our best interests, so long as the board reasonably determines that such contracts are on terms and conditions not less favorable to us than could be obtained on an arm's-length basis from an unrelated third party, taking into account the totality of the relationships between all parties involved. Transactions described above that were entered into prior to or in connection with the IPO were not reviewed according to such procedures.

Director Independence

See Part III, Item 10. "Directors, Executive Officers and Corporate Governance" for information regarding the directors of our General Partner and independence requirements applicable to the board of directors of our General Partner and its committees.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

KPMG LLP ("KPMG") served as our independent auditor for the fiscal year ended December 31, 2015. The following table presents fees paid for professional audit services rendered by KPMG for the audit of our annual financial statements for the year ended December 31, 2015, and fees for other services rendered by KPMG:

(in thousands)	For the Year Ended December 31, 2015
Audit Fees(1):	$ 1,040
Audit-Related Fees:	—
Tax Fees:	—
All Other Fees:	—
Total	$ 1,040

(1) Fees for audit services related to the fiscal year consolidated audit, quarterly reviews, registration statements and services that were provided in connection with statutory and regulatory filings.

Audit fees of approximately $488 were incurred prior to the IPO and paid by our sponsor.

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Policy for Approval of Audit and Permitted Non-Audit Services

Before the independent registered public accounting firm is engaged by us or our subsidiaries to render audit or non-audit services, the audit committee must pre-approve the engagement. Audit committee pre-approval of audit and non-audit services is not required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the audit committee. The chairman of the audit committee has the authority to grant pre-approvals, provided such approvals are within the pre-approval policy and presented to the audit committee at a subsequent meeting.

The audit committee has approved the appointment of KPMG as our independent auditor to conduct the audit of our consolidated financial statements for the year ending December 31, 2016.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Certain documents are filed as a part of this Annual Report and are incorporated by reference and found on the pages noted.

1. Financial Statements—Please read Part II, Item 8. "Financial Statements and Supplementary Data—Index to Financial Statements" on page 79.

2. Financial Statement Schedules—None.

3. Exhibits—Exhibits required to be filed by Item 601 of Regulation S-K are set forth in the Exhibit Index accompanying this Annual Report and are incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ENVIVA PARTNERS, LP

By: Enviva Partners GP, LLC, its general partner

Date:

By: /s/ JOHN K. KEPPLER

John K. Keppler
Title: *Chairman, President and Chief Executive Officer*

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.

POWER OF ATTORNEY

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

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/ JOHN K. KEPPLER John K. Keppler	Chairman, President and Chief Executive Officer (Principal Executive Officer)	Date: 3/8/2016
/s/ STEPHEN F. REEVES Stephen F. Reeves	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	Date: 3/8/2016
/s/ JAMES P. GERAGHTY James P. Geraghty	Vice President and Controller (Principal Accounting Officer)	Date: 3/8/2016
/s/ MICHAEL B. HOFFMAN Michael B. Hoffman	Director	Date: 3/8/2016

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/s/ RALPH C. ALEXANDER		
Ralph C. Alexander	Director	Date: 3/8/2016
/s/ CARL L. WILLIAMS		
Carl L. Williams	Director	Date: 3/8/2016
/s/ ROBIN J. A. DUGGAN		
Robin J. A. Duggan	Director	Date: 3/8/2016
/s/ JOHN C. BUMGARNER, JR.		
John C. Bumgarner, Jr.	Director	Date: 3/8/2016
/s/ WILLIAM K. REILLY		
William K. Reilly	Director	Date: 3/8/2016
/s/ JANET S. WONG		
Janet S. Wong	Director	Date: 3/8/2016

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EXHIBIT INDEX

Exhibit Number	Exhibit
2.1	Contribution Agreement by and between Enviva Wilmington Holdings, LLC and Enviva Partners, LP dated December 11, 2015 (Exhibit 2.1, Form 8-K filed December 17, 2015, File No. 001-37363)
3.1	Certificate of Limited Partnership of Enviva Partners, LP (Exhibit 3.1, Form S-1 Registration Statement filed October 28, 2014, File No. 333-199625)
3.2	First Amended and Restated Agreement of Limited Partnership of Enviva Partners, LP, dated May 4, 2015, by Enviva Partners GP, LLC (Exhibit 3.1, Form 8-K filed May 4, 2015, File No. 001-37363)
4.1	Registration Rights Agreement, dated May 4, 2015, by and among Enviva Partners, LP, Enviva MLP Holdco, LLC and Enviva Cottondale Acquisition I, LLC (Exhibit 4.1, Form 8-K filed May 4, 2015, File No. 001-37363)
10.1	Contribution Agreement by and among Enviva Holdings, LP, Enviva MLP Holdco, LLC, Enviva, LP, Enviva Cottondale Acquisition I, LLC and Enviva Partners, LP, dated as of April 9, 2015 (Exhibit 10.1, Form S-1 Registration Statement filed April 15, 2015, File No. 333-199625)
10.2	Contribution Agreement, dated April 28, 2015, by and among Enviva Holdings, LP, Enviva MLP Holdco, LLC, Enviva, LP, Enviva Cottondale Acquisition I, LLC and Enviva Partners, LP (Exhibit 10.1, Form 8-K filed May 4, 2015, File No. 001-37363)
10.3	Purchase Rights Agreement, dated May 4, 2015, by and among Enviva Partners, LP, Enviva Partners GP, LLC and Enviva Holdings, LP (Exhibit 10.2, Form 8-K filed May 4, 2015, File No. 001-37363)
10.4†	Enviva Partners, LP Long-Term Incentive Plan (Exhibit 4.3, Form S-8 Registration Statement filed April 30, 2015, File No. 333-203756)
10.5	Management Services Agreement by and among Enviva Partners, LP, Enviva Partners GP, LLC, Enviva, LP, Enviva GP, LLC, the subsidiaries of Enviva, LP party thereto and Enviva Management Company, LLC, dated as of April 9, 2015 (Exhibit 10.12, Form S-1 Registration Statement filed April 15, 2015, File No. 333-199625)
10.6	Credit Agreement, dated as of April 9, 2015, among Enviva Partners, LP, as Borrower, the Lenders party thereto and Barclays Bank PLC, as Administrative Agent and Collateral Agent (Exhibit 10.13, Form S-1 Registration Statement filed April 15, 2015, File No. 333-199625)
10.7	Master Biomass Purchase and Sale Agreement, dated as of April 9, 2015, by and between Enviva, LP and Enviva Wilmington Holdings, LLC (Exhibit 10.8, Form 8-K filed May 4, 2015, File No. 001-37363)
10.8	Terminal Services Agreement, dated April 9, 2015, by and between Enviva Port of Chesapeake, LLC and Enviva Wilmington Holdings, LLC (Exhibit 10.7, Form 8-K filed May 4, 2015, File No. 001-37363)
10.9	License Agreement, dated April 9, 2015, by and among Enviva Holdings, LP, Enviva Partners GP, LLC and Enviva Partners, LP (Exhibit 10.3, Form 8-K filed May 4, 2015, File No. 001-37363)
10.10†	Form of Phantom Unit Award Grant Notice and Award Agreement (performance-based vesting for employees) (Exhibit 10.21, Form S-1 Registration Statement filed April 3, 2015, File No. 333-199625)

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Exhibit Number	Exhibit
10.11†	Form of Phantom Unit Award Grant Notice and Award Agreement (time-based vesting for employees) (Exhibit 10.20, Form S-1 Registration Statement filed April 3, 2015, File No. 333-199625)
10.12†	Form of Phantom Unit Award Grant Notice and Award Agreement (non-employee directors) (Exhibit 10.22, Form S-1 Registration Statement filed April 3, 2015, File No. 333-199625)
10.13†	First Amended and Restated Employment Agreement between Stephen F. Reeves and Enviva Management Company, LLC, dated May 29, 2015 (Exhibit 10.1, Form 8-K filed May 29, 2015, File No. 001-37363)
10.14†	First Amended and Restated Employment Agreement between William H. Schmidt, Jr. and Enviva Management Company, LLC, dated May 29, 2015 (Exhibit 10.2, Form 8-K filed May 29, 2015, File No. 001-37363)
10.15†	Form of Unit Award Grant Notice and Award Agreement (non-employee directors) (Exhibit 10.15, Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 filed July 31, 2015, File No. 001-37363)
10.16	First Incremental Term Loan Assumption Agreement, by and among Enviva Partners, LP, certain subsidiaries of Enviva Partners, LP, as Guarantors, the Lenders party thereto, and Barclays Bank PLC, as administrative agent, dated as of December 11, 2015, (Exhibit 10.1, Form 8-K filed December 17, 2015, File No. 001-37363)
10.17	Initial Contribution Agreement (Exhibit 10.1, Form S-1 Registration Statement filed April 15, 2015, File No. 333-199625)
10.18†	Employment Agreement between John K. Keppler and Enviva Holdings, LP, dated June 28, 2014 (Exhibit 10.8, Form S-1 Registration Statement filed December 3, 2014, File No. 333-199625)
10.19†	Form of Assignment, Assumption and Amendment Agreement (relating to employment agreements) (Exhibit 10.19, Form S-1 Registration Statement filed April 3, 2015, File No. 333-199625)
10.20	Contribution Agreement between Enviva, LP and Enviva Wilmington Holdings, LLC, dated November 25, 2014 (Exhibit 10.10, Form S-1 Registration Statement filed December 3, 2014, File No. 333-199625)
10.21*†	First Amended and Restated Employment Agreement between Edward Royal Smith and Enviva Management Company, LLC, dated May 29, 2015
10.22*	Biomass Supply Agreement between Enviva Partners, LP and Enviva Wilmington Holdings, LLC, dated January 22, 2016
21.1	List of Subsidiaries of Enviva Partners, LP (Exhibit 21.1, Form S-1 Registration Statement filed October 28, 2014, File No. 333-199625)
23.1*	Consent of KPMG LLP
24.1*	Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K)
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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Exhibit Number	Exhibit
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Labels Linkbase Document.
101.PRE	XBRL Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith.

† Management Contract or Compensatory Plan or Arrangement

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Exhibit 10.21

FIRST AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This First Amended and Restated Employment Agreement ("Agreement") is made and entered into as of May 29, 2015 (the "Amendment Effective Date") by and between Enviva Management Company, LLC, a Delaware limited liability company (the "Company"), and Edward Royal Smith ("Executive") and supersedes and replaces in its entirety the Employment Agreement (the "Prior Agreement") dated July 11, 2014 (the "Original Effective Date") by and between Enviva Holdings, LP, a Delaware limited partnership ("Holdings"), as amended by the Assignment, Assumption and Amendment Agreement by and among Holdings, the Company and Executive dated April 9, 2015 (the "Assignment Agreement").

1. **Employment**. During the period commencing on the Amendment Effective Date and for the duration of the Employment Period (as defined in Section 4 below) thereafter (the "Specified Employment Period"), the Company shall continue to employ Executive, and Executive shall serve, as Vice President, Operations of the Company, Holdings and the Company's Affiliates.

2. **Duties and Responsibilities of Executive**.

(a) During the Employment Period, Executive shall devote his full business time and attention to the business of the Company and its Affiliates, as applicable, and will not hold any outside employment or consulting position. Executive's duties pursuant to this Agreement will include those normally incidental to the position identified in Section 1, as well as such additional duties may be assigned to him by the Company from time to time.

(b) Executive represents and covenants that he is not the subject of or a party to any employment agreement, non-competition covenant, nondisclosure agreement, or any other agreement, covenant, understanding, or restriction that would prohibit Executive from executing this Agreement and fully performing his duties and responsibilities hereunder, or would in any manner, directly or indirectly, limit or affect the duties and responsibilities that may now or in the future be assigned to Executive hereunder.

(c) Executive acknowledges and agrees that Executive owes the Company and its Affiliates fiduciary duties, including duties of care, loyalty, fidelity and allegiance, such that Executive shall act at all times in the best interests of the Company and its Affiliates and shall not appropriate any business opportunity for himself. Executive agrees that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Executive owes the Company under common law. The Parties acknowledge and agree that Executive may provide services (including as an executive, employee, director, or otherwise) to multiple Affiliates of the Company and, in providing such services, Executive will not be violating his obligations hereunder so long as Executive abides by the terms of Sections 7, 8, and 9 below in the course of performing such services.

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3. **Compensation**.

(a) During the Specified Employment Period, the Company shall pay to Executive an annualized base salary of $264,000 (the "Base Salary") in consideration for Executive's services under this Agreement, payable on a not less than monthly basis, in conformity with the Company's customary payroll practices for executives.

(b) During the Specified Employment Period, Executive shall be eligible for discretionary bonus compensation for each complete calendar year that he is employed by the Company hereunder (each, a "Bonus Year") pursuant to the applicable incentive or bonus compensation plan of the Company, if any, that is applicable to similarly situated executives of the Company (each, an "Annual Bonus"). Each Annual Bonus shall have a target value that is not less than 75% of Executive's Base Salary as in effect on the first day of the Bonus Year to which such Annual Bonus relates (the "Minimum Target Annual Bonus"); *provided, however*, that the Minimum Target Annual Bonus for the 2015 calendar year shall not be less than 75% of Executive's Base Salary as in effect on the Amendment Effective Date. The performance targets that must be achieved in order to realize certain bonus levels shall be established by the Board of Directors of Enviva Holdings GP, LLC (the "Board") or a committee thereof annually, in its sole discretion, and communicated to Executive in accordance with terms of the applicable incentive or bonus plan, if any, or if no such plan has been adopted, within the first 90 days of the applicable Bonus Year (the most recently established target value for Executive's Annual Bonus is referred to herein as the "Target Annual Bonus"). Each Annual Bonus, if any, will be paid as soon as administratively feasible after the Board or a committee thereof certifies whether the applicable performance targets for the applicable Bonus Year have been achieved, but in no event later than March 15 following the end of such Bonus Year.

(c) Long-Term Incentive Plan. With respect to the 2016 calendar year and each subsequent calendar year during the Specified Employment Period, Executive shall be eligible to receive annual awards under the Enviva Partners, LP equity compensation plan in effect from time to time (the "LTIP") with a target value equal to 60% of Executive's Base Salary as in effect on the first day of such calendar year (the "Target Annual LTIP Award"). All awards granted to Executive under the LTIP, if any, shall be on such terms and conditions as the board of directors (the "GP Board") of Enviva Partners GP, LLC or a committee thereof shall determine from time to time and shall be subject to and governed by the terms and provisions of the LTIP as in effect from time to time and the award agreements evidencing such awards. Nothing herein shall be construed to give Executive any rights to any amount or type of grant or award except as provided in such award to Executive provided in writing and authorized by the GP Board (or a committee thereof).

4. **Term of Employment**. The initial term of Executive's employment under this Agreement shall be for the period beginning on the Original Effective Date and ending on the second anniversary of the Original Effective Date (the "Initial Term"). On the second anniversary of the Original Effective Date and on each subsequent anniversary thereafter, the term of Executive's employment under this Agreement shall automatically renew and extend for a period of 12 months (each such 12-month period being a "Renewal Term") unless written notice of non-renewal is delivered by either party to the other not less than 60 days prior to the expiration of the then-existing Initial Term or Renewal Term. Notwithstanding any other

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provision of this Agreement to the contrary, Executive's employment pursuant to this Agreement may be terminated at any time in accordance with Section 6. The period from the Original Effective Date through the expiration of this Agreement or, if sooner, the termination of Executive's employment pursuant to this Agreement, regardless of the time or reason for such termination, shall be referred to herein as the "Employment Period."

5. **Reimbursement of Business Expenses; Benefits**. Subject to the terms and conditions of this Agreement, Executive shall be entitled to the following reimbursements and benefits during the Employment Period:

(a) Reimbursement of Business Expenses. The Company agrees to reimburse Executive for Executive's reasonable business-related expenses incurred in the performance of Executive's duties under this Agreement; provided that Executive timely submits all documentation for such reimbursement, as required by Company policy in effect from time-to-time. Any reimbursement of expenses under this Section 5(a), Section 8(b)(iv), or Section 12 shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred by Executive); *provided, however*, that, upon the termination of Executive's employment with the Company, in no event shall any additional reimbursement be made prior to the date that is six months after the date of such termination (or, if earlier, prior to the date of Executive's death) to the extent such payment delay is required under Section 409A(a)(2)(B) of the Internal Revenue Code. In no event shall any reimbursement be made to Executive for such expenses after the date that is five years after the date of the termination of Executive's employment with the Company. Executive is not permitted to receive a payment in lieu of reimbursement under this Section 5(a), Section 8(b)(iv), or Section 12.

(b) Benefits. Executive shall be eligible to participate in the same benefit plans or fringe benefit policies in which other similarly situated Company employees are eligible to participate, subject to applicable eligibility requirements and the terms and conditions of such plans and policies as in effect from time to time.

6. **Termination of Employment**.

(a) Company's Right to Terminate Executive's Employment for Cause. The Company shall have the right to terminate Executive's employment at any time for "Cause". For purposes of this Agreement, "Cause" shall mean Executive's:

(i) material breach of any policy established by the Company or any of its Affiliates that (x) pertains to drug and/or alcohol use and (y) is applicable to Executive;

(ii) engaging in acts of disloyalty to the Company or its Affiliates, including fraud, embezzlement, theft, commission of a felony, or proven dishonesty; or

(iii) willful misconduct in the performance of, or willful failure to perform a material function of, his duties under this Agreement.

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(b) Company's Right to Terminate for Convenience. The Company shall have the right to terminate Executive's employment without Cause, at any time and for any reason or no reason at all.

(c) Executive's Right to Terminate for Good Reason. Executive shall have the right to terminate his employment with the Company at any time for "Good Reason." For purposes of this Agreement, "Good Reason" shall mean:

(i) a material diminution in Executive's authority, duties, title, or responsibilities;

(ii) a material diminution in Executive's Base Salary, Minimum Target Annual Bonus or Target Annual LTIP Award;

(iii) the relocation of the geographic location of Executive's principal place of employment by more than 100 miles from the location of Executive's principal place of employment as of the Original Effective Date; or

(iv) the Company's delivery of a written notice of non-renewal of this Agreement to Executive.

Notwithstanding the foregoing provisions of this Section 6(c) or any other provision of this Agreement to the contrary, any assertion by Executive of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (A) the condition described in Section 6(c)(i), (ii), (iii), or (iv) giving rise to Executive's termination of his employment must have arisen without Executive's written consent; (B) Executive must provide written notice to the Company of such condition within 30 days of the date on which Executive knew of the existence of the condition; (C) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (D) the date of Executive's termination of his employment must occur within 30 days after the end of such cure period.

(d) Death or Disability. Upon the death or Disability of Executive, Executive's employment with the Company shall terminate with no further obligation under this Agreement of either party, or their successors in interest; provided that the Company shall pay to the estate of Executive any amounts due under this Agreement. For purposes of this Agreement, a "Disability" shall exist if Executive is unable to perform the essential functions of his position, with reasonable accommodation, due to an illness or physical or mental impairment or other incapacity which continues for a period in excess of 90 days, whether consecutive or not, in any period of 365 consecutive days. The determination of a Disability will be made by the Company after obtaining an opinion from a doctor of the Company's choosing. Executive agrees to provide such information and participate in such examinations as may be reasonably required by said doctor in order to form his or her opinion. If requested by the Company, Executive shall submit to a mental or physical examination to be performed by an independent physician selected by the Company to assist the Company in making such determination.

(e) Executive's Right to Terminate for Convenience. Executive shall have the right to terminate his employment with the Company for convenience at any time upon 60 days' advance written notice to the Company; *provided that* if Executive provides a notice of

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termination pursuant to this Section 6(e), the Company may designate an earlier termination date than that specified in Executive's notice. The Company's designation of such an earlier date will not change the nature of Executive's termination, which will still be deemed a voluntary resignation by Executive pursuant to this Section 6(e).

(f) Effect of Termination.

(i) If Executive's employment hereunder shall terminate (1) pursuant to Section 4 at the expiration of the then-existing Initial Term or Renewal Term, as applicable, as a result of a non-renewal of this Agreement by Executive or (2) pursuant to Section 6(a) or 6(e) or due to Executive's death pursuant to Section 6(d), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (x) payment of all earned, unpaid Base Salary within 30 days of his last day of employment, or earlier if required by law, (y) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 5(a), Section 8(b)(iv), and Section 12 and (z) benefits to which Executive may be entitled pursuant to the terms of any plan or policy described in Section 5(b).

(ii) If Executive's employment terminates pursuant to Section 6(b) or 6(c) or due to Disability pursuant to Section 6(d), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (1) Executive shall be entitled to receive the compensation and benefits described in clauses (x) through (z) of Section 6(f)(i); and (2) if Executive executes, on or before the Release Expiration Date (as defined below), and does not revoke within the time provided by the Company to do so, a release of all claims in a form satisfactory to the Company (which shall be substantially similar to the form of release attached hereto as Exhibit A) (the "Release")), then, provided that Executive abides by his continuing obligations under Sections 7, 8, 9, and 10:

(A) The Company shall pay to Executive an amount (the "Severance Payment") equal to the sum of Executive's Base Salary as in effect on the date of the termination of Executive's employment (the "Termination Date") and Executive's Target Annual Bonus as of the Termination Date. The Severance Payment will be divided into 12 substantially equal installments. On the Company's first regularly scheduled pay date that is on or after the date that is 60 days after the Termination Date, the Company shall pay to Executive, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Termination Date and ending on the Company's first regularly scheduled pay date that is on or after the date that is 60 days after the Termination Date had the installments been paid on a monthly basis commencing on the Company's first regularly scheduled pay date coincident with or next following the Termination Date, and each of the remaining installments shall be paid on a monthly basis thereafter; *provided, however*, that (1) to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6(f)(ii)(A)

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after March 15 of the calendar year following the calendar year in which the Termination Date occurs (the "Applicable March 15") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Executive in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess), and (2) all remaining installments of the Severance Payment, if any, that would otherwise be paid pursuant to the preceding provisions of this Section 6(f)(ii)(A) after December 31 of the calendar year following the calendar year in which the Termination Date occurs shall be paid with the installment of the Severance Payment, if any, due in December of the calendar year following the calendar year in which the Termination Date occurs;

(B) All outstanding awards granted to Executive pursuant to the LTIP prior to the Termination Date that remain unvested as of the Termination Date shall immediately become fully vested as of the Termination Date; *provided, however*, that with respect to any such LTIP awards that were granted subject to a performance requirement (other than continued service by Executive) that has not been satisfied and certified by the GP Board (or a committee thereof) as of the Termination Date, then (1) if the Termination Date occurs within six months prior to the expiration of the performance period applicable to such LTIP award, such LTIP award shall become vested based on actual performance upon the expiration of such performance period; and (2) if the Termination Date occurs at any other time during the performance period applicable to such LTIP award, such LTIP award shall become vested as of the Termination Date based on target performance.

(C) If Executive timely and properly elects to continue coverage for Executive and Executive's spouse and eligible dependents, if any, under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), similar in the amounts and types of coverage provided by the Company to Executive prior to the Termination Date, then for a period of 12 months following the Termination Date or such earlier date as provided in this Section 6(f)(ii)(C), the Company shall promptly reimburse Executive on a monthly basis for the entire amount Executive pays to effect and continue such coverage; *provided, however*, that Executive's rights to such reimbursements under this Section 6(f)(ii)(C) shall terminate at the time Executive becomes eligible to be covered under a group health plan sponsored by another employer (and Executive shall promptly notify the Company in the event that Executive becomes so eligible). Notwithstanding anything in the preceding provisions of this Section 6(f)(ii)(C) to the contrary, (x) the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage will remain Executive's sole responsibility, and the Company will assume no obligation for

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payment of any such premiums relating to such COBRA continuation coverage and (y) if the provision of the benefit described in this Section 6(f)(ii)(C) cannot be provided in the manner described above without penalty, tax, or other adverse impact on the Company, then the Company and Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide a substantially equivalent benefit to Executive without such adverse impact on the Company.

(iii) Executive acknowledges his understanding that if the Release is not executed on or before the Release Expiration Date, and the required revocation period has not fully expired without revocation of the Release by Executive, then Executive shall not be entitled to any payments or benefits pursuant to Section 6(f)(ii). As used herein, the "Release Expiration Date" is that date that is 21 days following the date upon which the Company delivers the Release to Executive (which shall occur no later than seven days after the Termination Date) or, in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date.

(g) Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code; *provided, however*, that whether such a separation from service has occurred shall be determined based upon a reasonably anticipated permanent reduction in the level of bona fide services to be performed to no more than 25% of the average level of bona fide services provided in the immediately preceding 36 months.

7. **Conflicts of Interest; Disclosure of Opportunities**. Executive agrees that he shall promptly disclose to the Board any conflict of interest involving Executive upon Executive becoming aware of such conflict. Executive further agrees that, throughout the Employment Period and for one (1) year thereafter, he shall offer to the Company and its Affiliates, as applicable, all business opportunities relating to the acquisition, development, ownership and operation of facilities which collect, process and transform wood-based biomass into renewable energy feedstock, including wood pellets, regardless of where such business opportunities arise.

8. **Confidentiality**. Executive acknowledges and agrees that, in the course of his employment with the Company, he will be provided with, and have access to, new and valuable Confidential Information (as defined below) of the Company, its Affiliates and of third parties who have supplied such information to the Company or its Affiliates, as applicable. In consideration of Executive's receipt and access to such Confidential Information and in exchange for other valuable consideration provided hereunder, Executive agrees to comply with this Section 8.

(a) Executive covenants and agrees, both during the Employment Period and thereafter that, except as expressly permitted by this Agreement or by directive of the Board, he shall not disclose any Confidential Information to any Person and shall not use any Confidential Information except for the benefit of the Company or any of its Affiliates. Executive shall take

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all reasonable precautions to protect the physical security of all documents and other material containing Confidential Information (regardless of the medium on which the Confidential Information is stored). The covenants in this Section 8(a) shall apply to all Confidential Information, whether now known or later to become known to Executive during the Employment Period.

(b) Notwithstanding Section 8(a), Executive may make the following disclosures and uses of Confidential Information:

(i) disclosures to other executives or employees of the Company or its Affiliates who have a need to know the information in connection with the business of the Company or its Affiliates;

(ii) disclosures and uses that are incidental to Executive's provision of services to the Company and its Affiliates consistent with the terms of this Agreement or that are approved by the Board;

(iii) disclosures for the purpose of complying with any applicable laws or regulatory requirements; or

(iv) disclosures that Executive is legally compelled to make by deposition, interrogatory, request for documents, subpoena, civil investigative demand, order of a court of competent jurisdiction, or similar process, or otherwise by law; *provided*, *however*, that, prior to any such disclosure, Executive shall, to the extent legally permissible:

(A) provide the Board with prompt notice of such requirements so that the Board may seek a protective order or other appropriate remedy or waive compliance with the terms of this Section 8;

(B) consult with the Board on the advisability of taking steps to resist or narrow such disclosure; and

(C) cooperate with the Board (at the Company's reasonable cost and expense) in any attempt it may make to obtain a protective order or other appropriate remedy or assurance that confidential treatment will be afforded the Confidential Information; and in the event such protective order or other remedy is not obtained, Executive agrees (1) to furnish only that portion of the Confidential Information that is legally required to be furnished, as advised by written opinion of counsel to Executive (the reasonable cost of which shall be borne by the Company), and (2) to exercise (at the Company's reasonable cost and expense) all reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(c) Upon the expiration of the Employment Period and at any other time upon request of the Company, Executive shall surrender and deliver to the Company all documents (including without limitation electronically stored information) and other material of any nature containing or pertaining to all Confidential Information in Executive's possession and shall not

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retain any such document or other material. Within 10 days of any such request, Executive shall certify to the Company in writing that all such materials have been returned to the Company.

(d) All non-public information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by Executive, individually or in conjunction with others, during the period Executive is or has been employed or affiliated with the Company or any of its Affiliates (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to the Company's or any of its Affiliates' business or properties, products or services (including, without limitation, all such information relating to corporate opportunities, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) is defined as "Confidential Information." Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models, and all other writings or materials of any type including or embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company or its Affiliates and be subject to the same restrictions on disclosure applicable to all Confidential Information pursuant to this Agreement.

(e) Notwithstanding anything to the contrary in this Section 8, Executive may, without violating the terms of this Section 8: (i) make a good faith report of possible violations of applicable law to any governmental agency or entity; or (ii) make disclosures that are protected under the whistleblower provisions of applicable law.

9. **Non-Competition**.

(a) The Company shall provide Executive access to the Confidential Information for use only during the Employment Period, and Executive acknowledges and agrees that the Company will be entrusting him, in his unique and special capacity, with developing the goodwill of the Company, and in consideration thereof and in consideration of the access to Confidential Information, has voluntarily agreed to the covenants set forth in this Section 9. Executive further agrees and acknowledges that the limitations and restrictions set forth herein, including but not limited to geographical and temporal restrictions on certain competitive activities, are reasonable and not oppressive and are material and substantial parts of this Agreement intended and necessary to protect the Company's legitimate business interests, including the preservation of its Confidential Information and goodwill.

(b) Executive agrees that, during the period set forth in Section 9(c) below, he shall not, without the prior written approval of the Company, directly or indirectly, for himself or on behalf of or in conjunction with any other person or entity of whatever nature:

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(i) engage or participate within the Market Area in competition with the Company in any business in which either the Company or its Protected Affiliates engaged in, or had plans to become engaged in of which Executive was aware during the Employment Period or the period set forth in Section 9(c) below, which business includes, without limitation, the acquisition, development, ownership and operation of facilities which collect, process, and transform wood-based biomass into renewable energy feedstock, including wood pellets (the "Business"). As used herein, the term "Protected Affiliates" means any Affiliate of the Company for which Executive provided services during the Employment Period, or about which Executive obtained Confidential Information during the Employment Period.

(ii) appropriate any Business Opportunity of, or relating to, the Company or its Affiliates located in the Market Area, or engage in any activity that is detrimental to the Company or its Affiliates or that limits the Company's or an Affiliate's ability to fully exploit such Business Opportunities or prevents the benefits of such Business Opportunities from accruing to the Company or its Affiliates; or

(iii) solicit any employee of the Company or its Affiliates to terminate his or her employment therewith during his or her employment with the Company or its Affiliate, as applicable.

(c) Timeframe of Non-Competition Agreement. Executive agrees that the covenants of this Section 9 shall be enforceable during the Employment Period and for a period of one (1) year following the termination of the Employment Period, for whatever reason.

(d) Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that could be caused to the Company for which it would have no other adequate remedy, Executive agrees that the foregoing covenant may be enforced by the Company, in the event of breach by him, by injunctions and restraining orders and that such enforcement shall not be the Company's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company.

(e) The covenants in this Section 9 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction or arbitrator, as applicable, shall determine that the scope, time, or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court or arbitrator deems reasonable, and this Agreement shall thereby be reformed.

(f) For purposes of this Section 9, the following terms shall have the following meanings:

(i) "Business Opportunity" shall mean any commercial, investment, or other business opportunity relating to the Business.

(ii) "Market Area" shall mean any location or geographic area within 75 miles of a location where the Company or its Affiliates conducts business, or has plans to conduct business of which Executive is aware, during the Employment Period.

(g) All of the covenants in this Section 9 shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants.

10. **Ownership of Intellectual Property**. Executive agrees that the Company or its applicable Affiliate shall own, and Executive agrees to assign and does hereby assign, all right, title, and interest (including but not limited to patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas, and information authored, created, contributed to, made, or conceived or reduced to practice, in whole or in part, by Executive during the period that Executive is or has been employed or affiliated with the Company or any of its Affiliates that either (a) relate, at the time of conception, reduction to practice, creation, derivation, or development, to the Company's or any of its Affiliates' business or actual or anticipated research or development, or (b) were developed on any amount of the Company's time or with the use of any of the Company's or its Affiliates' equipment, supplies, facilities, or trade secret information (all of the foregoing collectively referred to herein as "Company Intellectual Property"), and Executive will promptly disclose all Company Intellectual Property to the Company. All of Executive's works of authorship and associated copyrights created during the Employment Period and in the scope of Executive's employment shall be deemed to be "works made for hire" within the meaning of the Copyright Act. Executive agrees to perform, during and after the Employment Period, all reasonable acts deemed necessary by the Company to assist the Company or its applicable Affiliate, at the Company's or such Affiliate's expense, in obtaining and enforcing its rights throughout the world in the Company Intellectual Property. Such acts may include, but are not limited to, execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of any applicable patents, copyrights, mask work, or other applications, (ii) in the enforcement of any applicable patents, copyrights, mask work, moral rights, trade secrets, or other proprietary rights, and (iii) in other legal proceedings related to the Company Intellectual Property.

11. **Arbitration**.

(a) Subject to Section 11(d), any dispute, controversy or claim between Executive and the Company or any of its Affiliates arising out of or relating to this Agreement or Executive's employment with the Company will be finally settled by arbitration in New York, New York before, and in accordance with the rules for the resolution of employment disputes then in effect of, the American Arbitration Association ("AAA"). The arbitration award shall be final and binding on both parties.

(b) Any arbitration conducted under this Section 11 shall be heard by a single arbitrator (the "Arbitrator") selected in accordance with the then-applicable rules of the AAA. The Arbitrator shall expeditiously (and, if possible, within 90 days after the selection of the

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Arbitrator) hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony, and evidence as the Arbitrator deems relevant to the dispute before him or her (and each party will provide such materials, information, testimony, and evidence requested by the Arbitrator, except to the extent any information so requested is proprietary, subject to a third-party confidentiality restriction, or to an attorney-client or other privilege), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be rendered in writing, be final and binding upon the disputing parties, and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction; *provided* that the parties agree that the Arbitrator and any court enforcing the award of the Arbitrator shall not have the right or authority to award punitive or exemplary damages to any disputing party.

(c) Each side shall share equally the cost of the arbitration and bear its own costs and attorneys' fees incurred in connection with any arbitration, unless the Arbitrator determines that compelling reasons exist for allocating all or a portion of such costs and fees to the other side.

(d) Notwithstanding Section 11(a), an application for emergency or temporary injunctive relief by either party (including without limitation any such application to enforce the provisions of Sections 8, 9 or 10 herein) shall not be subject to arbitration under this Section 11; *provided, however*, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under this Section.

(e) By entering into this Agreement and entering into the arbitration provisions of this Section 11, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL.

(f) Nothing in this Section 11 shall prohibit a party to this Agreement from (i) instituting litigation to enforce any arbitration award, or (ii) joining another party to this Agreement in a litigation initiated by a person or entity which is not a party to this Agreement.

12. **Defense of Claims**. Executive agrees that, during the Employment Period and thereafter, upon reasonable request from the Company, Executive will cooperate with the Company or its Affiliates in the defense of any claims or actions that may be made by or against the Company or its Affiliates that relate to Executive's actual or prior areas of responsibility, except if Executive's reasonable interests are adverse to the Company or its Affiliate(s), as applicable, in such claim or action. The Company agrees to pay or reimburse Executive for all of Executive's reasonable travel and other direct expenses incurred, or to be reasonably incurred, to comply with Executive's obligations under this Section 12, provided Executive provides reasonable documentation of same and obtains the Company's prior approval for incurring such expenses.

13. **Withholdings: Right of Offset**. The Company may withhold and deduct from any payments made or to be made pursuant to this Agreement (a) all federal, state, local, and other taxes as may be required pursuant to any law or governmental regulation or ruling, and (b) any deductions consented to in writing by Executive.

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14. **Title and Headings; Construction**. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define, or otherwise affect the provisions hereof. Any and all Exhibits or Attachments referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes. The words "herein," "hereof," "hereunder," and other compounds of the word "here" shall refer to the entire Agreement and not to any particular provision hereof.

15. **Applicable Law; Submission to Jurisdiction**. This Agreement shall in all respects be construed according to the laws of the State of New York without regard to the conflict of law principles thereof. With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Section 11 above and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in New York, New York.

16. **Entire Agreement and Amendment**. This Agreement contains the entire agreement of the parties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof. Without limiting the scope of the preceding sentence, except as otherwise expressly provided in this Section 16, all understandings and agreements preceding the Amendment Effective Date and relating to the subject matter hereof (including, without limitation, the Prior Agreement and the Assignment Agreement) are hereby null and void and of no further force or effect, and this Agreement shall supersede all other agreements, written or oral, that purport to govern the terms of Executive's employment (including Executive's compensation) with the Company or any of its Affiliates. Executive acknowledges and agrees that the Prior Agreement is hereby terminated and has been satisfied in full, as has any other employment agreement between Executive and the Company or any of its Affiliates. In entering into this Agreement, Executive expressly acknowledges and agrees that Executive has received all sums and compensation that Executive has been owed, is owed, or ever could be owed pursuant to the agreement(s) referenced in the previous sentence. Notwithstanding anything in the preceding provisions of this Section 16 to the contrary, the parties expressly acknowledge and agree that this Agreement does not supersede or replace, but instead complements and is in addition to, all equity compensation agreements between Executive and the Company or any of its Affiliates. This Agreement may be amended only by a written instrument executed by both parties hereto.

17. **Waiver of Breach**. Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time while such breach continues.

18. **Assignment**. This Agreement is personal to Executive, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred

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by Executive. The Company may assign this Agreement to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets, or businesses of the Company, if such successor expressly agrees to assume the obligations of the Company hereunder.

19. **Affiliates**. For purposes of this Agreement, the term "Affiliates" is defined as any person or entity Controlling, Controlled by, or Under Common Control with the Company. The term "Control," including the correlative terms "Controlling," "Controlled By," and "Under Common Control with" means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract, or otherwise) of a person or entity. For the purposes of the preceding sentence, Control shall be deemed to exist when a person or entity possesses, directly or indirectly, through one or more intermediaries (a) in the case of a corporation more than 50% of the outstanding voting securities thereof, (b) in the case of a limited liability company, partnership, limited partnership, or joint venture, the right to more than 50% of the distributions therefrom (including liquidating distributions), or (c) in the case of any other person or entity, more than 50% of the economic or beneficial interest therein.

20. **Notices**. Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) on the first business day after such notice is sent by air express overnight courier service, or (c) on the third business day following deposit in the United States mail, registered or certified mail, return receipt requested, postage prepaid and addressed, in each case, to the following address, as applicable:

(1) If to the Company, addressed to:

Enviva Management Company, LLC
7200 Wisconsin Ave. Suite 1000
Bethesda, MD 20814
Attention: Executive Vice President, General Counsel & Secretary

(2) If to Executive, addressed to the most recent address the Company has in its employment records for Executive.

21. **Counterparts**. This Agreement may be executed in any number of counterparts, including by facsimile or "PDF" or similar electronic format, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party, but together signed by both parties hereto.

22. **Deemed Resignations**. Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each Affiliate of the Company, as applicable, (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors (or similar governing body) of the Company or any Affiliate of the Company (if applicable), and (c) an automatic resignation from the board of directors or any similar governing body of any corporation, limited

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liability entity, or other entity in which the Company or any Affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such Affiliate's designee or other representative (if applicable).

23. **Effect of Termination**. The provisions of Sections 6(f), 7-12, 22, and 24 and those provisions necessary to interpret and enforce them, shall survive any termination of the employment relationship between Executive and the Company.

24. **Third Party Beneficiaries**. Each Affiliate of the Company shall be a third party beneficiary of Executive's obligations under Sections 7, 8, 9, 10, and 22 and shall be entitled to enforce such obligations as if a party hereto.

25. **Severability**. Subject to Section 9(e), if an arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

26. **Section 409A**. Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "Section 409A") or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Executive's receipt of such payment or benefit is not delayed until the earlier of (i) the date of Executive's death or (ii) the date that is six months after the Termination Date (such date, the "Section 409A Payment Date"), then such payment or benefit shall not be provided to Executive (or Executive's estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company or any of its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

[Remainder of Page Intentionally Blank;
Signature Page Follows]

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IN WITNESS WHEREOF, Executive and the Company each have caused this Agreement to be executed in its name and on its behalf, effective for all purposes as provided above.

EXECUTIVE

____
Edward Royal Smith

ENVIVA MANAGEMENT COMPANY, LLC

By: ______________________________________
Stephen F. Reeves
Executive Vice President and
Chief Financial Officer

SIGNATURE PAGE TO
FIRST AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
(EDWARD ROYAL SMITH)

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EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain First Amended and Restated Employment Agreement (the "Employment Agreement") dated as of May [•], 2015, by and among Edward Royal Smith ("Executive") and Enviva Management Company, LLC (the "Company"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Employment Agreement.

(a) For good and valuable consideration, including the Company's provision of certain severance payments (or a portion thereof) to Executive in accordance with Section 6(f)(ii) of the Employment Agreement, Executive hereby releases, discharges and forever acquits (A) the Company, its Affiliates and subsidiaries, (B) , , , and their respective Affiliates and subsidiaries and (C) the past, present and future stockholders, officers, members, partners, directors, managers, employees, agents, attorneys, heirs, representatives, successors, and assigns of the entities specified in clauses (A) and (B) above, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of the execution of this Agreement including, without limitation, (1) any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Sections 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Occupational Safety and Health Act, as amended; (x) the Family and Medical Leave Act of 1993; (xi) any federal, state or local anti-discrimination law; (xii) any federal, state or local wage and hour law; (xiii) any other local, state or federal law, regulation or ordinance; and (xiv) any public policy, contract, tort, or common law claim; (2) any allegation for costs, fees, or other expenses including attorneys' fees incurred in or with respect to a Released Claim; (3) any and all rights, benefits, or claims Executive may have under any employment contract, incentive compensation plan, or equity incentive plan with any Company Party or to any ownership interest in any Company Party except as expressly provided: (I) in Section 6(f)(ii) of the Employment Agreement; and (II) pursuant to the terms of any equity compensation agreement between Executive and a Company Party (including any Restricted Unit Agreement with Holdings or any Award Agreement (as defined in the LTIP) relating to an award granted to Executive pursuant to the LTIP), and (4) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any equity compensation agreement (collectively, the "Released Claims"). In no event shall the Released Claims include (a) any claim which arises after the date of this Agreement, (b) any claim to vested benefits under an employee benefit plan or equity compensation plan, or (c) any claims for contractual payments under Section 5(a) or Section 6(f)(ii) of the Employment Agreement. This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this

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nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised, and waived. By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit. Notwithstanding the release of liability contained herein, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("EEOC") or comparable state or local agency or participating in any investigation or proceeding conducted by the EEOC or comparable state or local agency; however, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary or personal relief or recovery as a result of such EEOC or comparable state or local agency proceeding or subsequent legal actions. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES**.

(b) Executive agrees not to bring or join any lawsuit or arbitration proceeding against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims.

(c) By executing and delivering this Agreement, Executive acknowledges that:

(i) He has carefully read this Agreement;

(ii) He has had at least [twenty-one (21)] [forty-five (45)] days to consider this Agreement before the execution and delivery hereof to the Company [Add if 45 days applies: , and he acknowledges that attached to this Agreement are (1) a list of the positions and ages of those employees selected for termination (or participation in the exit incentive or other employment termination program); (2) a list of the ages of those employees not selected for termination (or participation in such program); and (3) information about the unit affected by the employment termination program of which his termination was a part, including any eligibility factors for such program and any time limits applicable to such program];

(iii) He has been and hereby is advised in writing that he may, at his option, discuss this Agreement with an attorney of his choice and that he has had adequate opportunity to do so;

(iv) He fully understands the final and binding effect of this Agreement; the only promises made to him to sign this Agreement are those stated in the Employment Agreement and herein; and he is signing this Agreement knowingly, voluntarily and of his own free will, and that he understands and agrees to each of the terms of this Agreement; and

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(v) With the exception of any sums that he may be owed pursuant to Section 6(f)(ii) of the Employment Agreement, he has been paid all wages and other compensation to which he is entitled under the Agreement and received all leaves (paid and unpaid) to which he was entitled during the Employment Period.

Notwithstanding the initial effectiveness of this Agreement, Executive may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven-day period beginning on the date Executive delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the Chairman of the Board of Directors of Enviva Holdings GP, LLC before 11:59 p.m., New York, New York time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Executive in the foregoing manner.

Executed on this day of , .

Edward Royal Smith

EXHIBIT A-3

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Exhibit 10.22

BIOMASS SUPPLY AGREEMENT

Between

ENVIVA PARTNERS, LP
as Seller

and

ENVIVA WILMINGTON HOLDINGS, LLC
as Purchaser

in relation to the Teesside Biomass Project

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THIS AGREEMENT is dated as of 22 January 2016.

BETWEEN:

(1) **ENVIVA PARTNERS, LP**, a limited partnership registered under the laws of the State of Delaware, USA, with its registered office at 1209 Orange St, Wilmington, DE, USA, 19801 (the **Seller**); and

(2) **ENVIVA WILMINGTON HOLDINGS, LLC**, a limited liability company registered under the laws of the State of Delaware, USA, with its registered office at 1209 Orange St, Wilmington, DE, USA, 19801 (the **Purchaser**).

(each, a **Party**, and together, the **Parties**).

WHEREAS:

(A) The Seller is a supplier of wood fuel and is willing to supply the Biomass to the Purchaser.

(B) The Purchaser wishes to purchase the Biomass (it being understood that the Purchaser may re-sell such Biomass to a third party buyer that owns a Facility).

(C) The Seller agrees to sell and the Purchaser agrees to purchase the Biomass on the terms and conditions set out in this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definition

In this Agreement, the following words and expressions shall have the meanings stated.

Acceptance Level means the Parameters and rejection limits set out in the Specifications.

Act of Insolvency means the occurrence of any one or more of the following events in respect of the Purchaser or the Seller:

(a) is dissolved (other than pursuant to a solvent consolidation, amalgamation or merger), becomes insolvent, is unable to pay its debts or fails, or admits in writing its inability, generally to pay its debts as they become due;

(b) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(c) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, that proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not withdrawn, dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation of that proceeding or petition;

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(d) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a solvent consolidation, amalgamation or merger);

(e) seeks or becomes subject to the appointment of an administrator, administrative receiver, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; or

(f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (e) (inclusive).

Actual Laytime means, for any Vessel delivering a Shipment under this Agreement, the number of hours or part thereof during WWDs required to discharge that Vessel calculated in accordance with Clause 13.6 (*Demurrage and Despatch*).

Adverse Claim has the meaning set out in Clause 5.2(b) (*No Adverse Claim*).

Affected Party has the meaning set out in Clause 15.2 (*Principle*).

Affiliate means in respect of a person, any person which Controls (directly or indirectly) that person and any other person Controlled (directly or indirectly) by such first mentioned person, including, where a person is a company, the ultimate holding company of such person, any holding company of such person and any subsidiary (direct or indirect) of such holding company.

Agreed Sampling and Analysis Procedure means the sampling and analysis procedure agreed between the Parties as set out in Schedule 4 (*Sampling and Analysis Procedure*).

Agreed Weighing Procedure means the weighing procedure agreed between the Parties as set out in Schedule 3 (*Agreed Weighing Procedure*).

Agreement means this agreement, including all schedules hereto and any other documents that may be incorporated by reference.

Agreement Date means the date of this Agreement.

Allowed Laytime means, for any Vessel delivering a Shipment under this Agreement, the number of hours or part thereof during WWDs equal to

(a) the volume of Biomass carried on that Vessel (in Tonnes, as specified in the Weight Certificate for that Vessel); divided by

(b) the Hourly Discharge Rate applicable to that Vessel.

Alternative Delivery Point means a delivery point at the Port of Tyne, Port of Immingham, Port of Liverpool, ARA (Amsterdam — Rotterdam — Antwerp), Port of Ghent, Port of Copenhagen, or such other ports determined in accordance with Clause 13.1(c).

Analysis Certificate(s) means (as the case may be) the First Analysis Certificate(s), the Second Analysis Certificate(s), or the Umpire Analysis Certificate(s) as contemplated in Schedule 4 (*Sampling and Analysis Procedure*).

Annual Base Quantity means, in respect of each Delivery Year, the volume of Biomass specified for that Delivery Year in Schedule 2 (*Annual Base Quantities*), +/- 2% (two per cent) at the Seller's option, as such volume may be adjusted in accordance with Clause 7.2 (*Annual Base Quantity*

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Revision), less the amount of any adjustment to the relevant Annual Operational Delivery Schedule in accordance with Clause 12.3(e) (*Variations to Delivery Schedules*).

Annual Operational Delivery Schedule has the meaning given to it in Clause 12.2 (*Operational Delivery Schedules*).

Anti-corruption Laws means, in relation to a Party, all Laws relating to anti-bribery and corruption applicable to such Party including the UK Bribery Act 2010.

Base Price has the respective meanings set out in Part A (*Fixed Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*).

Bill of Lading has the meaning given to it in Clause 14.2(b) (*Payment*).

Biomass means wood pellets originating from any region that meet the Sustainability Requirements and the Specifications.

Business Day means a day other than a Saturday or Sunday or a day on which banking institutions are generally closed in the Country or the United States of America.

Change in Law means:

(a) the coming into effect of any Law that is not in effect at the Agreement Date; and/or

(b) the modification, repeal, change in legal interpretation or replacement of any Law after the Agreement Date.

Competent Authority means any national, state, local, regional or municipal government, ministry, governmental department, commission, board, bureau, agency, instrumentality, executive, legislative, judicial or administrative body having jurisdiction over the Facility or the delivery of Biomass under this Agreement.

Consent means any authorization, permit, consent or other such approval or regulation by or with any Competent Authority in any country relating to the supply of Biomass or to the performance by the Seller of any obligations under this Agreement.

Contract Price has the respective meanings set out in Part A (*Fixed Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*).

Control means the power, directly or indirectly, to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities or any interest carrying voting rights, or to appoint or remove or cause the appointment or removal of any directors (or equivalent officials) or those of its directors (or equivalent officials) holding the majority of the voting rights on its board of directors (or equivalent body), whether by contract or otherwise.

Corrupt Act means, in relation to any person, the exercise by that person of any improper or corrupt influence over the actions of another person by directly or indirectly:

(a) offering, promising or giving a financial or other advantage to such other person; or

(b) requesting, agreeing to receive or accepting a financial or other advantage from such other person,

in a manner which is or, in the circumstances, could reasonably be expected to constitute a breach of any applicable Anti-corruption Laws.

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Country means the United Kingdom of Great Britain and Northern Ireland.

DA Cap means an amount per Shipment equal to £65,000 for Vessels with a Scheduled Delivery Date prior to December 31, 2019, and thereafter escalating by 2.25% on January 1 of each year, with the first escalation on January 1, 2020.

Defaulting Party means, in relation to a Seller Event of Default, the Seller or, in relation to a Purchaser Event of Default, the Purchaser.

Delivery Failure has the meaning given to it in Clause 8.4(a) (*Delivery Failure*).

Delivery Point means, in relation to any Shipment the Initial Delivery Point or, if agreed in accordance with Clause 12.3, the relevant Alternative Delivery Point.

Delivery Shortfall has the meaning given to it in Clause 8.4(a) (*Delivery Failure*).

Delivery Window means, in relation to any Shipment, the period beginning 5 calendar days before the applicable Scheduled Delivery Date and ending on the day falling 5 calendar days after the applicable Scheduled Delivery Date.

Delivery Year means a calendar year, provided that the 1st Delivery Year shall be the 3 month period beginning on the First Full Supply Delivery Date.

Demurrage means, for any Vessel used to deliver Biomass under this Agreement, the amount (in US$) equal to the greater of (i) zero and (ii) (T – A) x R (in USD) where

(a) T is the Actual Laytime used to discharge that Vessel, calculated in accordance with Clause 13.5 (*Laytime*) (in hours, or part thereof);

(b) A is the Allowed Laytime for that Vessel (in hours, or part thereof); and

(c) R is the demurrage rate (in USD/day) applicable to that Vessel as set out in the relevant Transportation Agreement and notified by the Seller to the Purchaser in accordance with Clause 13.2 (*Vessels*), divided by 24.

Despatch means, for any Vessel used to deliver Biomass under this Agreement, the amount (in US$) equal to the greater of (i) zero and (ii) (A – T) x R x 50% where

(a) T is the Actual Laytime used to discharge that Vessel, calculated in accordance with Clause 13.5 (*Laytime*) (in hours, or part thereof);

(b) A is the Allowed Laytime for that Vessel (in hours, or part thereof); and

(c) R is the demurrage rate (in USD/day) applicable to that Vessel as set out in the relevant Transportation Agreement and notified by the Seller to the Purchaser in accordance with Clause 13.2 (*Vessels*), divided by 24.

Difference Price has the meaning given to it in Clause 8.4(c) (*Delivery Failure*), in relation to a Delivery Shortfall, and in Clause 8.5(c)(ii) (*Take or Pay*), in relation to a Take or Pay Shortfall.

Discharge Rate means:

(a) for Vessels of greater than 24,000 Tonnes, 10,000 Tonnes per WWD;

(b) for Vessels greater than 12,000 Tonnes and up to 24,000 Tonnes, 7,500 Tonnes per WWD;

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(c) for Vessels greater than 4000 Tonnes and up to 12,000 Tonnes, 5,000 Tonnes per WWD;

(d) for Vessels up to 4,000 Tonnes, the number of Tonnes per WWD equal to the deadweight capacity of that Vessel.

Discharging Port means, in relation to the Initial Delivery Point, the port of Teesport, United Kingdom and, in the case of any Alternative Delivery Point, the port where the Alternative Delivery Point is located.

Discharging Port Weight Certificate has the meaning set forth in Schedule 3 (*Agreed Weighing Procedure*).

Early Delivery Schedule has the meaning set out in Clause 12.1(a).

Effective Date has the meaning set forth in Clause 3(b) (*Conditions Precedent*).

Event of Default means a Seller Event of Default or a Purchaser Event of Default.

Expiry Date has the meaning set forth in Clause 2 (*Term of Agreement*).

Extraneous Material means extraneous material, whether separate from or embedded in Biomass or not, which may delay or increase the cost of discharging the Biomass or cause damage to types of equipment, a Facility and/or related assets applicable to this Agreement, or affect the combustion process in a Facility, including mould or other substances present in concentrations harmful to health, metal, stone, pebbles, gravel, plastics, sacks, dunnage, process chemicals, demolition wood or wood containing halogenated compounds or wood preservatives or other foreign objects or material.

Facility means a biomass power station that uses Biomass sold by the Seller to the Purchaser as fuel, and including all components thereof and related facilities, and infrastructure located on or around the power station site and including all related infrastructure for the unloading, transhipment, conveyance, discharge and storage of fuel for use in the power station.

Final Price Confirmation Notice has the meaning given to it in Schedule 6 (*Price*).

Financing Party means any Person that provides debt, loans, credit or credit support, acts as counterparty on any interest rate or currency hedging arrangements, or provides other financing, to a Party.

First Analysis Certificate(s) has the meaning given to it in Schedule 4 (*Sampling and Analysis Procedure*).

First Full Supply Delivery Date means 01 October 2019.

Fixed Price means the price determined in accordance with Part A (*Fixed Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*), respectively, in each case from time to time.

Force Majeure has the meaning set forth in Clause 15.1 (*Definition*).

Free Pratique means the permission granted by the authorities at a port, being satisfied as to the state of health of those on board a Vessel on arrival, for them to make physical contact with the shore and the Vessel to berth.

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FX Curve means, on any date the series of GBP£/US$ spot and forward rates which are published by Bloomberg on screen GBPUSD Curncy, section 8) FRD Fx Forward Calculator (taking the average of the bid and offer prices).

FX Rate means, for any Shipment, the one month forward GBP£/US$ forward rate which is specified in the FX Curve on the date of payment of the applicable invoice.

Good Industry Practice means good practices, methods and procedures usually employed in the biomass supply industry by producers involved in the procurement or supply of biomass to industrial customers in the Country.

Hourly Discharge Rate means, for any Vessel, the Discharge Rate divided by 24.

Incoterms 2010 means the 2010 edition of the International Commercial Rules for the Interpretation of Trade Terms published by the International Chamber of Commerce.

Independent Laboratory means a mutually accepted internationally recognised independent and ISO/IEC 17025 accredited laboratory with the required analyses standards prescribed in the Specifications in their accreditation scope.

Independent Marine Surveyor means an internationally recognized independent marine surveyor which shall have demonstrable skills to perform the draught survey in compliance with the United Nations Draught Survey Code, such as accredited to ISO/IEC 17020 with the United Nations Draught Survey Code in its scope.

Indexation Factor has the respective meanings set out in Part A (*Fixed Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*).

Initial Delivery Point means the Number 1 Quay located within the Discharging Port as illustrated in Schedule 7 (*Location of Initial Delivery Point*).

Inspection Certificate is a report from the Inspection Company containing all relevant information and any notes on deviation from procedures during the inspection process. If performed, it will include the sampling certificate as described in the Sampling Standard, a preparation report, the Temperature Certificate and the Quality Condition Report.

Inspection Company means a mutually accepted internationally recognised independent and ISO/IEC 17020 or ISO/IEC 17025 accredited inspection company with the Sampling Standard prescribed in the Agreed Sampling and Analysis Procedure in their accreditation scope.

Interest Rate means LIBOR plus 3.5% (three point five per cent. per year).

Laws means:

(a) any law (including the common law), statute, statutory instrument, regulation, instruction, direction, rule or requirement (in each case) of any Competent Authority (but, for the avoidance of doubt, only to the extent having force of law); or

(b) any condition or other requirement of any required authorisation, licence, Consent, permit or approval of a Competent Authority (or of any exemption from the requirement to have the same).

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Laytime means the amount of time taken (in hours and/or days) for unloading the Vessel at the Discharging Port, calculated in accordance with Clause 13.5 (*Laytime*), as set out in the relevant Laytime Statement.

Laytime Statement means, for any Vessel, the statement prepared by the Purchaser in accordance with Clause 13.6 (*Demurrage and Despatch*).

LIBOR means the 6-month London Interbank Offered Rate published in the Wall Street Journal on the last Business Day of the most recent month.

Loading Port means the port used by Seller to load any Shipment.

Longstop Date means 30 September, 2016.

Maintenance Flex Volume means Shipments of up to 45,000 Tonnes which the Purchaser is entitled to reschedule under Clause 12.3(c) (*Variations to Delivery Schedules*); *provided*, *however*, that such 45,000 Tonne figure is based on an Annual Base Quantity of 375,000 Tonnes and shall be reduced *pro rata* in respect of Delivery Years with a lower Annual Base Quantity, regardless of whether the relevant volumes are being deferred out of or brought into such Delivery Year.

Market Price means, in relation to

(a) any Delivery Shortfall, the reasonable and documented price actually paid by the Purchaser for buying replacement biomass of a similar quality to Biomass under Clause 8.4(b) (*Delivery Failure*); and

(b) any Take or Pay Shortfall, the reasonable and documented price actually received by the Seller for selling that Take or Pay Shortfall,

in each case, in the open market on arm's length terms.

Master is the captain of the relevant Vessel.

Net Calorific Value or **NCV** means the net calorific value at constant pressure of any Biomass delivered under this Agreement as determined in accordance with Schedule 4 (*Sampling and Analysis Procedure*).

Non-Conforming Biomass has the meaning given to it in Clause 10.2 (*Non-Conforming Biomass*).

Non-Defaulting Party means, in relation to a Seller Event of Default, the Purchaser or, in relation to a Purchaser Event of Default, the Seller.

Notice of Readiness or **NOR** means a notice that the Vessel has arrived and is ready in all respects to berth and unload Biomass.

Notice of Termination has the meaning set forth in Clause 18.3 (Notice of Termination).

On Demurrage means, in relation to any Vessel, any time when the Demurrage calculated under this Agreement in relation to that Vessel would exceed zero.

Option Quantity means any amount of Biomass which the Seller agrees to sell and deliver and the Purchaser agrees to purchase and accept in accordance with Clause **Error! Reference source not found.**(b) (*Option Quantities*).

Owner means the owner or operator of a Vessel.

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Parameters(s) are the characteristics described in the Specifications that define the quality of the Biomass.

Party and **Parties** have the meanings ascribed thereto in the introductory paragraphs of this Agreement.

Preparation Standard means the latest version of the standard for preparation as prescribed in the Specifications.

Price means the price of Biomass sold by the Seller to the Purchaser under this Agreement as calculated in accordance with Schedule 6 (*Price*) or Schedule 6B (*Price (From and after a Step-In)*), as applicable.

Purchaser has the meaning ascribed thereto in the introductory paragraphs of this Agreement.

Purchaser Change in Law means any Change in Law with respect to any Law of the Country or the jurisdiction of any Alternative Delivery Point.

Purchaser Event of Default means any of the evens referred to in Clause 18.2 (Purchaser Events of Default).

Quality Condition Report has the meaning given to it in Schedule 4 (*Sampling and Analysis Procedure*).

Rejection Notice has the meaning given to it in Clause 10.6 (*Rejection*).

Rules has the meaning set forth in Clause 27.1.

Sampling Standard means EN 14778, or such other standard to which the Parties may agree from time to time.

Scheduled Delivery Date means, in relation to any Shipment under this Agreement, the date set out in the relevant Annual Operational Delivery Schedule or agreed by the Parties or otherwise determined under Clause **Error! Reference source not found.** (*Option Quantities*).

Second Analysis Certificate(s) means the Analysis Certificate(s) issued by the Independent Laboratory appointed by and at the cost of the requesting Party and approved by both Parties for at least the Net Calorific Value as prescribed in the Specifications in accordance with the Testing Standard.

Seller has the meaning ascribed thereto in the introductory paragraphs of this Agreement.

Seller Change in Law means any Change in Law with respect to any Law of any country where biomass sold under this Agreement originates or is manufactured.

Seller Event of Default means any of the events referred to in Clause 18.1 (*Seller Events of Default*).

Shipment means each shipment of Biomass under this Agreement.

Shipment Value means, for any Shipment, the figure established in accordance with Clause 14.1 (*Shipment Value*).

Specifications means the chemical and other specifications described in Schedule 1 (Specifications).

SSHINC means Saturdays, Sundays and holidays included.

Starting USD Variable Price has the respective meanings set out in Part B (*Variable Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*).

Step-In has the meaning given to it in Clause 25.1(b) (*Assignment*).

Stevedoring Costs means all stevedoring and other costs associated with discharging any Shipment at the Delivery Port, and all cargo dues, berthage or wharfage charged at the Discharging Port.

Storage Option has the meaning given to it in Clause 12.5(a) (*Storage*).

Super Holiday means Christmas Day, Boxing Day and New Year's Day; operations cease at 1800 hrs on the night prior to the Super Holiday and recommence at 0600 hrs on the day following the Super Holiday.

Sustainability Requirements means the sustainability requirements specified in Part B (*Sustainability Criteria*) of Schedule 8 (*Sustainability Requirements*), as amended from time to time in accordance with Clause 16.2 (*Change in Sustainability Requirements*).

Take or Pay Shortfall has the meaning given to it in Clause 8.5 (*Take or Pay*).

Tax means any present or future tax, levy, impost, duty, charge, assessment royalty, tariff or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority (whether or not for its benefit) in respect of any payment, nomination and allocation under this Agreement, and **Taxes** shall be construed accordingly. For the avoidance of doubt, **Tax** shall exclude: (i) any tax on net income or wealth; (ii) a stamp, registration, documentation or similar tax; and (iii) VAT.

Technical Dispute means (a) any dispute which this Agreement expressly provides will be a Technical Dispute or (b) in the absence of such an express provision, any dispute which the Parties agree, by its nature, must be resolved entirely by either (i) the application of engineering principles

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or such other specialized technical knowledge in order to reach resolution thereof or (ii) the application of financial, accounting, or tax standards and principles in order to reach resolution thereof, excluding any dispute that has already been resolved pursuant to the applicable provisions of this Agreement.

Technical Expert has the meaning set forth in Schedule 10 (*Technical Dispute Resolution Procedures*).

Temperature Certificate means the official report issued by the Inspection Company appointed by and at the cost of the Seller and approved by the Purchaser, in respect of the temperature measurements as described in the Agreed Sampling and Analysis Procedure.

Term has the meaning set forth in Clause 2 (*Term of Agreement*).

Termination Date has the meaning set forth in Clause 18.3 (*Notice of Termination*).

Termination Payment has the meaning set forth in Clause 18.4 (*Termination Payment*).

Testing Standard means the latest version of the standards for analyses as prescribed in the Specifications.

Tonne means a metric tonne of 1,000 kilograms or 2,204.62lbs.

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Transportation Contract means any transportation contract entered into by the Seller with any Owner in relation to a Shipment.

Umpire Analysis Certificate(s) means the Analysis Certificate(s) issued by the Umpire Laboratory for the Parameters in accordance with Schedule 4 (*Sampling and Analysis Procedure*).

USD Variable Price has the respective meanings set out in Part B (*Variable Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*).

Variable Price has the respective meanings given to it in Part B (*Variable Price*) of Schedule 6 (*Price*) and Schedule 6B (*Price (From and after a Step-In)*).

VAT means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

VAT Amount has the meaning set forth in Clause 14.6(a) (*Taxes*).

Vessel means any vessel which the Seller selects to transport any Shipment.

Vessel Criteria means the criteria set out in Schedule 5 (*Performing Vessel Criteria*).

VP Quantity means, for any Delivery Year from and after a Step-In, that part of the Annual Base Quantity to which the Variable Price (as defined in Schedule 6B (*Price (From and after a Step-In)*)) applies, as set out in Schedule 2 (*Annual Base Quantities*), pro-rated for the Delivery Year in which a Step-In occurs based on the remaining Tonnage to be delivered during such Delivery Year upon the Step-In**.**

Weight Certificate has the meaning set forth in Schedule 3 (*Agreed Weighing Procedure*).

Working Day means any period of 24 consecutive hours SSHINC but not including Super Holidays.

WWD means any Working Day during which weather permits Vessel discharging operations.

1.2 Interpretation

(a) In this Agreement, except where the context requires otherwise:

(i) words indicating one gender include all genders;

(ii) words indicating the singular also include the plural and words indicating the plural also include the singular;

(iii) words indicating persons or parties include corporations and other legal entities, except where the context requires otherwise;

(iv) a person or a Party shall be deemed to include a reference to the relevant person's or Party's successors in title, permitted assigns and permitted transferees;

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(v) references to any statutory provision (including any secondary legislation) include such provision as modified, re-enacted or consolidated from time to time;

(vi) provisions including the word "agree", "agreed" or "agreement" require the agreement to be recorded in writing;

(vii) "month" and "year" mean a calendar month and calendar year respectively;

(viii) references to "including", "included", or "include" will be read as if followed by the words "without limitation"; and

(ix) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this Agreement or that document.

(b) References to Recitals, Clauses, Subclauses, paragraphs, subparagraphs and Schedules shall be construed as reference to the recitals, clauses, subclauses, paragraphs, subparagraphs and schedules of this Agreement, unless otherwise specified.

(c) Headings shall not be taken into consideration in the interpretation of this Agreement.

1.3 Accuracy and Rounding

Unless otherwise expressly provided in this Agreement:

(a) the calculation of all prices, charges and other sums owing under this Agreement and any adjustment required by the terms of this Agreement shall be performed to the nearest pence and one half of a pence shall be rounded up;

(b) the calculation of any tonnage shall be rounded to the nearest tonne and one half of a tonne shall be rounded up; and

(c) any other calculation involving figures set out or referred to in this Agreement shall be performed to the accuracy in which those figures are given.

2. TERM OF AGREEMENT

Subject to Clause 3, this Agreement comes into force on the Agreement Date and continues in force through and including December 31, 2034 (the **Expiry Date**), subject to earlier termination in accordance with Clause 18 (*Default and Termination*) (the **Term**).

3. CONDITIONS PRECEDENT

(a) The rights and obligations of the Parties under Clauses 2 (*Term of Agreement*), 3 (*Conditions Precedent*), 16 (*Change in Law and Sustainability Requirements*), 19 (*Representations and Warranties*) and 20 (*Anti-Bribery, Corruption and Counterparty Integrity*) to 28 (*Miscellaneous*) (inclusive) will commence on the Agreement Date.

(b) All other rights and obligations of the Parties under this Agreement will commence on the date on which the Purchaser has notified the Seller that it has secured a fully effective agreement to re-sell the Biomass to be delivered hereunder to a third party that owns a Facility (such date, the **Effective Date**).

(c) If the Effective Date does not occur by the Longstop Date, then either Party may terminate this Agreement without liability upon providing written notice to the other Party at any time prior to the Effective Date.

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4. SALE AND PURCHASE OBLIGATIONS

4.1 Sale and purchase of Biomass

During the Term, the Seller agrees to sell and make available to the Purchaser at the Delivery Point, and the Purchaser agrees to purchase and take delivery at the Delivery Point of, wood pellets in the quantities and in accordance with the price and other terms and conditions set forth in this Agreement.

4.2 [Reserved]

4.3 [Reserved]

4.4 Right of Inspection

The Seller shall procure that the Purchaser (no more than once every three (3) months) may inspect, itself or via its designated representatives, any part of the Seller's operations (or, to the extent practicable, those of its suppliers) related to the production, handling, processing, transport, sampling, analysis, loading, invoicing or delivery of Biomass under this Agreement, including all records related thereto (subject to confidentiality obligations herein), in each case to the extent necessary for Purchaser to confirm Seller's compliance with this Agreement, provided that the Purchaser may only exercise such right during regular business hours, upon no less than thirty (30) days' advance notice to the Seller and so as not to disrupt the operations of the Seller or its suppliers.

5. TITLE AND RISK

5.1 Title and risk of loss

(a) Subject to Clause 10.7 (*Rejection Implications*) and Clause 14.5(b) (*Late Payments*), title to and risk of loss of all Biomass delivered by the Seller under this Agreement will pass to the Purchaser as the Biomass is loaded onto a Vessel (i.e. when it passes over the Vessel's rail) at the Loading Port (in accordance with CIF Incoterms 2010 except as otherwise provided herein).

(b) Without prejudice to Clause 10.7 (*Rejection Implications*), delivery shall be final and complete upon passage of title and risk under this Clause 5.1, notwithstanding Seller's obligation to cause Shipments to arrive, or Purchaser's obligation to accept and discharge such Shipments, in each case at the Discharging Port as and when required herein.

5.2 No Adverse Claim

(a) The Seller warrants and undertakes to ensure that it will, at the time title passes to the Purchaser under this Agreement, have good and valid title to all Biomass delivered to the Purchaser hereunder and that all such Biomass shall be free and clear of all liens, charges, mortgages, pledges, security interests, claims for taxes or royalties and other encumbrances or adverse claims.

(b) If any claim (an **Adverse Claim**) arises as a result of a breach of Clause 5.2(a) above and attaches with respect to any such Biomass and/or monies due therefor:

(i) the Seller must immediately remove such Adverse Claim or post a bond or other security therefor in accordance with applicable law and otherwise in a manner reasonably satisfactory to the Purchaser; and

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(ii) the Purchaser may, until such Adverse Claim is removed or a bond or other security has been so posted in accordance with the preceding paragraph, retain in escrow, as security for the performance of the Seller's obligations with respect to any such Adverse Claim, all sums of money then due and owing by the Purchaser to the Seller and which may thereafter accrue to the Seller, up to the amount of the obligations secured by such Adverse Claim.

6. [RESERVED]

7. FULL SUPPLY COMMENCEMENT

7.1 Full Supply Commencement

From and after the First Full Supply Delivery Date, the Seller must deliver and the Purchaser must accept Biomass at the Delivery Point on the terms and conditions specified in this Agreement.

7.2 Annual Base Quantity Revision

(a) [Reserved]

(b) As further envisaged in Clause 12.3(c), the Purchaser may, on not less than 180 days written notice, inform the Seller that it wishes to adjust the Annual Base Quantity applicable to the remainder of that Delivery Year, or the following Delivery Year by transferring no more than the Maintenance Flex Volume between Delivery Years. In the event that the Purchaser issues a notice under this paragraph (b):

(i) any Shipment deemed as part of the Maintenance Flex Volume postponed by the Purchaser from one Delivery Year (the **1st Delivery Year**) to the following Delivery Year (the **2nd Delivery Year**) under this paragraph (b) will be added to the Annual Base Quantity for the 2nd Delivery Year. The Purchaser shall not be permitted to make any further adjustments to the Annual Base Quantity for the 2nd Delivery Year under this Clause 7.2(b).

(ii) any Shipment deemed as part of the Maintenance Flex Volume brought by the Purchaser from one Delivery Year (the **2nd Delivery Year**) to the current Delivery Year (the **1st Delivery Year**) under this paragraph (b) will be added to the Annual Base Quantity for the 1st Delivery Year and the Purchaser shall not be permitted to make any further adjustments to the Annual Base Quantity for either the 1st or the 2nd Delivery Years under this Clause 7.2(b).

(c) The price of any Shipment moved by the Purchaser under either paragraphs (i) or (ii) above shall be the price which would have been applicable in the 2nd Delivery Year. Notwithstanding anything to the contrary, this Clause 7.2(b) shall not apply to the first Delivery Year.

8. BIOMASS QUANTITY

8.1 [Reserved]

8.2 Annual Base Quantity

For each Delivery Year through to the end of the Term the Seller will sell and deliver and the Purchaser will purchase and accept the Annual Base Quantity applicable to that Delivery Year.

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8.3 Option Quantities

(a) [Reserved]

(b) Option Quantities

(i) The Purchaser may require the Seller, by written notice, to sell and deliver (in which case the Seller will sell and deliver and the Purchaser will purchase and accept) up to six (6) Shipments in the aggregate during the period from December 31, 2018 through September 30, 2019; provided, that the volume of each such Shipment shall be 50,000 Tonnes, +/- 10% at the Seller's option.

(ii) Any Purchaser's notice under paragraph (b)(i) above shall be given simultaneously with Purchaser's delivery of an Early Delivery Schedule in accordance with Clause 12.1(a).

8.4 Delivery Failure

(a) In the event that the Vessel delivering any Shipment of Biomass fails to tender valid NOR at the Discharging Port during the Delivery Window applicable to that Shipment (other than as a consequence of Force Majeure), then it shall constitute a **Delivery Failure** by the Seller and the quantity of Biomass to which the Delivery Failure relates shall constitute a **Delivery Shortfall**.

(b) In the event of a Delivery Failure the Purchaser may (in its absolute discretion) elect to purchase a volume of biomass up to the Delivery Shortfall from a third party, in which case:

(i) the Seller will reimburse to the Purchaser the Difference Price (as calculated in accordance with paragraph (c) below), in accordance with Clause 14.3 (*Other Invoices*); and

(ii) (notwithstanding any such purchase from a third party), the Delivery Shortfall shall be deemed to have been delivered by the Seller and paid for by the Purchaser for purposes of Clause 8.5 (*Take or Pay*) and Clause 12.3(d) (*Variations to Delivery Schedules*).

(c) The Purchaser shall calculate the **Difference Price** in relation to any Delivery Shortfall which shall be equal to:

(i) the Market Price for the biomass purchased by the Purchaser under paragraph (b) above; less

(ii) the portion of the Shipment Value of the Delivery Shortfall attributable to an amount of Biomass equal to the biomass purchased by the Purchaser under paragraph (b) above which would have been paid by the Purchaser had the Purchaser taken delivery of that Delivery Shortfall (assuming the Shipment Value for that Delivery Shortfall with a figure of V (as defined in Clause 14.1 (*Shipment Value*)) equal to seventeen (17) for the first Shipment and thereafter the weighted average Net Calorific Value of Shipments delivered over the prior 365-day period); plus

(iii) any reasonable and documented additional direct losses, costs or expenses incurred by the Purchaser in relation to the Seller failing to deliver the Delivery Shortfall (including additional transportation charges, legal costs, deadfreight, storage costs, handling costs, Taxes or duties, and interest), and actual damages and expenses

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suffered or incurred by the Purchaser as a result of entering into any agreements relating to that Delivery Shortfall.

If the Difference Price as calculated under this paragraph (c) would be a negative number, the Difference Price shall be deemed to be zero for that Delivery Shortfall. The Purchaser will promptly notify the Difference Price to the Seller with reasonable supporting documentation.

(d) For the avoidance of doubt, the Purchaser shall not be entitled to reject any Delivery Shortfall and the Seller shall be entitled to deliver (and the Purchaser shall be required to accept and pay for) that Delivery Shortfall outside of the relevant Delivery Window provided that (i) such delivery is at a time acceptable to the Purchaser which does not adversely interfere with biomass shipments from other suppliers but is otherwise as soon as reasonably practicable after the Shipment is available for delivery; and (ii) the Annual Operational Delivery Schedule and Annual Base Quantity shall be subject to adjustment in accordance with Clause 12.3(e) (*Variations to Delivery Schedules*) in the event that the Purchaser has purchased replacement biomass under paragraph (b) above.

8.5 Take or Pay

(a) The Parties agree that the Purchaser will purchase and accept from the Seller in each Delivery Year the Annual Base Quantity specified for that Delivery Year in Schedule 2 (*Annual Base Quantities*) (as amended in accordance with Clause 7.2 (*Annual Base Quantity Revision*) above).

(b) In the event that the Purchaser fails to accept (or indicates to the Seller that it intends not to accept) delivery of a Shipment which has been scheduled as part of the Annual Operational Delivery Schedule or has otherwise been ordered and scheduled in accordance with Clause 8.3 (*Option Quantities*) (but which has not been removed from the Annual Operational Delivery Schedule under Clause 12.3(c) or (d) (*Variations to Delivery Schedules*)), or the Seller elects to cause title to revert to the Seller in accordance with Clause 14.5(b) other than as a result of:

(i) a valid full or partial rejection of that Shipment as contemplated under Clause 10.6 (*Rejection*); or

(ii) Force Majeure as contemplated under Clause 15.4 (*Effect of Force Majeure*),

then the quantity of the relevant Shipment not taken shall be the **Take or Pay Shortfall** provided that, for the avoidance of doubt, volumes of Biomass in relation to which the Storage Option is implemented shall not constitute a Take or Pay Shortfall volume.

(c) In relation to any Take or Pay Shortfall:

(i) the Seller shall use reasonable endeavours to sell the Take or Pay Shortfall at the best price reasonably obtainable in the market after taking into account any potential buyers of biomass notified to the Seller by the Purchaser; and

(ii) the Seller will calculate the **Difference Price** in relation to the Take or Pay Shortfall which shall be equal to:

(A) the amount of the Shipment Value for that Take or Pay Shortfall (assuming a figure of V (as defined in Clause 14.1 (*Shipment Value*)) equal to seventeen (17) for the first Shipment and thereafter the weighted average

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Net Calorific Value of Shipments delivered over the prior 365-day period); plus

(B) any reasonable and documented additional direct losses, costs or expenses incurred by the Seller in relation to the Purchaser failing to take delivery of the Take or Pay Shortfall (including additional transportation charges, transaction costs associated with unwinding agreements to hedge foreign exchange risk, legal costs, deadfreight, storage costs, handling costs, Taxes or duties, and interest), and actual damages and expenses suffered or incurred by the Seller as a result of entering into any agreements relating to that Take or Pay Shortfall; less

(C) the Market Price for that Take or Pay Shortfall.

If the Difference Price as calculated under this paragraph (ii) would be a negative number, the Difference Price shall be deemed to be zero for that Take or Pay Shortfall. The Seller will promptly notify the Difference Price to the Purchaser with reasonable supporting documentation.

(iii) If the Difference Price calculated under paragraph (ii) above is a positive number an amount equal to the Difference Price (less any amount actually paid by the Purchaser in relation to that Take or Pay Shortfall in accordance with Clause 14.2 (*Payment*)) shall be payable by the Purchaser to the Seller in accordance with Clause 14.3 (*Other Invoices*).

9. WEIGHING, SAMPLING AND TESTING

In this Agreement:

(a) all determinations involving the sampling and testing of biomass will be made in accordance with the Agreed Sampling and Analysis Procedure; and

(b) all weight determinations must be made in accordance with the Agreed Weighing Procedure.

10. BIOMASS QUALITY

10.1 Biomass Specifications

The Seller must:

(a) ensure that all biomass delivered under this Agreement meets the Specifications;

(b) keep the Purchaser informed in advance of any matter which may materially affect the quality of biomass to be delivered under this Agreement and comply with any reasonable request made by the Purchaser for additional information to enable investigation by the Purchaser relating to the quality of any biomass; and

(c) co-operate in good faith with the Purchaser to agree upon actions to be taken by the Parties to minimise any operational problems which may be experienced by the Purchaser associated with:

(i) the handling of the Biomass;

(ii) Extraneous Material in the biomass at the time of delivery; or

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(iii) other undesirable properties of the biomass at the time of delivery.

10.2 Non-Conforming Biomass

A Shipment shall be defined as **Non-Conforming Biomass** where either:

(a) the final and binding result for any characteristic, test or measurement set forth in the finally applicable Analysis Certificate falls outside of the Acceptance Level for such characteristic as set out in the Specifications;

(b) the Shipment contains material amounts of Extraneous Material which the Seller cannot remedy within forty eight (48) hours of notice in accordance with Clause 10.3 (*Extraneous Material*) (or such longer period as the Purchaser may in its absolute discretion agree); or

(c) any Shipment fails to comply with the Sustainability Requirements as contemplated under Clause 11 (*Sustainability*).

10.3 Extraneous Material

(a) If a Shipment is found by the Purchaser to contain material amounts of Extraneous Material, the Purchaser shall immediately inform the Seller.

(b) The Seller shall procure that the Shipment is conformed so that all material amounts of Extraneous Material are removed within forty eight (48) hours of notice in accordance with paragraph (a) above (or such longer period as the Purchaser may in its absolute discretion agree).

(c) In the event that the Seller does not conform the Shipment within the period specified in paragraph (b) above, the provisions of Clause 10.4 (*Notification*) to 10.9 (*Indemnity*) shall apply.

(d) The Seller shall not be liable if the Extraneous Material or any condition or quality of the Biomass was caused or introduced after discharge of the Biomass commences at the Delivery Point, and the Purchaser shall bear the burden of proof to establish that such Extraneous Material, condition or quality was present in the Shipment prior to commencement of discharge of the Biomass at the Delivery Point.

10.4 Notification

(a) As soon as reasonably practicable after the Seller becomes aware that the Shipment which is being delivered at the Delivery Point, or which is about to be delivered is Non-Conforming Biomass, it shall:

(i) serve notice of that fact on the Purchaser, specifying the nature and extent of the Non-Conforming Biomass and the cause and probable duration of the Non-Conforming Biomass;

(ii) take such steps as are reasonably practicable to procure that the Shipment ceases to constitute Non-Conforming Biomass as soon as reasonably practicable,

and the Seller shall keep the Purchaser fully informed in relation to the problem and the steps being taken to remedy it.

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(b) If a Shipment is found by the Purchaser, as applicable, at loading or on discharge, to be Non-Conforming Biomass, the Purchaser shall promptly notify the Seller thereof.

10.5 Non-Conforming Biomass

(a) If the Shipment supplied by the Seller is found to be Non-Conforming Biomass, the Purchaser and the Seller shall, commencing on the date of the first notice given by one Party to the other thereof, commence good faith negotiations for a period not to exceed three (3) calendar days (or such longer period as the Parties may agree) to determine whether there are amended terms under which they are prepared to proceed with the relevant Shipment.

(b) If agreement on amended terms is reached within the three (3) calendar days (or such longer period of time, if agreed) of negotiations, as applicable, the relevant Shipment shall continue under the agreed amended terms.

(c) If no agreement is reached by the last day of negotiations, the Purchaser shall be entitled to reject the Shipment in accordance with Clause 10.6 (*Rejection*) and 10.9 (*Indemnity*).

10.6 Rejection

If the Purchaser wishes to reject a Shipment as contemplated in Clause 10.5 (*Non-Conforming Biomass*), the Purchaser shall give notice (a **Rejection Notice**) to the Seller or in writing stating that that Shipment is rejected. Any Shipment which the Purchaser rejects under this provision shall be deemed to have been delivered and paid for for the purposes of Clause 8.5 (*Take or Pay*) and Clause 12.3(d) (*Variations to Delivery Schedules*).

10.7 Rejection Implications

If the Purchaser gives a Rejection Notice to the Seller:

(a) any title and/or risk of the Shipment so rejected shall immediately pass, or, as applicable, return, to the Seller, and the Purchaser shall be discharged from all obligations under this Agreement in relation to the rejected Shipment as of the time of the giving of such Rejection Notice;

(b) in the event Purchaser has paid in respect of all or part of the Shipment to the Seller, Seller will refund the amount paid by Purchaser within 5 Business Days of demand and until repayment by the Seller, the Purchaser is entitled to withhold the Shipment and may, to mitigate its damages, procure its resale to a third party applying any proceeds of such sale first in settlement of damages owed to it by the Seller;

(c) the Purchaser may by written notice to the Seller delivered within 5 Business Days following the date of receipt of the Purchaser's Rejection Notice, require the Seller to deliver an additional quantity of Biomass up to the equivalent quantity contained in the rejected Shipment, such quantity to be delivered by the Seller as part of Shipments scheduled to be delivered within the next three months and the relevant Annual Operational Delivery Schedule(s) shall be deemed revised accordingly;

(d) without first being obliged to exercise any of the other rights under this Clause 10.7, the Purchaser may purchase Biomass from a third party as though a Delivery Failure had occurred, in which case the provisions of Clauses 8.4 (b), (c) and (d) shall apply; and

(e) the Purchaser shall permit (to the extent practicable) the Seller to pick up, at the Seller's sole expense, any Shipment rejected after its delivery to the Purchaser.

10.8 Partial Rejection

In the event that the Purchaser elects to reject part of a Shipment and accepts part of that same Shipment, the Purchaser shall only pay the Price in relation to the part of the Shipment that has been accepted. The Parties shall co-operate in good faith to segregate portions of the biomass in any Shipment in order to minimize the quantity of Biomass to be deemed Non-Conforming Biomass hereunder. To the extent that any biomass can be so segregated, only the portion of any Shipment constituting Non-Conforming Biomass may be subject to rejection by Purchaser.

10.9 Indemnity

In the event that:

(a) any Shipment is delivered at the Delivery Point which constitutes Non-Conforming Biomass or contains Extraneous Material; or

(b) the Purchaser issues a Rejection Notice in relation to a Shipment in accordance with Clause 10.6 (*Rejection*) other than in respect of a Delivery Failure,

then, in addition to any liquidated damages payable in relation to that Shipment in accordance with Clause 11.4 (*Sustainability Damages*), but without duplication of other amounts payable by the Seller under Clauses 8.4 (b) and (c) (*Delivery Failure*), the Seller shall (except in respect of any event of Force Majeure affecting the Seller in relation to such Non-Conforming Biomass or Extraneous Material) indemnify the Purchaser within 10 Business Days of demand from and against all reasonable and documented direct costs, loss, damage and expense for which the Purchaser is or becomes liable (including demurrage during negotiations or otherwise, additional stevedoring charges, wasted or increased shipping costs, Taxes or duties incurred by the Purchaser and, from and after a Step-In, any damage to a Facility or any equipment used to discharge the Biomass), and, prior to a Step-In, any damages payable by the Purchaser to a third party that contracts with the Purchaser to repurchase Biomass from the Purchaser for use in a Facility, in each case as a result of the delivery of such Non-Conforming Biomass or quantities of Extraneous Material. For the avoidance of doubt, the obligations of the Seller in this Clause 10.9 shall continue to apply even if the Purchaser has burned the Biomass.

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10.10 Continuing Obligation to Perform

The pendency of any dispute as to the quantity, quality or other characteristics of any biomass tendered or delivered by the Seller to the Purchaser hereunder shall not in any manner relieve the Parties of their respective ongoing and continuing obligations under this Agreement.

11. SUSTAINABILITY

11.1 Sustainability Guarantee

The Seller shall ensure that all Biomass delivered under this Agreement meets the Sustainability Requirements.

11.2 Sustainability Documentation

In relation to all Biomass supplied under this Agreement, the Seller shall supply the documentation listed in Part C (*Sustainability Documentation*) of Schedule 8 (*Sustainability Requirements*) at the times listed in that Schedule.

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11.3 Sustainability Remedies

If the Seller delivers or attempts to deliver a Shipment of biomass under this Agreement which does not conform to the Sustainability Requirements, then

(a) if prior to combustion or consumption in a Facility, the Seller notifies the Purchaser or the Purchaser becomes aware (provided that the Purchaser shall not be responsible for checking any documentation provided by the Seller pursuant to Clause 11.2 (*Sustainability Documentation*) that such biomass did not at the time of discharge or attempted discharge at the Delivery Point, conform to the Sustainability Requirements then the provisions of Clauses 10.5 (*Non-Conforming Biomass*) to Clause 10.9 (*Indemnity*) shall apply to that Shipment and the provisions of Clause 11.4 (*Sustainability Damages*) shall not apply; or

(b) if after its combustion or consumption in a Facility, it is discovered that the Biomass did not, at the time of delivery to the Delivery Point comply with the Sustainability Requirements then the Seller shall indemnify the Purchaser in accordance with Clause 11.4 (*Sustainability Damages*).

11.4 Sustainability Damages

The Seller shall indemnify the Purchaser within ten (10) Business Days of demand from and against all reasonable and documented direct costs, loss, damage and expense for which the Purchaser is or becomes liable, and any damages payable by the Purchaser to a third party that contracts with the Purchaser to repurchase Biomass from the Purchaser for use in a Facility, in each case as a result of the failure of the Seller to comply with the Sustainability Requirements.

12. DELIVERY

12.1 Early Delivery Schedule

(a) The Purchaser shall specify in any notice delivered pursuant to Clause 8.3(b)(i) the proposed delivery schedule for such quantities (the **Early Delivery Schedule**), which shall specify:

(i) the number of Shipments required during the applicable period; and

(ii) the Scheduled Delivery Date in relation to each Shipment; provided, that the first day of the Delivery Window for the first Scheduled Delivery Date shall be no earlier than 30 days after the date of such notice.

(b) The Early Delivery Schedule shall be binding once agreed between the Parties, and the Seller shall agree and comply with the Early Delivery Schedule proposed by the Purchaser provided that:

(i) the Purchaser may adjust the Scheduled Delivery Dates with respect to the first two Shipments by giving notice to the Seller at least thirty (30) days prior to such existing and adjusted Scheduled Delivery Dates;

(ii) the Purchaser may adjust the Scheduled Delivery Dates with respect to the next two Shipments by giving notice to the Seller at least sixty (60) days prior to such existing and adjusted Scheduled Delivery Dates; and

(iii) the Purchaser may adjust the Scheduled Delivery Dates with respect to the final two Shipments by giving notice to the Seller at least ninety (90) days prior to such existing and adjusted Scheduled Delivery Dates.

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12.2 Operational Delivery Schedules

(a) On or before the date falling 60 Business Days prior to the start of each Delivery Year (including the first Delivery Year), the Purchaser shall declare to the Seller the programme for deliveries of Biomass for that Delivery Year (which shall be for a volume equal to the Annual Base Quantity for the relevant Delivery Year as set out in Schedule 2 (*Annual Base Quantities*), as amended under Clause 7.2 (*Annual Base Quantity Revision*)). The programme shall set out a schedule of Shipments based on an average Shipment size of 48,000 Tonnes and the Scheduled Delivery Dates for each Shipment (and each Delivery Window shall fall within a thirty-day period with the prior and/or following Delivery Window).

(b) The VP Quantity shall comprise the first Tonnes delivered in each Delivery Year from and after a Step-In.

(c) The delivery schedule for a Delivery Year that is declared by the Purchaser in accordance with this Clause 12.2 (*Operational Delivery Schedules*) is the **Annual Operational Delivery Schedule** for that Delivery Year.

(d) The Purchaser may establish the Delivery Schedule for Delivery Years with a duration less than 12 months to provide for the delivery of the Annual Base Quantity to be delivered within the number of months comprising those Delivery Years.

(e) On or before the date falling 60 days prior to the start of each Delivery Window contemplated in the Annual Operational Delivery Schedule, the Seller shall notify the Purchaser of the number of Vessels it expects to deploy within that Delivery Window in order to deliver the scheduled volume. Any such notification shall be binding on the Seller. The Seller may select Shipment sizes of between 5,000 to 52,000 MT in its sole discretion, provided that

(i) the volume delivered between the start of any one Delivery Window and the end of the next following Delivery Window is within +/- 10% of the aggregate volumes scheduled to be delivered during such two consecutive Delivery Windows as set out in the Annual Operational Delivery Schedule; and

(ii) the volumes delivered are consistent with the provisions of paragraph 12.3(d).

(f) The Purchaser may propose changes to the Shipment sizes, always within the range specified in paragraph (e) above, declared by Seller pursuant to paragraph (e) above to the extent necessary to coordinate such Shipments with other volumes that may be sold by the Purchaser to a third party that owns a Facility, and the Seller shall accommodate any such proposals, provided that any increased costs to Seller resulting from such selection shall be for the Purchaser's account. To the extent that the Seller fails to accommodate such proposals, the Seller shall indemnify the Purchaser within 10 Business Days of demand from and against all reasonable and documented direct costs, loss, damage and expense for which the Purchaser is or becomes liable (including demurrage), and any damages payable by the Purchaser to a third party that contracts with the Purchaser to repurchase Biomass from the Purchaser for use in a Facility, in each case as a result of the failure to accommodate such proposals.

(g) In each Delivery Year, the Seller shall deliver, and the Purchaser shall accept, Shipments equal to the Annual Base Quantity for that Delivery Year.

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12.3 Variations to Delivery Schedules

(a) Once established pursuant to Clause 12.2 (*Operational Delivery Schedules*), the Scheduled Delivery Dates for Shipments for the relevant Delivery Year shall be binding on the Parties unless adjusted in accordance with this Clause 12.3.

(b) [Reserved].

(c) The Purchaser may (no more than three (3) times during the Term) adjust the Annual Operational Delivery Schedule for any Delivery Year in relation to any delivery scheduled to occur no earlier than 180 days after that notice, in order to reschedule the Scheduled Delivery Date for one or more Shipments up to the Maintenance Flex Volume, in order to take into account any scheduled outages, shut-downs and maintenance periods for a Facility of up to 45 days per calendar year. The Purchaser may not make any such amendment more than one time per calendar year. The Purchaser may reschedule the Maintenance Flex Volume for a date later or earlier in that Delivery Year (but if earlier, to a Scheduled Delivery Date falling no earlier than 180 days after the date of notice). The Purchaser may reschedule the Maintenance Flex Volume into the following Delivery Year, in which case the provisions of Clause 7.2 (*Annual Base Quantity Revision*) will apply. Notwithstanding anything to the contrary, this paragraph (c) shall not apply to the first Delivery Year.

(d) If, at any time, the volume of Biomass (in GJ) delivered by the Seller (including any volume deemed to have been delivered by the Seller under Clause 8.4(b)) exceeds the volume scheduled to be delivered under the relevant Annual Operational Delivery Schedule for the applicable Delivery Year by more than 5%, then Purchaser may notify the Seller that it wishes to cancel one or more cargoes during the remaining months of that Delivery Year in order to ensure that the overall volume of Biomass delivered (in GJ) does not exceed the volume set out in the Annual Operational Delivery Schedule by more than 2%. The Seller may propose an alternative method of reducing delivery volumes to achieve this aim, and the Purchaser (acting reasonably) will consider whether to adopt the approach proposed by the Seller, failing which the Purchaser may cancel one or more cargoes as above. Any volumes so cancelled will be removed from the Annual Operational Delivery Schedule, and the Seller will be under no further obligation to deliver those cargoes and the Purchaser will be relieved from its obligations under Clause 8.5 (*Take or Pay*) in relation to those cargoes.

(e) If the Purchaser purchases biomass in accordance with Clause 8.4(b) (*Delivery Failure*) then the Parties will seek to agree to revisions to the Annual Operational Delivery Schedule(s) to reflect an equivalent Annual Base Quantity reduction and if the Parties fail to reach agreement then the Seller will ensure that the volume of Biomass it delivers during the three months (or longer, to the extent that the relevant Annual Operational Delivery Schedule(s) does not contemplate at least the amount of such reduction during such three-month period) following the relevant Delivery Shortfall will be reduced by the amount of biomass purchased by the Purchaser in accordance with Clause 8.4(b) (*Delivery Failure*) and the relevant Annual Operational Delivery Schedule(s) shall be deemed revised accordingly.

(f) If so requested by either Party, the Parties will discuss in good faith with a view to agreeing any other proposed revisions to the Annual Operational Delivery Schedule from time to time not expressly provided for in paragraph (c) above. If the Parties fail to agree any such revisions, then the then current Annual Operational Delivery Schedule shall continue to apply.

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12.4 Delivery Timings

The Seller shall cause the Vessel carrying any Shipment to tender NOR at the Discharging Port within the Delivery Window applicable to the relevant Scheduled Delivery Date.

12.5 Storage

(a) The Purchaser may, in relation to any Shipment scheduled in the then current Biomass supply schedule, notify the Seller at least four (4) months prior to the applicable Scheduled Delivery Date that it wishes the Seller to defer or place the relevant Shipment in storage for a period of up to twelve (12) months or such longer period as the Parties may agree (the **Storage Option**).

(b) If the Purchaser issues a notice in accordance with paragraph (a) above, the Purchaser and the Seller shall, commencing on the date of the first notice given by one Party to the other thereof, commence good faith negotiations to agree the terms (including limitations on stored or deferred volume) on which the Storage Option will be implemented for that Shipment. The Purchaser shall in any event be responsible for all losses, costs and expenses associated with implementing the Storage Option, including losses associated with quality deterioration.

(c) The Parties shall implement the Storage Option for a Shipment upon the terms agreed in accordance with paragraph (b) above.

13. SHIPPING

13.1 Shipping and Alternative Delivery Point

(a) The Seller is responsible for procuring and paying for all loading and transportation of all Biomass sold under this Agreement, including sourcing sufficient Vessels to meet all delivery schedules under this Agreement.

(b) The Seller will be responsible for all costs and expenses associated with loading and shipping Biomass from the Loading Port to the Discharging Port and will, subject to the remaining provisions of this Clause 13, settle demurrage and despatch due to the Owner in accordance with the relevant Transportation Contract.

(c) In the event that the Purchaser is not reasonably able to accept delivery of a Shipment at the Discharging Port as a consequence of operational issues affecting any facilities at the Discharging Port or a Facility, the Purchaser may at any time at least five (5) days prior to a Vessel's expected arrival at the relevant Discharging Port if the Alternative Delivery Point is the Port of Tyne or the Port of Immingham, or no later than five (5) days after the date of the relevant Bill of Lading in the case of any other Alternative Delivery Point, identify an Alternative Delivery Point for the Shipment in which case:

(i) the Seller shall be required to deliver the Shipment to that Alternative Delivery Point (unless, in relation to ports other than Port of Tyne, Port of Immingham, Port of Liverpool, ARA (Amsterdam — Rotterdam — Antwerp), Port of Ghent or Port of Copenhagen, the Seller provides reasonable objection thereto); and

(ii) the Purchaser and Seller shall agree (both acting reasonably) an adjustment to the applicable Shipment Value to reflect any increase or reduction in transportation costs as compared to the transportation costs of delivery to the Initial Delivery Point.

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13.2 Vessels

(a) In respect of each Shipment hereunder, the Seller shall, by no later than seven (7) days prior to commencement of the period specified for loading of a shipment in the applicable Biomass supply schedule, advise the Purchaser with details of a Vessel meeting the Vessel Criteria (a **Notice of Pre-Advice**) and which is in all respects suitable for loading and carrying Biomass. The Seller may, by no later than three (3) days prior to a Vessel's expected time of arrival at the Loading Port, provide the Purchaser a revised Notice of Pre-Advice with details of a substitute Vessel meeting the Vessel Criteria, which must be in all respects suitable for loading and carrying Biomass and of similar size and capacity as the originally nominated Vessel. Each Notice of Pre-Advice shall contain:

(i) details of the Vessel identified for the carriage of each Shipment;

(ii) the date of expected readiness to load at the Loading Port;

(iii) the demurrage rate applicable under the relevant Transportation Agreement; and

(iv) the approximate quantity of Biomass to be loaded.

(b) The Purchaser may notify the Seller if it does not consider that a Vessel notified under paragraph (a) above satisfies the Vessel Criteria at any time within 24 hours following receipt of notification. No notice (or lack of notice) by the Purchaser under this provision shall transfer to the Purchaser any responsibility for ensuring that the Vessel satisfies the Vessel Criteria or is otherwise suitable for transporting Biomass under this Agreement.

(c) The Seller shall keep Purchaser promptly informed of any material changes of the date of the Vessel's expected time of arrival at the Loading Port.

(d) The Seller shall keep Purchaser promptly informed of any circumstances which might reasonably be expected to have an impact on Seller's ability to deliver Shipments to meet the relevant Annual Operational Delivery Schedule or Early Delivery Schedule. The Purchaser shall keep the Seller promptly informed of any circumstances which might reasonably be expected to have an impact on the Purchaser's ability to discharge Shipments and receive cargo.

(e) Upon the Seller providing the details as stipulated under paragraph (a) above, the Purchaser will provide a Vessel/Shipment identification number to the Seller. The Seller and the Purchaser will use such identification number on all correspondence, documents, analyses and invoices for such Shipment.

13.3 Loading and Sea/Ocean Shipping

(a) The Seller shall enter into Transportation Agreements with owner(s) of Vessels nominated hereunder for carriage of Shipments on arm's length terms. The Seller shall procure from the Master(s) of the Vessel(s) clean shipped on board, freight pre-paid bills of lading consigned to the Purchaser's order, and evidencing the Shipment on board the Vessel(s) of the Biomass.

(b) The Seller shall give regular updates to Purchaser of expected arrival times of the Vessel at the Discharging Port.

(c) The Seller shall obtain any export licence or other official authorisation and shall carry out all customs formalities necessary for the export of each Shipment. Licenses and permits

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shall be obtained in a timely manner such that loading of the Shipment is not delayed. All costs associated with such licenses and permits, including the cost caused by any delay (except to the extent such delay is caused by an act or omission of Purchaser or its agents or representatives, for which Purchaser shall be responsible), are for the account of the Seller.

(d) The Seller and/or its appointed servants or agents shall load, stow and trim the Shipment on board the Vessel on a spout trimmed basis in compliance with the International Maritime Solid Bulk Cargoes Code 2009 (IMSBC), as revised from time to time and always to the satisfaction of the Master.

(e) Within two (2) Business Days of completion of loading of a Shipment, the Seller shall send a notice to the Purchaser (a **Loading Completion Notice**) confirming:

(i) that loading has been completed;

(ii) the loaded quantity of Biomass in the Shipment;

(iii) the expected time and date of arrival of the Vessel at the Discharging Port; and

(iv) the demurrage rate applicable to that Vessel under the relevant Transportation Agreement (together, if so requested by the Purchaser, with a copy of the relevant Transportation Agreement),

and, in relation to paragraphs (ii) and (iv) above, providing an explanation to the Purchaser of any differences between the information in the Loading Completion Notice and the corresponding figures in the Notice of Pre-Advice.

13.4 Discharge

(a) The Purchaser guarantees to the Seller a safe port and a safe berth facility or area at the Discharging Port suitable for nominated Vessels meeting the Vessel Criteria, where the Vessel can safely reach and safely leave and where she can always lie safely afloat during discharging.

(b) In accordance with the prevailing custom of the Discharging Port, the Seller shall cause a NOR to be tendered by the Master of the Vessel or its agents by fax and/or telex and/or e-mail on arrival of the Vessel at the Discharging Port, any time day or night, Saturdays, Sundays and holidays included, whether in berth or not, whether in Free Pratique or not, whether customs cleared or not.

(c) All Stevedoring Costs (and any costs referred to in paragraph (d)(ii) below in excess of the DA Cap) incurred in connection with discharging the Shipment at the Discharging Port shall be for the Purchaser's account.

(d) The Seller shall pay

(i) all costs incurred in relation to the carriage of the Shipment to the Discharging Port; and

(ii) all other costs (other than Stevedoring Costs or amounts payable by the Purchaser pursuant to Clause 13.4(c)) incurred at the Discharging Port including duties, fees, Taxes, quay dues and any other charges due in respect of the Vessel, as well as pilotage, mooring and towage expenses incurred at the Discharging Port up to (for any Vessel) the amount of the DA Cap.

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(e) As between the Purchaser and Seller, the Purchaser shall be directly responsible to Owner of a Vessel for any damage and/or all time used or lost as a result of such damage, such damage resulting from the acts or omissions of the Purchaser or its agents. The Purchaser undertakes to the Seller that it shall settle any such claims with the Owner directly. The Purchaser will also be responsible for repairs resulting from the acts or omissions of the Purchaser in respect of any such damage to the Vessel which also affects the Vessel's seaworthiness, with any time lost for such repairs to count as Laytime. The Seller, if so requested, may render assistance to the Purchaser with the Purchaser's discussions with the Owner.

(f) The Seller undertakes that it shall ensure that the Owner and/or Master shall always (to the extent available and functioning) provide lights onboard the Vessel at no additional expense whenever reasonably asked by the Purchaser during unloading.

13.5 Laytime

(a) For the purposes of this Agreement:

(i) Laytime shall commence twelve (12) hours after a valid NOR is tendered unless discharging operations commence before the expiry of this twelve (12) hour period (in which case Laytime shall run from the time discharging operations commence);

(ii) Laytime shall cease counting upon completion of discharge of the Vessel and shall not, save as expressly set out in this Agreement, cease counting for any reason once the Vessel is On Demurrage until completion of discharge;

(iii) time spent shifting from anchorage to discharge berth shall not count as Laytime;

(iv) Laytime shall not include the periods in paragraph (b) below; and

(v) the Purchaser can shift the Vessel at the Discharging Port from one berth to another or to anchorage. If the Purchaser exercises this right, any resulting shifting expenses shall be for the Purchaser's account and any time so used shall count as Laytime.

(b) Laytime will not run for the following periods and in the following circumstances:

(i) if and for so long as an independent marine inspector determines that the Vessel is not capable of being discharged safely in accordance with Good Practice except where the Vessel is already On Demurrage if caused for reasons within the control of the Purchaser or the operator of the Discharging Port and otherwise even if the Vessel is already On Demurrage;

(ii) during periods of Force Majeure except where the Vessel is already On Demurrage;

(iii) if a Vessel is neaped, unless such neaping is caused by the Vessel being delayed from berthing at the quay for more than 12 hours for reasons within the control of the Purchaser or the operator of the Discharging Port even where the Vessel is already On Demurrage;

(iv) during adverse weather conditions where the operator of the Discharging Port has consequently had to postpone or cease discharge, and whether the Vessel is in the Discharging Port or not or whether the Vessel is in berth or not except where the Vessel is already On Demurrage;

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(v) in the time lost due to any cause attributable to a Vessel, her Master, her crew, or her Vessel Owners which affects the berthing and discharge of the Vessel even where the Vessel is already On Demurrage.

(vi) in the time lost if discharge is interrupted by the Vessel in order to conduct business on behalf of the owner of the Vessel even if the Vessel is already On Demurrage;

(vii) in the time lost if discharge is interrupted due to insufficient ballast pump capacity in relation to the unloading rate even if the Vessel is already On Demurrage;

(viii) during Super Holidays, unless the parties have made a separate written agreement to discharge during a Super Holiday except where the Vessel is already On Demurrage;

(ix) in the time lost if discharge is interrupted by the Vessel's Master or by the Vessel's crew's implementation of the Blu Code even if the Vessel is already On Demurrage;

(x) time lost due to the occupation of the quay by another Vessel except where that Vessel is On Demurrage; or

(xi) as a result of problems arising directly and/or indirectly due to the Shipment constituting Non-Conforming Biomass or containing Extraneous Materials even if the Vessel is already On Demurrage.

13.6 Demurrage and Despatch

(a) Within 10 Business Days of completion of discharge of any Vessel, the Purchaser shall prepare a Laytime Statement in relation to that Vessel setting out:

(i) the start of Laytime for that Vessel under this Agreement,

(ii) the end of Laytime for that Vessel under this Agreement;

(iii) the Allowed Laytime for that Vessel under this Agreement;

(iv) the Actual Laytime for that Vessel under this Agreement;

(v) the applicable demurrage rate for that Vessel, as notified by the Seller to the Purchaser under Clause 13.2(a)(iii) (*Vessels*); and

(vi) the Demurrage (if any) or Despatch (if any) payable by the Purchaser (or the Seller as the case may be) under this Clause 13.6 (*Demurrage and Despatch*).

(b) Subject to paragraph (d) below, if the Actual Laytime exceeds the Allowed Laytime for any Vessel, the Purchaser shall pay Demurrage to the Seller.

(c) If the Actual Laytime used is less than the Allowed Laytime for any Vessel, the Seller shall pay Despatch to the Purchaser.

(d) If, at any time:

(i) the Seller has arranged for more than one Vessel to deliver the volume of fuel scheduled to be delivered in any one Delivery Window in any Annual Operational Delivery Schedule, then the Purchaser shall not, to the extent due to congestion at the Delivery Point caused by Seller so arranging for more than one Vessel during any one Delivery Window, be required to pay any amount in respect of demurrage

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on Vessels tendering NOR during that Delivery Window other than the first such Vessel; or

(ii) any Vessel tenders NOR outside its Delivery Window then the Purchaser shall not be required to pay any amount in respect of Demurrage on that Vessel between the time NOR is tendered and commencement of discharging,

except, in each case, to the extent such Demurrage has been caused by any actual breach by the Purchaser of its obligations hereunder.

(e) Any Party to whom an amount is expressed to be owed under the Laytime Statement in paragraph (a) above may submit an invoice therefor to the other party within 10 Business Days of receipt of the Laytime Statement. Any Party shall pay an amount invoiced in connection with a Laytime Statement within 20 Business Days of receipt of invoice.

(f) For the avoidance of doubt, the obligations of the Parties under this Clause 13.6 (Demurrage and Despatch) shall be unaffected by the terms of any Transportation Agreement entered into by the Seller, other than in relation to the applicable day-rate.

(g) Purchaser shall in no circumstances be liable to the Owner for any Demurrage due under any Transportation Agreement or under the original bills of lading.

(h) To the extent that the Owner purports to exercise a lien over the Biomass at the Discharging Port in respect of Demurrage, the Purchaser may, acting reasonably, subject to the consent of the Seller, such consent not to be unreasonably withheld or delayed, pay and/or settle the Owner's claim, and monies paid to the Owner in accordance with this provision shall be applied in diminution of the Purchaser's liability to the Seller pursuant to this Clause 13.6. The Purchaser shall immediately provide written notice to the Seller of any such Owner's claims.

13.7 Agents

The Purchaser may appoint any authorised agent to act as its authorised agent at the Loading Port. The Seller may nominate an authorised agent to act as the Vessel's agent and provide agency services to the Seller at the Loading Port. The Purchaser may nominate an authorised agent to act as the Vessel's agent and provide agency services to the Purchaser at the Discharging Port. The Seller may nominate an authorised agent to provide agency services to the Seller at the Discharging Port. A Party shall be entitled to rely upon the other Party's authorised agent and the actions of any such authorised agent shall be binding upon the appointing Party.

13.8 Insurance

(a) The Seller shall procure and maintain in place at the Seller's sole cost and expense, an insurance policy against all risks of carriage for each Shipment under this Agreement including in each case marine, war, strikes, riots, and civil commotions risks to the applicable Shipment Value plus ten per cent. (10%).

(b) The Seller shall incept the insurances referred to in paragraph (a) with an insurance company rated A by Standard & Poor's (or equivalent) and the insurance policy shall be secured as per the provisions of a standard Lloyd's Marine Insurance Policy subject to Institute Cargo Clauses (A) dated 01 January 2009 extended to include spontaneous combustion, ensuing heating and sweating resulting from a covered peril, Institute War Clauses dated 01 January 2009 and Institute Strikes dated 01 January 2009.

(c) The Seller shall transfer the benefit of such insurance to the Purchaser upon transfer of title in the Biomass to the Purchaser by adding the Purchaser as a loss payee onto the policy. The insurance is to operate from the warehouse at the Loading Port to the storage facility at the Discharging Port. In the event of a claim by the Purchaser under any insurance policy provided under this Agreement, the Seller will pay to the Purchaser within 10 Business Days of demand the amount of any deductible applicable to the loss covered and paid under the insurance policy.

(d) The Seller shall supply to the Purchaser copies of the relevant certificate of insurance or other insurance confirmation acceptable to the Purchaser to confirm the insurance arrangements referred to under this Clause 13.8 are in place and the Seller shall promptly notify the Purchaser if any such insurances are not renewed, cancelled or amended.

(e) Neither Party will take or omit to take any action or permit anything to occur in relation to any policies of insurance referred to in this Clause 13.8 that would entitle the relevant insurer to refuse to pay any claim.

13.9 Consents

The Seller will be responsible for obtaining and maintaining all necessary Consents for the export, sale and delivery of Biomass to the Delivery Point pursuant to this Agreement, and the Purchaser will be responsible for obtaining and maintaining all necessary Consents for the import of Biomass to the Country and the jurisdiction of any other Alternative Delivery Point.

14. INVOICE AND PAYMENT

14.1 Shipment Value

(a) The price payable for any Biomass delivered under this Agreement is the amount determined in accordance with Schedule 6 (*Price*) or, as applicable from and after a Step-In, Schedule 6B (*Price (From and after a Step-In)*).

(b) In respect of each Shipment delivered by the Seller to the Purchaser under this Agreement, the Purchaser shall pay to the Seller the relevant Shipment Value determined in accordance with paragraph (c) below.

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(c) The Shipment Value for any Shipment shall be equal to P x M x V /17, where:

(i) P = the price (in £/Tonne) applicable to that Shipment as determined in accordance with Schedule 6 (*Price*) or Schedule 6B (*Price (From and after a Step-In)*), as applicable,

(ii) M is the mass of that Shipment (in Tonnes) as set out in the applicable Weight certificate; and

(iii) V is the Net Calorific Value (in GJ/Tonne) of that Shipment calculated in accordance with Schedule 4 (*Sampling and Analysis Procedure*).

14.2 Payment

(a) In respect of each Shipment delivered by the Seller to the Purchaser under this Agreement, the Purchaser shall pay to the Seller the Shipment Value.

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(b) The first instalment shall be an amount equal to ninety per cent. of the Shipment Value, save that V (as defined in Clause 14.1 (*Shipment Value*) above) shall be equal to seventeen (17) for deliveries arriving on or prior to the date that is ninety (90) days following the First Full Supply Delivery Date and shall thereafter be the weighted average Net Calorific Value of Shipments delivered over the prior ninety (90) day period. Subject to Clause 14.5(e), the Purchaser shall pay this instalment within five (5) Business Days of presentation by the Seller of electronic or e-mail copies of the following documents to the Purchaser (or for any Shipment, if later, the first Business Day falling on or after 10 days after the date of the relevant Bill of Lading), provided that the Purchaser shall not be obligated to tender payment to the Seller until the Purchaser shall have received original documents where specified below:

(i) a commercial invoice for the first instalment of the Shipment Value as determined in accordance with Clause 14.1 (*Shipment Value*);

(ii) the Weight Certificate;

(iii) the certificate of origin;

(iv) each Analysis Certificate for the Shipment in respect of samples taken at the Loading Port;

(v) original insurance policies described in Clause 13.8 (*Insurance*);

(vi) original documentation (if any) contemplated under Clause 11.2 (*Sustainability Documentation*); and

(vii) a set of three negotiable original clean on board ocean vessel shipped bills of lading (charter party bills of lading acceptable) signed by the Master of the Vessel or his authorized agent (with copies of the Master's authorisation if signed by the authorised agent) (a **Bill of Lading**).

(c) The second instalment shall be equal to the Shipment Value less the amount of the first instalment. The Purchaser shall pay the second instalment within ten (10) Business Days after:

(i) where an Analysis Certificate(s) or Quality Condition Report is provided in relation to sampling at the Discharging Port, the provision of such documentation; or

(ii) where there is no sampling at the Discharging Port, completion of discharge of the Shipment in question.

(d) If the results of the relevant certificates prepared in accordance with the Sampling and Analysis Procedure indicate that the Seller has provided Non-Conforming Biomass under Clause 10.2 (*Non-Conforming Biomass*), the second instalment shall be subject to a reduction as provided for in Clause 10.5 (*Non-Conforming Biomass*).

(e) The first instalment shall be reimbursed to the Purchaser if the Shipment is rejected at a later date in accordance with Clause 10.6 (*Rejection*). The Seller shall reimburse the Purchaser for the full invoiced amount within ten (10) Business Days of having received the Purchaser's written notice rejecting the Shipment in accordance with Clause 10.6 (*Rejection*). The Seller shall not be entitled to retrieve the rejected Shipment until it has reimbursed the Purchaser in full for the outstanding amount.

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(f) Each invoiced amount under this Clause 14.2 will be expressed and paid in Sterling.

14.3 Other Invoices

All amounts payable under this Agreement by one Party (the **Payor**) to the other Party (the **Payee**) other than amounts referred to in Clause 14.4 (*Invoice Disputes*) shall, unless otherwise expressly provided for in this Agreement, be paid within 10 Business Days of receipt by the Payor of an invoice from the Payee for the relevant amount together with any other documentation or evidence required to be delivered under this Agreement in relation to the relevant payment.

14.4 Invoice Disputes

(a) If the Payee considers that any amount identified in an invoice delivered under this Clause 14 (Invoice and Payment) is incorrect, the Payor may withhold that portion of the payment, and must, not later than the due date of payment, notify the Payee of the reasons for its refusal to pay the disputed amount.

(b) If the Parties determine that an error occurred in the preparation of any invoice, the Payee will issue a corrected invoice within 10 Business Days after such determination.

14.5 Interest and Late Payments

(a) If a Party fails to make a payment under this Agreement on time, including any disputed amount withheld in accordance with this Agreement which is subsequently determined to be payable, the defaulting or withholding Party must pay to the other Party interest on the amount not paid at the Interest Rate applied daily and compounded monthly from and including the due date for payment until, but excluding, the date on which full payment of that amount is made.

(b) Notwithstanding anything to the contrary in this Agreement,

(i) the Purchaser shall not commence discharging any Shipment from a Vessel prior to payment in full of the first instalment of the Shipment Value under Clause 14.2(b) (other than any disputed amount withheld in accordance with this Agreement); and

(ii) the Seller shall not be required to commence or complete loading or shipment of any Shipment while all or any part of the first instalment of the Shipment Value under Clause 14.2(b) for any previous Shipment is past due and outstanding (other than any disputed amount withheld in accordance with this Agreement).

(c) If the Purchaser fails to pay any instalment of the Shipment Value of any Shipment in full when due (other than any disputed amount withheld in accordance with this Agreement), the Seller may notify the Purchaser in writing, and if the Purchaser again fails to pay any amount owing within three (3) Business Days of such notice, then the Seller may elect by written notice to Purchaser to have title to the Biomass comprising the applicable Shipment revert to Seller, and upon delivery of such notice title to such Biomass shall immediately pass to the Seller and such quantity of Biomass shall be considered a Take or Pay Shortfall and the provisions of Clause 8.5 (*Take or Pay*) will apply.

(d) Following any notification under paragraph (c) above, the Seller shall

(i) return to the Purchaser any portion of the applicable Shipment Value theretofore received from Purchaser; and

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(ii) be relieved of all delivery and other obligations to Purchaser with respect to such Shipment.

The Purchaser shall execute all such documents and take all other steps required or requested by Seller to give effect to any passage of title pursuant to Clause 14.5(c).

(e) If the Purchaser fails to pay amounts which are properly owing in relation to the first instalment of the Shipment Value of any Shipment on three (3) or more occasions in any one calendar year, then the Seller may notify the Purchaser that it requires the first instalment in relation to all future Shipments to be paid in advance of loading, in which case the Purchaser will be obliged to make such payments in advance of loading until it has provided evidence reasonably satisfactory to the Seller that the reasons for the previous late payments have been rectified.

14.6 Taxes

(a) Save as otherwise provided in this paragraph (a), any sum payable and any amount included in a sum payable under this Agreement is exclusive of VAT. If any supply made by a party in connection with this Agreement (including the supply of any rights, goods, services, benefits or other things) is subject to VAT, the recipient of the supply must pay in addition to any payment or other consideration for the supply, an amount equal to the VAT payable (**VAT Amount**), except where the recipient or the representative member of a VAT group of which the recipient is a member has the liability to remit the VAT to the tax authority. The VAT Amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the VAT Amount need not be paid until the supplier provides the recipient a valid VAT invoice.

(b) All export duties, Taxes, dues and levies present or in the future in any country where the Biomass originates are for Seller's risk and account and are already included in the agreed Price and will not be charged in addition by the Seller.

(c) All import duties, Taxes, dues and levies present or in the future in the Country or the jurisdiction of any Alternative Delivery Point selected by the Purchaser are for the Purchaser's risk and account.

(d) If either Party is subject to any duties, Taxes, dues and levies that are not recoverable by it and are the responsibility of the other Party under paragraph (b) or (c), the responsible Party shall reimburse the other Party on receipt of an invoice in accordance with Clause 14.3 (*Other Invoices*).

15. FORCE MAJEURE

15.1 Definition

(a) In this Agreement and subject to paragraph (c) below, **Force Majeure** means any event, condition or circumstance occurring after the Agreement Date which:

(i) is beyond the reasonable control directly or indirectly of the Affected Party;

(ii) is without fault or negligence on the part of the Affected Party and is not the direct or indirect result of a breach by the Affected Party of any of its obligations under this Agreement or any applicable Laws;

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(iii) was not foreseeable, or if foreseeable, could not have been (despite the exercise of reasonable diligence) avoided or the effects of which could not have been overcome or mitigated by the Affected Party in taking all reasonable precautions, due care and reasonable alternative measures; and

(iv) prevents, hinders or delays: (A) the performance by the Affected Party of any of its obligations (other than an obligation to pay money that has become due and payable) pursuant to this Agreement, or (B) in the case of the Purchaser only, the export of energy from a Facility as a result of the declaration of force majeure by the counterparties to any grid connection documentation.

(b) Subject to the foregoing and to paragraph (c) below, Force Majeure includes:

(i) unusually severe weather conditions (including floods, lightning, cyclones, whirlwind, tempest, storms, drought and other extreme weather conditions);

(ii) acts of God, war or the public enemy whether declared or not, acts of force by a foreign nation, public disorders, civil disturbance, insurrection, rebellion, sabotage, riots, violent demonstrations, blockade, revolution, expropriation, requisition, confiscation, nationalization, embargo, export or import restriction or other restrictions, rationing or allocations imposed by any Competent Authority;

(iii) any severe effect of natural elements, including fire, volcanic eruption, landslide, earthquakes, floods, lightning, typhoons, tsunami, perils of sea, or other unusual natural calamities;

(iv) epidemic, quarantine or plague;

(v) explosion or fire;

(vi) strikes or lockouts or other collective or industrial action by workers or employees other than management personnel, provided, however, any Party that seeks to invoke such a strike or labour action as a Force Majeure must first utilize all reasonable efforts to maintain performance utilizing management personnel;

(vii) accidents of navigation or breakdown or injury of vessels, accidents to harbours, docks, canals or other assistance to or adjuncts of shipping or navigation;

(viii) radioactive contamination or ionizing radiation;

(ix) shipwreck, train wrecks or failures or delays of transportation; and

(x) mechanical and/or electrical breakdown and failure of equipment at Loading Port, or at the Discharging Port despite compliance by the Affected Party with good operating practice.

(c) Force Majeure shall not include:

(i) any inability of either Party to pay monies due and payable under this Agreement;

(ii) any change in the financial position of either Party; or

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(iii) any changes in market conditions (including the unavailability of subsidies), loss of markets, changes in market pricing, the availability of a more attractive market, or any Change in Law.

15.2 Principle

If either Party is prevented, hindered, or delayed in its performance of any of its obligations (other than an obligation to pay money that has become due and payable) pursuant to this Agreement by a Force Majeure or in the case of the Purchaser only, the export of energy from a Facility is prevented, hindered, or delayed as a result of the declaration of force majeure by the counterparties to any grid connection documentation that constitutes a Force Majeure (the **Affected Party**), the Affected Party will be excused from the performance of the affected obligations during the existence of such event up to a maximum of 120 consecutive days and will not be responsible for any damages suffered by the other Party as a result of such suspended performance during such period, and any performance deadline that the Affected Party is obliged to meet under this Agreement will be extended day for day so long as the Force Majeure continues, provided that the Affected Party has complied with Clause 15.3 (*Notice of Force Majeure*).

15.3 Notice of Force Majeure

(a) The Affected Party will as soon as reasonably practicable after it has occurred (but in any event no later than 5 Business Days after it has occurred) give notice to the other Party of the Force Majeure, and must keep the other Party informed of subsequent developments in such circumstance as they occur.

(b) The notification must include details of the Force Majeure, including evidence of its effects on the obligations of the Affected Party, the expected duration of the event and any action taken or proposed to mitigate its effect.

(c) The Affected Party must:

(i) continue to take any reasonable actions within its power to comply with this Agreement and take at its own cost, all steps reasonably required (taking into account the nature and economic consequences of the relevant Force Majeure or circumstance and the cost of the remedy) to remedy the effects of that event or circumstance, provided, however that neither Party will be obligated to resolve any disagreement with third parties, including labour disputes, except under conditions acceptable to it or pursuant to the final decision of any arbitral, judicial or statutory agencies having jurisdiction to resolve such disagreement; and

(ii) monitor and review the likely duration of the Force Majeure and notify the other Party immediately upon becoming aware that the duration of the Force Majeure may be shorter or longer than that previously notified to that other Party.

(d) In the event that the Parties are unable in good faith to agree that a Force Majeure has occurred, the burden of proof as to whether a Force Majeure has occurred will be on the Party claiming the Force Majeure.

15.4 Effect of Force Majeure

(a) As soon as practicable following receipt of a notice under Clause 15.3(a) (*Notice of Force Majeure*), the Parties will consult with each other in good faith and use all reasonable endeavours to agree appropriate terms to:

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(i) mitigate the effects of this Force Majeure, including recourse by the Parties to alternate acceptable sources of biomass, services, equipment, materials and vessels; and

(ii) facilitate the continued performance of this Agreement and ensure resumption of normal performance of this Agreement after the termination of any Force Majeure.

(b) The obligation of the Seller and the Purchaser to sell and purchase Biomass will revive upon the cessation of the Force Majeure provided that the Annual Base Quantity and any applicable Option Quantity will be reduced by the amount of any relevant Shipment not delivered as a consequence of Force Majeure.

15.5 Deliveries during Force Majeure

(a) Each Party agrees that it may not claim a Force Majeure under this Agreement unless it also claims a Force Majeure under all other biomass supply contracts which entitle it to claim a Force Majeure in the then prevailing circumstances.

(b) To the extent such claims are made and the Seller remains able to satisfy, in whole or in part, its obligations to deliver Biomass to the Purchaser under this Agreement (determined without regard to the performance by the Seller of its obligations under other similarly affected biomass supply contracts), the Seller, during the continuance of such Force Majeure, shall not discriminate against the Purchaser in favour of other similarly affected purchasers under other biomass supply contracts.

16. CHANGE IN LAW AND SUSTAINABILITY REQUIREMENTS

16.1 Change in Law

(a) Save as provided in Clause 16.2 (*Change in Sustainability Requirements*),

(i) the Seller is responsible for all costs and risks associated with any Seller Change in Law affecting the performance of either Party's obligations under this Agreement and

(ii) the Purchaser is responsible for all costs and risks associated with any Purchaser Change in Law affecting the performance of either Party's obligations under this Agreement (including, for the avoidance of doubt, any Purchaser Change in Law that causes a termination of any contract for differences, investment contract or other agreement or document by which Purchaser or any owner of a Facility obtains or desires to obtain subsidies or that otherwise affects the availability of payments or other benefits to the Purchaser or Facility owner thereunder).

(b) For the avoidance of doubt, neither Party shall be entitled to terminate this Agreement if a Change in Law affects the subject matter of this Agreement (but without prejudice to Clause 18 (*Default and Termination*)).

16.2 Change in Sustainability Requirements

(a) Subject to paragraphs (b) to (e) below (and without limitation to the provisions of Clause 16.1 (*Change in Law*) above), the Purchaser is responsible for all costs and risks associated with any Change in Law affecting the sustainability requirements under any contract for differences, investment contract or other agreement or document by which Purchaser or any owner of a Facility obtains or desires to obtain subsidies and for the avoidance of doubt,

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neither Party shall be entitled to terminate this Agreement in relation to such a Change in Law (but without prejudice to Clause 18 (*Default and Termination*)).

(b) If, as a result of any Change in Law, the sustainability requirements for Biomass under any contract for differences, investment contract or other agreement or document by which Purchaser or any owner of a Facility obtains or desires to obtain subsidies or otherwise in relation to the Facility are altered then the Purchaser shall be entitled to give written notice to the Seller and propose such variations to the Sustainability Requirements as are required in order to comply with such revised sustainability requirements.

(c) Within 20 Business Days of receipt of a notification under paragraph (b) above, the Seller shall propose an adjustment to the Price to reflect any change (positive or negative) to the costs and expenses of the Seller that would be incurred by the Seller in delivering Biomass under this Agreement meeting the proposed amended Sustainability Requirements together with details of any other necessary amendments to the Agreement. The Seller shall use all reasonable endeavours to maximise any savings and minimise any increase in costs and expenses, and changes to the Agreement shall be proposed so as to maintain the same overall balance of benefits, rights, obligations, liabilities and risks as applied immediately prior to the change in Sustainability Requirements.

(d) The Seller shall promptly on request from the Purchaser provide all supporting information reasonably required by the Purchaser evidencing and supporting the proposed adjustment to the Price including details of measures taken to maximise savings and minimise increases in costs and savings.

(e) Following receipt of the proposal from the Seller, the Purchaser and the Seller shall negotiate in good faith to agree the terms of the Price change and other variations to the Agreement necessary to implement the change to the Sustainability Requirements based on the principles referred to in paragraph (b) above and if agreement is not reached within two (2) months of receipt by the Purchaser of the Seller's proposal then either Party may refer the matter to be settled by arbitration in accordance with Clause 27.1 (*Dispute Resolution*).

(f) The Parties shall implement the changes to the Sustainability Requirements and the associated Price change and any other necessary amendments to the Agreement as soon as they are agreed or determined in accordance with paragraph (e) above**.**

17. [RESERVED]

18. DEFAULT AND TERMINATION

18.1 Seller Events of Default

Each of the following events, acts, occurrences or conditions constitutes a Seller Event of Default, to the extent that it is not caused by (i) a Force Majeure (but, for the purposes of paragraphs (a) to (e) and (h) to (j) only during the 120 day period in which the Seller is entitled to relief set out in Clause 15.2 (*Principle*)) or (ii) a Purchaser Event of Default:

(a) the Seller fails to pay any amounts required to be paid to the Purchaser under this Agreement and such failure continues for more than 10 Business Days following the Purchaser's demand that such payment be made;

(b) any representation or warranty made by the Seller under this Agreement (other than any such representation or warranty referred to elsewhere in this Clause 18.1) is or becomes false or

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misleading in any material respect and such has a material adverse effect on the Seller's ability to perform its obligations hereunder;

(c) any representation or warranty made by the Seller under Clause 20.1 (*Representations*) is or becomes false or misleading in any material respect or the Seller breaches Clause 20.2 (*Undertakings*);

(d) the Seller breaches or fails to perform any of its material covenants or obligations under this Agreement (other than any such breach or failure referred to elsewhere in this Clause 18.1) and such breach or failure is not remedied within 15 Business Days after notice from the Purchaser to the Seller stating that such breach or failure has occurred;

(e) the Seller supplies 2 or more shipments of Biomass in any rolling 12 month period which fail to meet the Specifications;

(f) the Seller fails to deliver in any rolling 12 month period two or more Shipments scheduled to be delivered during such period of time under Clauses 8 (*Biomass Quantity*) and 13 (*Shipping*);

(g) the Seller fails to deliver in any rolling 24 month period three or more Shipments scheduled to be delivered during such period of time under Clauses 8 (*Biomass Quantity*) and 13 (*Shipping*);

(h) the Purchaser becomes entitled to reject more than 2 Shipments in any rolling 12 month period in accordance with Clause 10.6 (*Rejection*);

(i) the Seller commits or suffers an Act of Insolvency; and

(j) the repudiation of this Agreement by the Seller.

18.2 Purchaser Events of Default

Each of the following events, acts, occurrences or conditions constitutes a Purchaser Event of Default, to the extent that it is not caused by (i) a Force Majeure (but, for the purposes of paragraphs (a) to (c) and (f) to (g) only during the 120 day period in which the Purchaser is entitled to relief set out in Clause 15.2 (*Principle*)); or (ii) a Seller Event of Default:

(a) the Purchaser fails to pay any amounts required to be paid to the Seller under this Agreement and such failure continues for more than 10 Business Days following the Seller's demand that such payment be made;

(b) any representation or warranty made by the Purchaser under this Agreement is or becomes false or misleading in any material respect and such has a material adverse effect on the Purchaser's ability to perform its obligations hereunder; the

(c) the Purchaser breaches or fails to perform any of its material covenants or obligations under this Agreement (other than any such breach or failure referred to elsewhere in this Clause 18.2) and such breach or failure is not remedied within 15 Business Days after notice from the Seller to the Purchaser stating that such breach or failure has occurred;

(d) the Purchaser fails to accept in any rolling 12 month period two or more Shipments scheduled to be delivered during such period of time under Clauses 8 (*Biomass Quantity*) and 13 (*Shipping*) (and for the avoidance of doubt any Shipment for which the Purchaser

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nominates an Alternative Delivery Point in accordance with Clause 13.1(c) and thereafter accepts shall be considered to have been accepted for the purposes of this paragraph);

(e) the Purchaser fails to accept in any rolling 24 month period three or more Shipments scheduled to be delivered during such period of time under Clauses 8 (*Biomass Quantity*) and 13 (*Shipping*) (and for the avoidance of doubt any Shipment for which the Purchaser nominates an Alternative Delivery Point in accordance with Clause 13.1(c) and thereafter accepts shall be considered to have been accepted for the purposes of this paragraph);

(f) the Purchaser commits or suffers an Act of Insolvency; and

(g) the repudiation of this Agreement by the Purchaser.

18.3 Notice of Termination

Upon the occurrence of an Event of Default the Non Defaulting Party may, subject to the Direct Agreement, terminate this Agreement by delivering a notice (the **Notice of Termination**) to the Defaulting Party. The date of termination of this Agreement shall be the date of the Notice of Termination (the **Termination Date**).

18.4 Termination Payment

(a) On or as soon as reasonably practicable after the Termination Date, the Non-Defaulting Party shall in good faith calculate the termination payment (the **Termination Payment**), being its Loss as if the event entitling the Non-Defaulting Party to terminate was a repudiatory breach of this Agreement which had been accepted by it.

(b) For the purposes of this Clause 18.4:

(i) **Loss** means the amount of the total losses and/or costs of the Non-Defaulting Party that are or would be incurred under the then prevailing circumstances in replacing within a three month period after the Termination Date or in providing the Non-Defaulting Party the economic equivalent of the material terms of this Agreement together with any other costs and expenses reasonably incurred as a consequence of the termination of this Agreement including costs incurred in procuring a replacement contract and/or in relation to protecting or enforcing its rights under this Agreement or any associated credit support documentation.

(ii) Any Loss will be determined by the Non-Defaulting Party which will act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. The Loss will be determined as at the Termination Date.

(iii) In determining a Loss, the Non-Defaulting Party may consider any relevant information, including the following:

(A) quotations (either firm or indicative) for a replacement contract or contracts (which shall be the economic, commercial and operational equivalent (including as to risk profile on pricing and credit) of this Agreement supplied by one or more third parties of equivalent commercial, operational and financial standing that may take into account the creditworthiness of the Non-Defaulting Party at the time of quotation and the terms of any relevant documentation, including credit support documentation between the Non-Defaulting Party and the third party providing the quotation; and

(B) information consisting of relevant market data in the relevant market supplied by one or more independent third parties including relevant rates and prices.

(iv) The Non-Defaulting Party shall not be required to enter into a replacement agreement in order to determine the Termination Payment.

(v) The Non-Defaulting Party shall notify the Defaulting Party of the Termination Payment including detailed support for the Termination Payment calculation. In the event that the Non-Defaulting Party suffers no Loss then the Termination Payment shall be zero. For the avoidance of doubt, the Non-Defaulting Party shall not be obliged to pay any amount to the Defaulting Party in respect of termination of this Agreement (but without prejudice to any amounts payable in respect of accrued liabilities up to the Termination Date).

(vi) The Defaulting Party shall pay the Termination Payment to the Non-Defaulting Party within three (3) Business Days of notification of the Termination Payment and disputed amounts shall be paid by the Defaulting Party subject to refund with interest (calculated in accordance with Clause 14.5 (Interest) if the dispute is resolved in favour of the Defaulting Party).

18.5 Sole Termination Rights

The termination rights expressly set out in this Agreement shall be the sole termination rights of the Parties in relation to this Agreement.

18.6 Survival of Rights

Termination of this Agreement for any reason will be without prejudice to the rights of the Parties which have accrued prior to termination.

19. REPRESENTATIONS AND WARRANTIES

19.1 Purchaser Representations and Warranties

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The Purchaser hereby makes the following representations and warranties to the Seller each of which the Purchaser further covenants, warrants and represents are true and correct as of the Agreement Date and must remain true and correct on each day during the Term:

(a) it has been formed under the laws of the State of Delaware, USA, and is validly existing under those laws and has the power and authority to carry on its business in its jurisdiction of incorporation, the Country and such other jurisdictions where work will be performed pursuant to this Agreement;

(b) it has requisite power and authority to enter into this Agreement and comply with its obligations under it;

(c) this Agreement and the transactions under it do not contravene its constituent documents or any Law or obligation by which it is bound or to which any of its assets are subject or cause a limitation of powers or the powers of its members to be exceeded;

(d) it has in full force and effect the limited liability company authorisations necessary for it to enter into this Agreement and perform transactions under it;

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(e) its obligations under this Agreement are valid and binding and are enforceable against it in accordance with the terms of this Agreement, except as the enforceability of this Agreement may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity;

(f) it is not in breach of any Law or obligation affecting it or its assets in a way which may reasonably be expected to result in a material adverse effect on its business or financial condition; and

(g) there is no pending or (to its knowledge) threatened proceeding affecting the Purchaser or any of its assets that would affect the validity or enforceability of this Agreement, the ability of the Purchaser to fulfil its commitments under this Agreement in any material respect, or that could reasonably be expected to result in any material adverse change in the business or financial condition of the Purchaser.

19.2 Seller Representations and Warranties

The Seller hereby makes the following representations and warranties to the Purchaser each of which the Seller further covenants, warrants and represents are true and correct as of the Agreement Date and must remain true and correct on each day during the Term:

(a) it has been formed under the laws of the State of Delaware, USA, and is validly existing under those laws and has the power and authority to carry on its business in its jurisdiction of incorporation, the Country and such other jurisdictions where work will be performed pursuant to this Agreement;

(b) it has requisite power and authority to enter into this Agreement and comply with its obligations under it;

(c) this Agreement and the transactions under it do not contravene its constituent documents or any Law or obligation by which it is bound or to which any of its assets are subject or cause a limitation of powers or the powers of its general partner to be exceeded;

(d) it has in full force and effect the limited partnership authorisations necessary for it to enter into this Agreement and perform transactions under it;

(e) its obligations under this Agreement are valid and binding and are enforceable against it in accordance with the terms of this Agreement, except as the enforceability of this Agreement may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity;

(f) it is not in breach of any Law or obligation affecting it or its assets in a way which may reasonably be expected to result in a material adverse effect on its business or financial condition;

(g) there is no pending or (to its knowledge) threatened proceeding affecting the Seller or any of its assets that would affect the validity or enforceability of this Agreement, the ability of the Seller to fulfil its commitments under this Agreement in any material respect, or that could reasonably be expected to result in any material adverse change in the business or financial condition of the Seller; and

(h) the Seller shall use reasonable endeavours to ensure that:

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(i) the Biomass it delivers hereunder is derived from one or more of the following:

(A) sawmill, forestry or agricultural residues or wastes;

(B) forest biomass harvested as part of a growth management plan, including forestry thinnings;

(C) trees with poor future carbon stock potential such as diseased or damaged trees;

(D) perennial energy crops such as short-rotation coppice willow or miscanthus grass that are grown on land unsuitable for food crops;

(E) waste wood; and/or

(F) other biomass fuel sources which it anticipates will deliver greenhouse gas savings over short or medium time horizons (<50 years); and

(ii) it avoids delivering Biomass hereunder derived from the clear-felling of forest exclusively for fuel use and not otherwise contemplated in paragraph (h)(i) above.

20. ANTI-BRIBERY, CORRUPTION AND COUNTERPARTY INTEGRITY

20.1 Representations

(a) Each of the Parties represents and warrants that neither it nor any of its officers or employees:

(i) has, within the past 6 years, committed a Corrupt Act directly or indirectly in connection with this Agreement;

(ii) has, within the past 6 years, been convicted of any offence involving a breach of Anti-corruption Laws; or

(iii) is subject to any continuing investigation or prosecution which relates to an alleged breach of Anti-corruption Laws,

in each case other than as disclosed to the other in writing at least 30 Business Days prior to the Agreement Date.

(b) Each of the Parties represents and warrants that neither it, nor any of its officers or employees, is listed on:

(i) the Consolidated List of Financial Sanctions Targets and/or the Investment Bank List maintained by HM Treasury or any similar list maintained by the United Kingdom or the UK government, each as amended, supplemented or substituted from time to time; or

(ii) the World Bank blacklist (being the list of firms and individuals ineligible to be awarded a World Bank financed contract, published by the World Bank at www.worldbank.org/debarr).

(c) Each of the Parties represents and warrants that none of its directors, is disqualified from acting (or has provided a disqualification undertaking not to act) as a director of a company in the UK or elsewhere.

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20.2 Undertakings

(a) The Seller undertakes that:

(i) it shall comply with all applicable Anti-corruption Laws;

(ii) neither it nor its officers or employees shall commit a Corrupt Act directly or indirectly in connection with this Agreement; and

(iii) it shall maintain and enforce policies and procedures for assessing the risk of breaching Anti-corruption Laws and reviewing and monitoring any such risk.

(b) There shall be no breach of paragraph (a) where an officer or employee of the Seller has acted independently of the Seller and within 10 Business Days of the date on which the Seller became aware of such independent action, the Seller has taken

(i) action to dismiss the relevant employee or officer to the extent required in accordance with applicable Law; and

(ii) any other action reasonably necessary to satisfy the Purchaser that adequate procedures are in place to prevent any further breaches of paragraph (a).

(c) The Seller undertakes that:

(i) neither it nor any of its officers or employees shall be:

(A) listed on the Consolidated List of Financial Sanctions Targets and/or the Investment Ban List maintained by HM Treasury or any similar list maintained by the United Kingdom or the UK government, each as amended, supplemented or substituted from time to time; or

(B) placed on the World Bank blacklist (being the list of firms and individuals ineligible to be awarded a World Bank financed contract, published by the World Bank at www.worldbank.org/debarr); and

(ii) none of its directors shall be disqualified from acting (or have provided a disqualification undertaking not to act) as a director of a company in the UK or elsewhere.

(d) There shall be no breach of paragraph (c) if the Seller has, within 10 Business Days of the relevant circumstance arising in relation to any of its officers or employees, taken:

(i) action to dismiss the relevant officer or employee to the extent required in accordance with applicable Law; and

(ii) any other action reasonably necessary to satisfy the Purchaser that adequate procedures are in place to prevent further breaches of paragraph (c).

(e) The Purchaser has read and understood and shall comply with the provisions of the Seller's "Code of Business Conduct and Ethics" dated April 29, 2015, and "International Anti-Corruption Policy" dated December 2013, to the same extent such code and policy would apply to the Purchaser if it were an employee of the Seller.

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21. [RESERVED]

22. CONFIDENTIALITY

(a) Each Party undertakes to the other Party to keep confidential this Agreement, the terms hereof and all information (written or oral) concerning the business and affairs of the other Party which it has obtained or received as a result of discussions leading up to entry into this Agreement, or which it has obtained during the course of this Agreement (collectively, **Confidential Information**), except any Confidential Information that is:

(i) subject to an obligation to disclose under applicable Laws, or that is required to be disclosed by any Competent Authority, or rules and regulations governing any exchange, clearing house, rating agency or issue of securities, by notice or otherwise;

(ii) already in its possession other than as a result of a breach of this Clause 22;

(iii) independently developed without access to the other Party's Confidential Information;

(iv) in the public domain other than as a result of a breach of this Clause 22; or

(v) disclosed to its Affiliates and its and their employees, directors, officers, owners, loss adjusters, consultants, advisors, auditors, agents and actual or prospective lenders, investors, insurance brokers or insurers.

(b) Each Party undertakes to the other Party to take all steps that are necessary from time to time to ensure compliance with the provisions of this Clause 22 by its Affiliates and its and their employees, directors, officers, owners, loss adjusters, consultants, advisors, auditors, agents and actual or prospective lenders, investors, insurance brokers or insurers. Prior to disclosing any Confidential Information in accordance with the exception granted in paragraph (a)(i) above the disclosing Party shall notify and provide the other Party an opportunity to comment on the information in and manner of such disclosure. Neither Party may disclose any Confidential Information not subject to any exception under this Clause 22 without the prior written approval of the other Party, which approval shall not be unreasonably withheld in connection with a press release in relation to this Agreement.

(c) Notwithstanding anything to the contrary herein, each Party and its Affiliates shall be permitted to include in documents filed with regulators regarding securities offered or to be offered by such Party or an Affiliate of such Party (and in any amendments thereto or related offering documents) any information regarding the Parties, this Agreement and the transactions contemplated by this Agreement.

23. LIMITATION ON LIABILITY

23.1 Limitation of Liability

(a) Subject to Clauses 8.4(c) (*Delivery Failure*), 8.5(c) (*Take or Pay*), 11.4 (*Sustainability Damages*), 18.4 (*Termination Payment*) or for damages arising out of a breach of Clause 22 (*Confidentiality)*, neither Party will be liable to the other as a result of any action or inaction under this Agreement or otherwise for any loss of profit, loss of revenue, cost of capital, downtime costs, loss of opportunity, loss of goodwill, loss of production, loss of contracts, loss due to business interruption or for any other special, exemplary, incidental or

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consequential damages that may be suffered by the other and the claims of customers of the other Party for such damages.

(b) The previous paragraph 23.1(a) shall not limit liability in any case of fraud or wilful misconduct by the defaulting Party or liability that cannot be excluded as a matter of applicable Laws.

(c) Nothing in this Agreement will exclude or limit the liability of the either Party for death or personal injury to the other Party or any of its officers, directors, employees, consultants and agents, or physical damage to property of the other Party or its officers, directors, employees, Affiliates and agents, resulting directly from the negligence of the first-mentioned Party or any of its officers, directors, employees, Affiliates and agents, and that Party must indemnify and keep indemnified the other Party from and against any Claims which the other Party may suffer or incur by reason of any claim on account of death or personal injury or damage to property to the extent resulting from the negligence of the first-mentioned Party or the negligence of any of its officers, directors, employees, Affiliates or agents.

23.2 Non-Exclusive Remedies

Other than the limitations of liability contained in this Clause 23, the rights and remedies of the Parties at law shall not be affected by this Agreement.

23.3 Survival on Termination

The provisions of Clauses 18 (*Default and Termination*), 22 (*Confidentiality*), 23 (*Limitation on Liability*) and 27 (*Dispute Resolution*) will survive the termination of this Agreement.

23.4 Mitigation

Each Party shall use commercially reasonable efforts to mitigate any damages, claims or losses it incurs under or in connection with this Agreement, including those for which the other Party may be liable by way of indemnity, reimbursement or otherwise.

24. NOTICES

(a) Any notice to be given by one Party to the other Party under, or in connection with, this Agreement must be:

(i) in writing and signed by or on behalf of the Party giving it;

(ii) in the English language or, if in any other language, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail; and

(iii) delivered personally or sent by first class post (pre-paid recorded delivery) (and air mail if overseas)), or by email to the other Party due to receive the Notice to the address set out below or to an alternative address, person or email address specified by that party by not less than seven (7) Business Days' written notice to the other Party received before the Notice was despatch,

provided however that any Notice of Readiness may be tendered by email, telex or fax to the Purchaser, at any time of the night or day, Saturday, Sunday and holiday included, whether in berth

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or not whether awaiting tide to approach berth or not, whether in free pratique or not and whether in customs clearance or not.

(b) Any notice so served by hand, email or post shall be deemed to have been duly given:

(i) in the case of delivery by hand, when delivered;

(ii) in the case of email, at the time of transmission;

(iii) in the case of prepaid recorded delivery, special delivery or registered post, at 10.00 a.m. on the second (2nd) Business Day following the date of posting or dispatch;

provided that in each case where delivery by hand or email occurs after 6.00 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9.00 a.m. on the next following Business Day. References to time in this paragraph are to local time in the country of the addressee.

(c) Each Party chooses as its address for all Notices under this Agreement whether for serving any court process or documents, giving any notice, or making any other communications of whatsoever nature and for any other matter arising from this Agreement, as follows:

to the Seller at:

Invoices:

Enviva Partners GP, LLC
Corporate Accounts Payable Manager
7200 Wisconsin Ave., Suite 1000
Bethesda, MD 20814 USA
Attn: Vonetta T. Brown
Tel: +1 240 482 3837
Email: accounting@envivabiomass.com and Vonetta.brown@envivabiomass.com

Notices:

Enviva Partners GP, LLC
Executive Vice President, Sales and Marketing
7200 Wisconsin Ave., Suite 1000
Bethesda, MD 20814 USA
Attn: Thomas Meth
Tel: +1 301 657 5560
Email: Thomas.Meth@envivabiomass.com

With a copy to:

Enviva Partners GP, LLC
Executive Vice President, General Counsel and Secretary

to Purchaser at:

Invoices:

Enviva Development Holdings, LLC
Corporate Accounts Payable Manager
7200 Wisconsin Ave., Suite 1000
Bethesda, MD 20814 USA
Attn: Vonetta T. Brown
Tel: +1 240 482 3837
Email: accounting@envivabiomass.com and Vonetta.brown@envivabiomass.com

Notices:

Enviva Development Holdings, LLC
Executive Vice President, Sales and Marketing
7200 Wisconsin Ave., Suite 1000
Bethesda, MD 20814 USA
Attn: Thomas Meth
Tel: +1 301 657 5560
Email: Thomas.Meth@envivabiomass.com

With a copy to:

Enviva Development Holdings, LLC
President, General Counsel and Secretary

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Tel: +1 240 482 3840
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(d) A Party may notify the other Party to this letter of a change to its name, relevant addressee, address or email address for the purposes of this Clause 24 provided that, such notice shall only be effective on:

(i) the date specified in the notice as the date on which the change is to take place; or

(ii) if no date is specified or the date specified is less than 5 Business Days after the date on which notice is given, the date following five 5 Business Days after notice of any change has been given.

25. ASSIGNMENT

25.1 Assignment

Except as otherwise expressly provided in this Clause 25.1, neither Party may directly or indirectly assign its rights or obligations under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed) in each instance, and any purported assignment made other than in accordance with this Clause 25.1 shall be null and void *ab initio*. Notwithstanding the foregoing, the following are permitted:

(a) collateral assignment by a Party to its Financing Parties, and further assignment by such Financing Parties following any foreclosure of their security interest in this Agreement, in which case neither such Party nor its Financing Parties shall have any liability with respect to the future performance of this Agreement;

(b) assignment by Purchaser pursuant to any contingent novation agreement or direct agreement with a Facility owner to which Seller and Purchaser are parties (such assignment, if to MGT Teesside Limited or its successor under such an agreement, a **Step-In**), in which case Purchaser shall be relieved from liability with respect to the future performance of this Agreement if and to the extent set forth in such contingent novation agreement or direct agreement; and

(c) assignment by a Party to an Affiliate of such Party; provided, however, that, in the case of any such assignment, the assigning Party shall (i) notify the other Party of the assignment (and identify the name of, and notice address information for, such Affiliate) and (ii) remain jointly and severally liable for the assigned obligations, unless (and except as hereinafter provided) the assignment is made to: (A) an Affiliate that is the successor to all or substantially all of the assets of such Party (including by operation of law), (B) in the case of an assignment by the Seller, a direct or indirect wholly-owned subsidiary of the Seller so long as the performance of all such subsidiary's obligations under this Agreement is guaranteed by the Seller, (C) in the case of the Purchaser, Enviva, LP or the successor to all or substantially all of the assets of Enviva, LP, or (D) any other Affiliate of the Purchaser or Seller, as applicable, if the performance of all such Affiliate's obligations under this

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Agreement is guaranteed by the assigning Party, in form and substance reasonably acceptable to the non-assigning Party.

Except as otherwise provided in this Clause 25.1, the assigning Party shall, from and after the effectiveness of any permitted assignment, have no liability with respect to the future performance of this Agreement.

26. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

27. DISPUTE RESOLUTION

27.1 Dispute Resolution

Subject to Clauses 27.3 and 27.4, other than any Technical Dispute, any dispute arising from this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity), shall be referred to and finally resolved by arbitration under the rules of the American Arbitration Association (the **Rules**), which Rules are deemed to be incorporated by reference into this Clause 27.1, except as expressly amended by this Clause 27.1. The tribunal shall consist of three (3) arbitrators, two (2) of whom shall be nominated by the respective Parties and the third of whom shall be jointly selected by the two arbitrators selected by the Parties. The seat of the arbitration and the venue of all hearings shall be New York, NY and the language of the arbitration shall be English. The arbitral tribunal shall have power to award on a provisional basis any relief that it would have power to grant on a final award. Without prejudice to the powers of an arbitrator provided by the Rules, by statute or otherwise, the arbitral tribunal shall have power at any time, on the basis of written evidence and the submissions of the Parties alone, to make an award in favor of the claimant (or the respondent if a counterclaim) in respect of any claims or counterclaims to which there is no reasonably arguable defense (either substantively or as to the amount of any damages or other sums to be awarded). The Parties hereby agree to exclude any rights to refer points of law or to appeal to the courts to the extent that they can validly waive these rights under Applicable Law, provided, that nothing in this Clause 27.1 shall be construed as preventing either Party from seeking conservatory or similar interim relief in any court of competent jurisdiction.

27.2 Technical Disputes

If the Parties are unable to resolve any Technical Dispute in the ordinary course of business, either Party may, by notice to the other Party, refer the Technical Dispute to a Technical Expert selected in accordance with the procedures set forth in Schedule 10.

27.3 Interaction with Disputes under the Re-Sell Agreements.

Where any dispute relates to the same matter or is otherwise related to, or has issues in common with, a dispute between the Purchaser and the counterparty under an agreement pursuant to which the Purchaser (a) re-sells Biomass to such counterparty for use in a Facility or (b) following a Step-In, purchases biomass from Enviva Wilmington Holdings, LLC (or its successor or assignee under such agreement) for use in a Facility, then in each case such dispute shall be referred to the dispute resolution procedures pursuant to the agreement between the Purchaser and such counterparty and the Parties shall stay any and all proceedings commenced pursuant to this Agreement. The Parties shall comply with and be bound by any decision or determination made under such agreement between the Purchaser and such counterparty to the extent that such decision or determination corresponds to the obligations of the Parties under this Agreement.

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27.4 Continuation of Obligations

During the pendency of any dispute, the Parties must continue to perform their respective obligations hereunder.

28. MISCELLANEOUS

28.1 Severability

If any of the provisions, or portions or applications thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the Purchaser and the Seller will negotiate an equitable adjustment to the provisions of this Agreement with a view toward effecting the purpose of this Agreement, and the validity and enforceability of the remaining provisions, or portions or applications thereof, will not be affected thereby.

28.2 Entire Agreement

This Agreement, including any schedules or exhibits and all amendments hereto, contains the complete agreement between the Parties with respect to the matters contained herein and supersedes all other agreements, whether written or oral, with respect to the matters contained herein. No modification, amendment, or other change will be binding on any Party unless consented to in writing by both Parties.

28.3 Waiver and Amendment

Failure by either Party to exercise any of its rights under this Agreement shall not constitute a waiver of such rights. Neither Party shall be deemed to have waived any right resulting from any failure to perform by the other unless it has made such waiver specifically in writing and signed by a duly authorized representative of each of the Purchaser and the Seller.

28.4 Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

28.5 Third Party Rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

SCHEDULE 1

SPECIFICATIONS

Part 1 — General Specification

1. Biomass shall be wood pellets.

2. Biomass shall be derived from 100% clean, virgin (untreated) softwood or hardwood, sawdust, wood chips or wood residues; free from any recovered, recycled or waste wood; with 100% of the energy content from non-fossil fuel sources, free from contamination and conforming to the Specification.

3. Biomass shall be fully suited for bulk sea transport, free of contamination and material amounts of Extraneous Material, and shall be free flowing and otherwise suitable for grab loading and discharge.

Part 2 — Industrial Category

Biomass shall comply with the parameters set out in the table below:

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Parameters	Units	Standard	Limit	Analysis Performed By
Origin and source	Only accepted	EN 14961-1	1.1 Forest, plantation and other virgin wood, 1.2.1 chemically untreated wood residues	declared by seller
		OFGEM	sustainability proven for UK	proven by seller
Additives (composition, mass)	weight% ar	EN 14961-1	Renewable additives, not in concentrations harmful to human health, < 3% with the written consent of Purchaser (not to be unreasonably withheld, conditioned or delayed).	declared by seller
Sampling		EN 14778		Insp
Sample preparation		EN 14780		Insp & lab
Quality check				Insp
No water damage (2)			None	Insp
No burned/charred pellets (3)			None	Insp

Parameters	Units	Standard	Limit	Tolerance	Analysis Performed By
Physical parameters					
Diameter	mm	EN16127	6 to 10	within range	Insp & lab
Length ≤50 mm	weight %	EN16127	99.90%	within range	Insp & lab
Length ≤40 mm	weight %	EN16127	99%	within range	Insp & lab
Water content	weight% ar	EN 14774	≤ 10 %	0,5% absolute	Insp & lab
Bulk (apparent) density	kg/m3	EN 15103	≥ 600	2% of limit	Insp & lab
Maximum bulk temperature (5)	°C	Annex F	≤ 60	1°C	Insp
Fines ≤ 3.15 mm (round hole sieves)	weight% ar	EN15210- 1	≤ 5 %	1% absolute	Insp
Durability	weight% ar	EN 15210-1	97,0%-99%	0,5% absolute	Lab
Particle Size					
% < 3.15 mm (round hole sieve)	weight %	EN 16126	>97%	1% absolute	Lab
% < 2.0 mm (square hole sieve)	weight %	EN 16126	>90%	2% absolute	Lab
% < 1.0 mm (square hole sieve)	weight %	EN 16126	>50%	5% absolute	Lab
Net calorific value at constant pressure	GJ/ton ar	EN 14918	≥ 16,5	0,3 GJ/ton	Lab
Ash content	weight% DM	EN 14775	≤ 2,0%	10% of limit	Lab
Elementary composition					
Cl	weight% DM	EN 15289	≤ 0,05 %	0,01%	Lab

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				absolute	
N	weight% DM	EN 15104	≤ 0,3 %	10% of limit	Lab
S	weight% DM	EN 15289	≤ 0,2 %	20% of limit	Lab
Trace elements					
As	mg/kg DM	EN 15297	≤ 2	0,064 absolute	Lab
Cd	mg/kg DM	EN 15297	≤ 1	0,06 absolute	Lab
Cr	mg/kg DM	EN 15297	≤ 15	0,032 absolute	Lab
Cu	mg/kg DM	EN 15297	≤ 20	0,043 absolute	Lab
Pb	mg/kg DM	EN 15297	≤ 20	0,033 absolute	Lab
Hg	mg/kg DM	EN 15297	≤ 0,1	0,0046 absolute	Lab
Zn	mg/kg DM	EN 15297	≤ 200	5,43 absolute	Lab
Na + K	mg/kg DM	SFS-EN ISO 11885:1998 (6)	< 2500	20 absolute	Lab

(1) Performed by: Lab: analyses will be performed by the independent laboratory; - Insp: test will be performed by the inspection company; -Insp & lab: means a field test will be performed by the inspection company, the final value will be analyzed by the laboratory

(2) Water damage: Pellets that are visually wet and/or swollen.

(3) Burned/charred pellets: Pellets showing visual damage from fire or self-combustion (completely or partly charred, burned or turned to ash).

(4) Type and quantity to be stated

(5) Bulk maximal temperatures to be checked when the pellets leave the final point of loading for delivery to the end-user i.e. leaving the final storage point or the factory. This is the maximum temperature measured at any spot.

(6). Acetic acid soluble Na and K are determined by leaching a weighed fuel sample in acetic acid solution at pH 3.0 and measuring the Na and K solution with flame-AAS

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SCHEDULE 2

ANNUAL BASE QUANTITIES

The Annual Base Quantities and, as applicable from and after a Step-In, VP Quantities, for each Delivery Year are as set out below.

Delivery Year	Start Date	End Date	Fixed Price Quantity (Priced in accordance with Part A of Schedule 6 or 6B, as applicable) (In Tonnes)	VP Quantity (In Tonnes)	Annual Base Quantity (In Tonnes)
1.	01/10/2019	31/12/2019	40,000	10,000	50,000
2.	01/01/2020	31/12/2020	153,600	38,400	192,000
3.	01/01/2021	31/12/2021	300,000	75,000	375,000
4.	01/01/2022	31/12/2022	300,000	75,000	375,000
5.	01/01/2023	31/12/2023	300,000	75,000	375,000
6.	01/01/2024	31/12/2024	300,000	75,000	375,000
7.	01/01/2025	31/12/2025	300,000	75,000	375,000
8.	01/01/2026	31/12/2026	300,000	75,000	375,000
9.	01/01/2027	31/12/2027	300,000	75,000	375,000
10.	01/01/2028	31/12/2028	300,000	75,000	375,000
11.	01/01/2029	31/12/2029	300,000	75,000	375,000
12.	01/01/2030	31/12/2030	300,000	75,000	375,000
13.	01/01/2031	31/12/2031	300,000	75,000	375,000
14.	01/01/2032	31/12/2032	300,000	75,000	375,000
15.	01/01/2033	31/12/2033	300,000	75,000	375,000
16.	01/01/2034	31/12/2034	300,000	75,000	375,000

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SCHEDULE 3

AGREED WEIGHING PROCEDURE

1. The weight of each shipment shall initially be determined at the Loading Port at the Seller's expense by means of a draught survey of the Vessel, conducted by an Independent Marine Surveyor appointed by Seller with the approval of Purchaser (such approval shall not be unreasonably withheld or delayed).

2. The Seller shall procure that the Independent Marine Surveyor shall issue to Purchaser and Seller a certificate certifying the weight of the Shipment (the **Weight Certificate**), which shall be final and binding on the Parties, except in the case of fraud or manifest error or in the circumstances set out in paragraphs 6 or 7 below.

3. At its own expense, the Purchaser may nominate its own Independent Marine Surveyor to supervise the weight determination. This Independent Marine Surveyor shall have access to the facilities and all relevant information in order to perform the assignment. Objections to procedures will be communicated without delay between the Independent Marine Surveyor(s) and their principals.

4. The Purchaser may, at its own expense, instruct its own Independent Marine Surveyor (to be approved by the Seller, such approval not to be unreasonably withheld or delayed), to certify the weight at the Discharging Port by a draught survey of the Vessel.

5. In this case the Purchaser shall procure that the Independent Marine Surveyor shall issue to Purchaser and Seller a certificate certifying the weight of the Shipment (the **Discharging Port Weight Certificate**). At their own expense the Seller has the right to nominate their own Independent Marine Surveyor to supervise the discharge weight determination and shall have access to the facilities and all relevant information in order to perform their assignment. Objections to procedures will be communicated without delay between the Independent Marine Surveyors and their principals.

6. In the event that the difference between the draught survey figures on the Weight Certificate and Discharging Port Weight Certificate exceeds zero point five per. cent (0.5%) but is less than two per cent (2.0%), the mathematical average of the draught survey results shall be deemed to be the revised figure for the purpose of the Weight Certificate for the relevant Shipment, and this revised figure shall be conclusive for the purposes of this Agreement.

7. In the event that the difference between the draught survey figures on the Weight Certificate and Discharging Port Weight Certificate exceeds two per cent (2.0%), the parties shall further investigate the reason for the discrepancy and the erroneous result will be discounted.

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SCHEDULE 4

SAMPLING AND ANALYSIS PROCEDURE

General Provisions

1. Sampling shall be carried out at the Loading Port during loading of the Vessel and at the Discharging Port during the discharge of the Vessel.

2. The Parties shall procure that all sampling and preparation is

2.1 Carried out by one of the independent inspection companies referred to below; and

2.2 executed in accordance with the Sampling Standard, and that all sampling and preparation:

(a) achieves collection and preparation of samples which are representative of the entire Shipment; and

(b) is conducted using mechanical sampling systems wherever practicable.

3. Temperature measurements shall be taken at both the Loading Port and the Discharging Port and the results shall be included in the relevant Inspection Certificate. The temperature measurements shall be determined as follows:

3.1 The temperature measurement shall be performed during the whole loading or discharge operation. It shall be a combination of probe temperature measurements and a heat gun or an IR camera. The probe is used to measure the actual temperature while the heat gun/IR camera is used to identify deviation spots or areas in the material next to visual indications.

3.2 Before any operation is commenced the temperature is measured with the probe on several spots (if physically and safely possible). The results will be noted in the report, including the place, date and time. The heat gun/IR camera is used to find deviating area's with higher temperatures. These areas shall also be measured with the probe. Any visual suspected areas such as steam, smoke, wet spots or places with a lot of fines shall also be measured with the probe.

3.3 During transhipment operations, a heat gun shall be used to monitor the cargo stream, for example on the conveyor belt. The probe is used to measure temperature in samples, or any freshly exposed wood pellet materials, as well as suspected spots, identified visually or with the use of the heat gun/IR camera.

3.4 when using a probe thermometer, this device shall be inserted into the Biomass to a sufficient depth to allow for the temperature to be transferred to the device and register a reading. The reading produced shall be deemed completed when the temperature level specified on the device's indicator is no longer changing or begins to change in the opposite direction to that which it was previously moving towards.

4. The Parties shall instruct any Inspection Company engaged by them that if prior to, or during the loading or discharging of the Biomass, an Inspection Company observes Non- Conforming Biomass, the Inspection Company shall immediately inform all involved Parties of the findings.

5. Samples shall be packed and labelled in accordance with the Sampling Standard. All Samples shall be sealed by the Inspection Companies in such a way as to identify them uniquely and to prevent any

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access to the sample material without breaking or removing the seal. Seal numbers shall be noted on inspection, sampling and analysis certificates.

6. For each prepared sample, at least one sample shall be sent for analysis (as described below) and a minimum of 2 further samples shall be retained (for use as Umpire Samples, if required) and stored for a minimum of ninety (90) days under supervision of the applicable Inspection Company in accordance with the Sampling Standard.

7. All testing and analysis shall be conducted as soon as possible after sampling and all analysis certificates shall be issued no later than seven (7) Business Days after delivery of the samples to the laboratory and shall be distributed without delay to the Parties.

8. The Parties shall procure that any Inspection Certificate(s) procured under their direction shall be issued without delay and in any event no later than three (3) Business Days after completion of sample preparation.

Loading Port Sampling and Analysis

9. The Seller shall appoint at its own expense an Inspection Company, as approved by the Purchaser, to perform supervision during loading of the Vessel, to take samples of the Biomass, to issue an Inspection Certificate and to instruct a duly accredited laboratory (to be nominated by Seller and also at Seller's own expense) to test and analyse the samples (the **LP Independent Laboratory**).

10. The Seller shall procure that the **LP Independent Laboratory** shall test and analyse the samples, in respect of all quality parameters contained in the Specification and shall issue a report detailing the results (the **First Analysis Certificate**) as soon as reasonably practicable.

11. The Purchaser may appoint its own Inspection Company at the Loading Port, if applicable, at its own sole cost and expense to supervise the Seller's appointed Inspection Company while the Seller's appointed Inspection Company is performing the sampling, field tests and the preparation process and to perform their own (field) tests and measurements. The Purchaser's appointed Inspection Company will be allowed access to the facilities and required information to properly perform the tasks as described. If the Purchaser appoints its own Inspection Company at the Loading Port, all samples shall be sealed by both the Seller's and the Purchaser's appointed Inspection Companies.

12. Unless agreed upon otherwise, samples taken at the Loading Port shall be drawn as close as possible to the point of the delivery of the Biomass.

Discharging Port Sampling

13. Where applicable, Purchaser shall procure that an Inspection Company performs field tests and measurements and certifies (as at the Discharging Port), in accordance with the Specification, and produces a report (the **Quality Condition Report**) in respect of these quality Parameters to the Seller as soon as reasonably practicable.

14. The Purchaser shall appoint at its own expense an Inspection Company, as approved by the Seller, to perform supervision during discharge of the Vessel, to take samples of the Biomass, to issue an Inspection Certificate (including the Quality Condition Report and the Temperature Certificate) and to instruct a duly accredited laboratory (to be nominated by the Purchaser and also at the Purchaser's own expense) to test and analyse the samples (the **DP Independent Laboratory**).

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15. The Purchaser shall procure that the DP Independent Laboratory shall test and analyse the samples, in respect of all quality parameters contained in the Specification and shall issue a report detailing the results (the **Second Analysis Certificate**) as soon as reasonably practicable.

16. The Seller may appoint its own Inspection Company at the Discharging Port, if applicable, at its own sole cost and expense to supervise the Purchaser's appointed Inspection Company while the Purchaser's appointed Inspection Company is performing the sampling, field tests and the preparation process and to perform their own (field) tests and measurements. The Seller's appointed Inspection Company will be allowed access to the facilities and required information to properly perform the tasks as described. If the Seller appoints its own Inspection Company at the Discharging Port, all samples shall be sealed by both the Seller's and the Purchaser's appointed Inspection Companies.

17. Samples taken at the Discharging Port shall be drawn by the Purchaser's automatic sampling equipment (if available) and witnessed by, and to the satisfaction of, the independent Inspection Company. The Purchaser's sampling equipment shall be located within the Purchaser's fuel handling system, between the ship unloading equipment and the biomass storage buildings. If the automatic sampling system is unavailable, the Inspection Company shall draw samples manually prior to the first transfer point.

Discrepancies

18. The Parties shall agree on the final values and results to be used for the Analysis Certificate and, unless otherwise agreed, the preference shall be:

(a) the First Analysis Certificate(s);

(b) the Second Analysis Certificate(s); and

In the event of any disagreement between the Parties on whether to use the results of the First Analysis Certificate or the Second Analysis Certificate then the following procedures shall apply.

19. In relation to fines, durability and temperature, the First Analysis Certificate(s) shall be final and binding on the Parties, absent fraud or manifest error.

20. In relation to net calorific value, in the event that the difference between figures in the First Analysis Certificate and the Second Analysis Certificate

(a) is less than or equal to zero point five per. cent (0.5%), the First Analysis Certificate(s) shall be used;

(b) exceeds zero point five per. cent (0.5%) but is less than or equal to two per cent (2.0%), the mathematical average of these two results shall be used and this revised figure shall be conclusive for the purposes of this Agreement; or

(c) exceeds two per cent (2.0%), the parties shall appoint an Umpire Laboratory as contemplated below.

21. In relation to items other than fines, durability, temperature and net calorific value, if any item in either the First Analysis Certificate or the Second Analysis Certificate exceeds the limit (beyond any applicable tolerance) for the relevant parameter set out in the Specification, then the parties shall appoint a 3rd laboratory (an **Umpire Laboratory**) to determine whether the fuel meets the Specification or whether it should be classified as Non-Conforming Biomass.

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22. The Parties will instruct the Umpire Laboratory to analyse the samples proposed by the Parties on the disputed parameter(s) and to provide these results in an Umpire Analysis Certificate(s). If the Parties do not agree on the Umpire Samples to be used, 1 Umpire Sample from each of the Loading Port and Discharging Port sampling shall be analysed and for each parameter the average of the two results shall be used.

23. The decision of the Umpire Laboratory shall be conclusive. The costs of shipping and analysis by the Umpire Laboratory shall be borne equally by the Parties.

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SCHEDULE 5

PERFORMING VESSEL CRITERIA

Unless mutually agreed otherwise by the Parties in writing, the performing vessel criteria for Vessels to be nominated by the Seller under this Agreement are as follows:

1. Maximum 20 years of age on completion of the voyage.

2. Single deck, self trimming, bulk carrier with a maximum draft of 13.0 meters.

3. Fully P&I, ISM and ISPS covered in line with all IMO/local rules and regulations including CO2 fittings as required by the trade, with all certificates in place.

4. Fully P&I covered by first Class P&I Club being a member of the International Group of P&I Clubs as well as classed Lloyd's +100A1 or equivalent, as per Institute Classification Clause, and in every way fitted and suitable for the intended voyage and will be maintained in that condition throughout the duration of the voyage.

5. Fully insured for hull and machinery risks.

6. Have on board valid and sufficient calibration scales in order to perform proper draft survey.

7. Distance from the waterline to top of hatch coaming is not to exceed 15 meters.

8. Upon request from PD Teesport, Vessel shall provide a copy of the relevant Documents of Compliance (DOC), safety Management Certificate (SMC) and insurance documents to PD Teesport.

9. Vessel officers and crew shall be covered by an ITF Agreement or other bona fide trade agreement conforming to ITF Standards. A valid ITF Agreement and valid Blue Certificate shall be carried on board vessel and shall be available for inspection at all times.

10. Be in every respect suitable for grab discharge and CSU discharge using the Tenant's Topside Equipment.

11. The deck shall be free from fixed stanchions and any other obstructions. However, it is understood that collapsible stanchions are allowed. Cargo shall not be loaded into deep-tanks or other places not easily accessible by grab.

12. Must comply with requirements as laid down in the BLU Code.

13. All Vessels carrying cargo which is wood chip must be capable of and fitted with equipment for self discharge.

SCHEDULE 6

PRICE

1. Except as provided in Schedule 6B (*Price (From and After a Step-In)*), the price applicable to any volume of Biomass delivered under this Agreement shall be determined in accordance with Part B of this Schedule; provided, that the Purchaser may, by written notice to the Seller, elect for the price applicable to all, but not less than all, of the Annual Base Quantity (excluding, for the avoidance of doubt, any Option Quantity) delivered after the date of such notice to be determined in accordance with Part A of this Schedule. The Purchaser may only make such election one time during the Term, and any such notice shall be irrevocable.

2. All prices quoted in this Schedule 6 (*Price*) are for a Tonne of Biomass meeting the Specification and having an NCV equal to 17 GJ/MT.

Part A — Fixed Price

1. As at the Agreement Date, the **Base Price** for purposes of this Schedule 6 is USD 199.00 (one hundred ninety-nine US dollars).

2. On or before the date falling 5 Business Days after the Effective Date, the Seller shall send the Purchaser a notice in the form of Schedule 9 (*Form of Final Price Confirmation Notice*) (the **Final Price Confirmation Notice**) to notify the Purchaser of its calculation of the Contract Price in GBP£/Tonne. The **Contract Price** for purposes of this Schedule 6 shall be equal to the Base Price in USD/Tonne divided by the Reference Rate.

3. Within 5 Business Days of the Purchaser's receipt of the Final Price Confirmation Notice, it shall confirm its acceptance of the figure for the Contract Price proposed by the Seller by countersigning the Final Price Confirmation Notice and returning a copy to the Seller. Following any such countersignature, the Contract Price shall be final and binding for the purposes of this Agreement. If the Purchaser objects to the Final Price Confirmation Notice (which it may do solely on evidence of the Seller's miscalculation of such Contract Price) then it shall notify the Seller promptly upon receipt. Any objection or related dispute shall be resolved pursuant to Clause 27 (*Dispute Resolution*).

4. For the purposes of this Schedule 6:

   (a) The **Reference Rate** shall be equal to the arithmetic average of the Forward Rate on each of the 20 Business Days prior to (and including) the Business Day immediately preceding the Effective Date; and

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(b) **Forward Rate** means the GBP/USD rate for settlement in one year (1Y) published by Bloomberg at or around 9:00am (GMT) on screen GBPUSD Curncy, section 8) FRD Fx Forward Calculator (taking the average of the bid and offer prices).

5. Notwithstanding anything to the contrary herein, if the Purchaser has entered into an agreement to re-sell the Biomass to be delivered hereunder to a third party that owns a Facility that provides for a price conversion to GBP£/Tonne on substantially identical terms to those set forth in this Schedule 6, then the Parties shall use commercially reasonable efforts to conform the conversion method and timing in this Schedule 6 to that set forth in such other agreement.

6. The Fixed Price for purposes of this Schedule 6 for any calendar year shall be as follows:

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(a) in calendar year 2019 the Fixed Price shall be equal to the Contract Price;

(b) in calendar year 2020 the Fixed Price shall be equal to the Contract Price plus the Indexation Factor plus USD 0.40 (forty US cents); and

(c) for all other calendar years the Fixed Price shall be equal to the Fixed Price applicable to the immediately preceding calendar year, plus the Indexation Factor, plus USD 0.40 (forty US cents).

7. The **Indexation Factor** for purposes of this Schedule 6 shall be calculated in January of each year (beginning with January 1, 2020) and shall be equal to the following:

$$\textbf{Indexation Factor} = (NA*((FI*0.9)+((CPI_y/CPI_{y-12})*0.1)))-NA$$

where:

NA = a notional amount equal to the following USD amount for the applicable calendar year:

Notional Amount	Calendar Year
205.00	2020
205.00 + Calendar Year 2020 Indexation Factor	2021
Prior Calendar Year Notional Amount + Prior Calendar Year Indexation Factor	2022 and onward

FI = a fixed inflator of 1.0225 (one point zero two two five)

CPI_y = the All-items Consumer Price Index (CPI), rounded to one decimal place, as published by the Office for National Statistics (or any successor government department) in December immediately prior to the start of that year.

CPI_{y-12} = the All-items Consumer Price Index (CPI), rounded to one decimal place, as published by the Office for National Statistics (or any successor government department) in December one year prior to the start of that year.

If such index ceases to be available, then it shall be replaced by any future UK government index which shall replace such index and which provides a measure of the general increase in consumer prices.

Part B - Variable Price

1. The Variable Price for purposes of this Schedule 6 shall be equal to the USD Variable Price applicable to the relevant calendar year, converted into GBP at the FX Rate.

2. The **Starting USD Variable Price** for purposes of this Schedule 6 is (a) for any volume which forms part of the Annual Base Quantity, USD 199.00 (one hundred ninety-nine US dollars), or (b) for any volume which forms part of the Option Quantity, USD 203.00 (two hundred three US dollars).

3. The applicable **USD Variable Price** for purposes of this Schedule 6 for any calendar year shall be as follows:

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(a) through and including calendar year 2019 the USD Variable Price shall be equal to the Starting USD Variable Price;

(b) in calendar year 2020 the USD Variable Price shall be equal to the Starting USD Variable Price plus the Indexation Factor plus USD 0.40 (forty US cents); and

(c) for all other calendar years the USD Variable Price shall be equal to the USD Variable Price applicable to the immediately preceding calendar year, plus the Indexation Factor, plus USD 0.40 (forty US cents).

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SCHEDULE 6B

PRICE (FROM AND AFTER A STEP-IN)

1. Notwithstanding anything to the contrary in Schedule 6 (*Price*) or elsewhere in this Agreement, the price applicable to any volume of Biomass delivered under this Agreement from and after a Step-In shall be determined exclusively in accordance with this Schedule 6B.

2. The price applicable to any volume of Biomass delivered under this Agreement from and after a Step-In shall be determined in accordance with this Schedule and shall be as follows:

   (a) for any volume which forms part of the Annual Base Quantity for any Delivery Year, excluding the VP Quantity for that Delivery Year, the Fixed Price which shall be determined in accordance with Part A below; and

   (b) for the VP Quantity for any Delivery Year, the Variable Price which shall be determined in accordance with Part B below.

3. All prices quoted in this Schedule 6B are for a Tonne of Biomass meeting the Specification and having an NCV equal to 17 GJ/MT.

Part A — Fixed Price

1. As at the Agreement Date, the **Base Price** for purposes of this Schedule 6B is USD 205.00 (two hundred and five US dollars).

2. The **Contract Price** for purposes of this Schedule 6B shall be equal to the Base Price in USD/Tonne divided by the Reference Rate as determined pursuant to Schedule 6.

3. The Fixed Price for purposes of this Schedule 6B for any calendar year shall be as follows:

   (a) in calendar year 2019 the Fixed Price shall be equal to the Contract Price;

   (b) in calendar year 2020 the Fixed Price shall be equal to the Contract Price multiplied by the Indexation Factor; and

   (c) for all other calendar years the Fixed Price shall be equal to the Fixed Price applicable to the immediately preceding calendar year, multiplied by the Indexation Factor.

4. The **Indexation Factor** for purposes of this Schedule 6B shall be calculated in January of each year (beginning with January 1, 2020) and shall be equal to the following:

$$\textbf{Indexation Factor} = (FI*0.9)+((CPI_y/CPI_{y-12})*0.1)$$

where:

FI = a fixed inflator of 1.0225 (one point zero two two five)

CPI_y = the All-items Consumer Price Index (CPI), rounded to one decimal place, as published by the Office for National Statistics (or any successor government department) in December immediately prior to the start of that year.

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CPI_{y-12} = the All-items Consumer Price Index (CPI), rounded to one decimal place, as published by the Office for National Statistics (or any successor government department) in December one year prior to the start of that year.

If such index ceases to be available, then it shall be replaced by any future UK government index which shall replace such index and which provides a measure of the general increase in consumer prices.

5. For the avoidance of doubt, the Fixed Price shall be calculated each year regardless of whether a Step-In has occurred, such that the Fixed Price applicable upon a Step-In shall reflect prior years' adjustments in accordance with clauses 3 and 4 of this Part A.

Part B - Variable Price

1. The Variable Price for purposes of this Schedule 6B shall be equal to the USD Variable Price applicable to the relevant calendar year, converted into GBP at the FX Rate.

2. The **Starting USD Variable Price** for purposes of this Schedule 6B is USD 194.00 (one hundred and ninety-four US dollars) for the VP Quantity for each Delivery Year.

3. The applicable **USD Variable Price** for purposes of this Schedule 6B for any calendar year shall be as follows:

   (a) through and including calendar year 2019 the USD Variable Price shall be equal to the Starting USD Variable Price;

   (b) in calendar year 2020 the USD Variable Price shall be equal to the Starting USD Variable Price multiplied by the Indexation Factor; and

   (c) for all other calendar years the USD Variable Price shall be equal to the USD Variable Price applicable to the immediately preceding calendar year, multiplied by the Indexation Factor.

4. For the avoidance of doubt, the Variable Price shall be calculated each year for all values of the Starting USD Variable Price, such that the Variable Price applicable to VP Quantities upon a Step-In shall reflect prior years' adjustments in accordance with clause 3 of this Part B.

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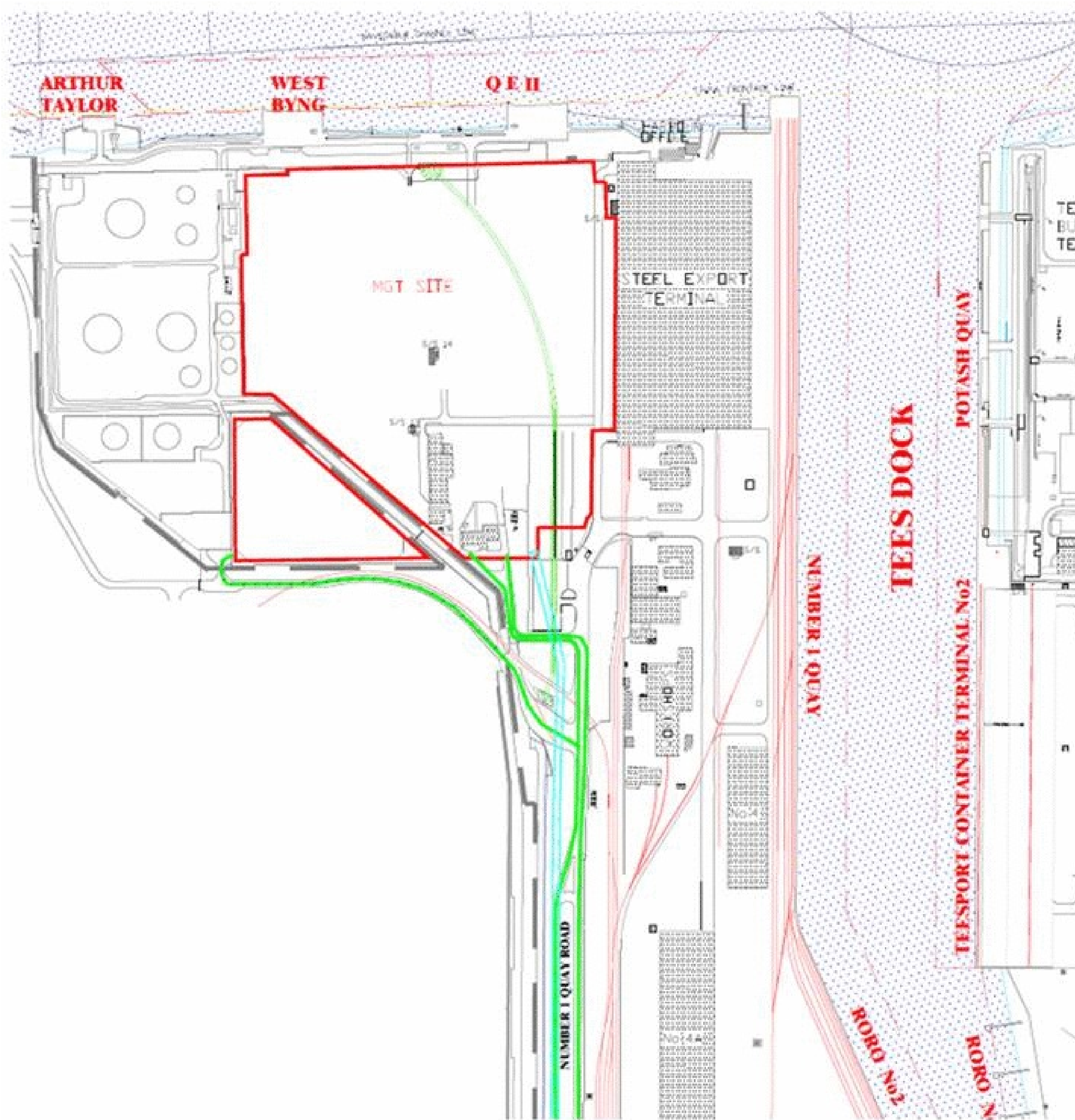
SCHEDULE 7

LOCATION OF DELIVERY POINT



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SCHEDULE 8

SUSTAINABILITY REQUIREMENTS

PART A — DEFINITIONS

1. For the purposes of this Agreement:

Calculation Methodology means the methodology described in paragraphs 2 and 3 of this Part A (*Definitions*) of Schedule 8 (*Sustainability Requirements*).

Calculation Period means each twelve month period ending on 31 March (or such other date as the Parties may agree, acting reasonably) within which any GHG Emissions or any Embedded GHG Emissions are calculated.

Calculation Protocols means, for the purposes of calculating the level of GHG Emissions in any Consignment, the following methodologies (and in the event of any inconsistency between them, the approach which results in the highest level of GHG Emissions shall apply):

(a) the *UK Solid and Gaseous Biomass Carbon Calculator* published by the UK government (Available as at the Agreement Date at https://www.ofgem.gov.uk/publications-and-updates/uk-solid-and-gaseous-biomass-carbon-calculator), as in effect on the Agreement Date;

(b) the document entitled *Biomass Carbon Calculator, Renewables Obligation: User manual for the Solid and Gaseous Biomass Carbon Calculator, Version 2.0*, published by the Department for Energy and Climate Change in January 2015;

(c) the document entitled *Renewables Obligation: Sustainability Criteria*, published by OFGEM on 01 June 2014;

(d) the document entitled *Renewables Obligation: Sustainability Audit — Guidance for Operators and Auditors* published by OFGEM on 01 June 2014;

(e) for any calculations of land carbon stocks, the European Commission Decision 2010/335/EU; and

(f) any other calculation methodology to which the Parties may mutually agree;

in each case as such document, calculation methodology or decision may, subject to Clause 16 (*Change in Law and Sustainability Requirements*), be updated from time to time.

Consignment Compliance Certificate means a certificate that includes the information and meets the criteria set out in Part D *(Consignment Compliance Certificate*) of this Schedule 8 (*Sustainability Requirements*).

Consignment means a quantity of Biomass which:

(a) was produced from the same Feedstock Type;

(b) is in the same type of solid Form;

(c) emanates from the same country of origin; and

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(d) contains Biomass of no more than one Fuel Classification.

Embedded GHG Emissions means, in relation to any Consignment of Biomass, the level of GHG Emissions embedded in that Consignment of Biomass at the Delivery Point (measured in gCO_{2eq}/MJ_{fuel}), calculated in accordance with the Calculation Methodology and the Calculation Protocols.

Feedstock Type means, in relation to any Biomass, the material from which that Biomass was created, being one (but not more than one) of the following types: (i) wood, (ii) olive cake, (iii) olive husks or (iv) palm kernel expeller.

Form means, in relation to any Biomass, the physical form of that Biomass, being one (but not more than one) of the following forms: (i) round wood, (ii) round logs, (iii) shavings, (iv) wood chips, (v) wood offcuts, (vi) wood pellets, (vii) sawdust, (viii) wood bark, (ix) stumps/roots and (x) inhomogeneous form.

FSC Standard means the Forest Stewardship Council Standard for Chain of Custody Certification (FSC-STD-40-004 V2-1 E; October 1, 2011) as may, subject to Clause 16 (*Change in Law and Sustainability Requirements*), be updated from time to time.

Fuel Classification means the classification of fuel as waste, co-products, products, or a type of residue (where each type of residue has its own Fuel Classification).

GHG Criterion means the criterion described in paragraph 1 of Part B *(Sustainability Criteria*) of this Schedule 8 (*Sustainability Requirements*).

GHG Emissions means the quantity of Greenhouse Gases released to the atmosphere, measured in gCO_{2eq}, as having the equivalent global warming potential as one gram of CO_2 and calculated based on the following equivalences:

(a) 1 gCO_2 is equivalent to 1 gCO_{2eq}

(b) 1 gN_2O is equivalent to 296 gCO_{2eq}

(c) 1 gCH_4 is equivalent to 23 gCO_{2eq}.

GHG Threshold means, if the relevant Consignment is delivered to the Purchaser:

(a) prior to 01 April 2020, 22.8 gCO_{2eq}/MJ_{fuel}

(b) within the period from 01 April 2020 to 31 March 2025 (inclusive), 19.0 gCO_{2eq}/MJ_{fuel}

(c) on or after 01 April 2025 17.1 gCO_{2eq}/MJ_{fuel}.

Greenhouse Gases (or **GHG**) means carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) for the purpose of this Agreement.

Land Criteria means the two criteria listed in paragraph 2 of Part B *(Sustainability Criteria*) of this Schedule 8 (*Sustainability Requirements*).

Legally Harvested means, in relation to any material from which Biomass has been prepared, that the original timber constituting that material was legally harvested for the purposes of Article 2 of EU Timber Regulation No. 995/2010.

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MJ_{fuel} means Biomass delivered at the Delivery Point with a net calorific value equal to one MegaJoule.

PEFC Standard means the Programme for the Endorsement of Forest Certification Chain of Custody of Forest Based Products Requirements (PEFC ST 2003:2013; May 23, 2013) as may, subject to Clause 16 (*Change in Law and Sustainability Requirements*), be updated from time to time.

Pellet Plant means, in relation to any Biomass delivered under this Agreement, the facility where biomass raw material was processed and converted into the Form in which it has been sold and delivered to the Delivery Point.

PPS Audit Report means an audit report that includes the data and information set out in Part E *(PPS Audit Report*) of this Schedule 8 (*Sustainability Requirements*).

Source means, in relation to any Biomass delivered under this Agreement, the geographical area where the raw material from which the Biomass was created was originally grown.

Sustainable Source means a Source of timber that is considered sustainable for the purposes of the Timber Standard because it:

(a) is from forests certified under the FSC Standard or the PEFC Standard ("Category A" evidence); or

(b) satisfies the bespoke evidence requirements as described in the *Risk Based Regional Assessment: A Checklist Approach* ("Category B" evidence) published by DECC on 22 December 2014 (as may, subject to Clause 16 (*Change in Law and Sustainability Requirements*), be updated from time to time); or

(c) satisfies any other standard or criteria to which the Parties may mutually agree.

Sustainability Information means all information submitted by the Seller under or in accordance with this Schedule 8 (*Sustainability Requirements*).

Timber Standard means the *Timber Standard for Heat & Electricity: Woodfuel used under the Renewable Heat Incentive and Renewables Obligation* published by DECC on 10 February 2014 as may, subject to Clause 16 (*Change in Law and Sustainability Requirements*), be updated from time to time.

2. Subject to paragraph 3, the Calculation Methodology to calculate the Embedded GHG Emissions for any Consignment is as follows. The Embedded GHG Emissions shall be equal to *eec* + *el* + *ep* + *etd*, where:

2.1 *eec* is emissions from the extraction or cultivation of raw materials for the production of the Biomass:

(a) including emissions from:

(i) the extraction or cultivation process itself;

(ii) the collection of raw materials;

(iii) waste and leakages; and

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(iv) the production of chemicals or products used in extraction or cultivation; but

(b) excluding:

(i) the capture of CO_2 in the cultivation of raw materials; and

(ii) certified reductions of greenhouse gas emissions from flaring at oil production sites anywhere in the world;

2.2 *el* is emissions from carbon stock changes caused by land-use change relating to the production of the Biomass calculated in accordance with the following formula:

el = (CSR — CSA) x 3664 x l |20 x l| P, where

(a) CSR is the carbon stock per unit area associated with the reference land use (measured as mass of carbon per unit area, including both soil and vegetation). The reference land use shall be the land use in January 2008 or twenty (20) years before the raw material was obtained, whichever is the later; and

(b) CSA is the carbon stock per unit area associated with the actual land use (measured as mass of carbon per unit area, including both soil and vegetation). In cases where the carbon stock accumulates over more than one (1) year, the value attributed to CSA shall be the estimated stock per unit area after twenty (20) years or when the crop reaches maturity, whichever is the earlier; and

(c) P is the productivity of the crop (measured as Solid and Gaseous Biomass energy per unit area per year);

2.3 *ep* is emissions from processing the Biomass, including emissions from:

(a) the processing itself;

(b) waste and leakages; and

(c) the production of chemicals or products used in processing; and

2.4 *etd* is emissions from transport and distribution up to the Delivery Point relating to the production of the Biomass including emissions from:

(a) the transport and storage of raw and semi-finished materials; and

(b) the storage and distribution of finished materials, but excluding those emissions included under *eec*.

3. For the avoidance of doubt, a Shipment may contain Biomass of more than one Fuel Classification and the Fuel Classification for each Consignment shall be determined using a mass balance system. Where a Shipment contains Biomass of more than one Fuel Classification or where a Consignment includes Biomass from more than one Source, the Embedded GHG Emissions shall be calculated using a mass balance system which:

(a) provides for the sustainability profiles of the Consignments of Biomass added to a mixture to be attributed to the Consignments withdrawn from that mixture; and

(b) requires the sustainability profile attributed to the sum of all the Consignments withdrawn from a mixture to be the same, and in the same quantities, as the sustainability profile of the sum of all the Consignments added to that mixture.

For the purposes of interpreting the principle in paragraphs (a) and (b) above, "sustainability profile" shall refer to information identifying the material of which the Biomass is composed and the proportion of the Biomass that meets the GHG Criterion and the Land Criteria.

Where a Shipment contains Biomass of more than one Fuel Classification, the sustainability profile of each Consignment included in the Shipment may be determined based on the annual average sustainability profile of the Supplier's total supply chain.

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PART B — SUSTAINABILITY CRITERIA

1. The Seller shall ensure that each Consignment of Biomass supplied under this Agreement has Embedded GHG Emissions lower than the GHG Threshold (the **GHG Criterion**).

2. The Seller shall ensure that all material included in any Biomass delivered under this Agreement:

   2.1 has been Legally Harvested; and

   2.2 has been harvested from a Sustainable Source;

   and for the purposes of this Agreement, these two criteria are referred to together as the **Land Criteria**.

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PART C — SUSTAINABILITY DOCUMENTATION

1. Reports and information

The Seller shall provide to the Purchaser:

1.1 with each Shipment of Biomass, a Consignment Compliance Certificate for each Consignment included in that Shipment; and

1.2 within 45 days following the last day of each Calculation Period, for each Pellet Plant from which the Seller has procured Biomass during that Calculation Period, a PPS Audit Report.

2. **Quality**

2.1 The Seller shall ensure that all information provided to the Purchaser in accordance with this Schedule 8 (*Sustainability Requirements*) is true, complete, accurate in all material respects and not materially misleading.

2.2 The Seller shall procure that each PPS Audit Report submitted under this Agreement is audited by a qualified independent certification body satisfactory to the Purchaser (acting reasonably) to determine the suitability of the systems, processes and procedures for obtaining, determining, and recording any Sustainability Information.

2.3 The Seller will procure that each PPS Audit Report is prepared in accordance with the requirements of limited assurance prescribed in a standard acceptable to and specified by the Purchaser (acting reasonably).

3. Right to audit

3.1 The Seller shall, no more than once every three (3) months and on no less than thirty (30) days' advance notice, during regular business hours and so as not to disrupt the Sellers' (or its sub-suppliers') operations, grant (and shall procure, to the extent practicable, that its sub-suppliers shall grant) to the Purchaser (and its nominees) a full right of access to audit all information supplied under or in connection with this Schedule 8 (*Sustainability Requirements*) and shall:

(a) co-operate promptly and fully with any auditor; and

(b) promptly on request by the Purchaser provide all information requested by the Purchaser relating to compliance with the GHG Criterion or the Land Criteria as may be reasonably available to the Seller, subject to confidentiality requirements.

3.2 The Seller shall use reasonable endeavours to co-operate with any request described in paragraph 3.1 and shall use all reasonable endeavours to procure that its suppliers co-operate with the Purchaser or any independent auditor nominated by the Purchaser in any further audit required by the Purchaser.

4. Costs

4.1 The Seller shall bear all costs associated with producing the PPS Audit Report.

4.2 The Purchaser shall bear all costs associated with producing any audit report other than the PPS Audit Report.

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5. Further information requests

5.1 The Purchaser may ask for further sustainability information in addition to any information already provided by the Seller pursuant to this Schedule, in which case the Seller shall use reasonable endeavours to comply with any reasonable request, providing the information requested within 10 Business Days to the extent it is able to do so.

5.2 Subject to Clause 16, the Purchaser may from time to time modify the information required in the Consignment Compliance Certificate and the PPS Audit Report.

5.3 The Seller shall keep records of information used to demonstrate sustainability for at least five (5) years.

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PART D — CONSIGNMENT COMPLIANCE CERTIFICATE

Each Consignment Compliance Certificate shall include:

1. a statement setting out the Embedded GHG Emissions for that Consignment, calculated for the applicable Calculation Period in accordance with the Calculation Methodology and the Calculation Protocols;

2. a written confirmation by an authorized officer of the Seller that the Consignment meets the Land Criteria; and

3. the Key Input Data and the Supporting Data for that Consignment (each as set out more fully below, and as calculated for the applicable Calculation Period).

The Key Input Data for any Consignment are as follows:

No.	Item	Units
1.	Embedded GHG Emissions	gCO_{2eq}/MJ_{fuel}
1.1	Emissions from extraction and cultivation of raw materials (eec)	gCO_{2eq}/MJ_{fuel}
1.2	Emissions from Land Use Change (el)	gCO_{2eq}/MJ_{fuel}
1.3	Emissions from Processing (ep)	gCO_{2eq}/MJ_{fuel}
1.4	Emissions from Transport and Distribution (etd)	gCO_{2eq}/MJ_{fuel}
2.	Fuel profiling information	
2.1	% Feedstock type in Consignment	
2.2	Form	
2.3	Fuel Classification	
2.4	Pellet Plant	Name, address
2.5	Source (specifically the name of the forest where the original timber was grown)	Location
2.6	Mass	Tonnes
2.7	Where some or all of the Biomass was certified under one (1) or more Environmental Quality Assurance Schemes: (i) the name(s) of such scheme(s); and (ii) the proportion of each Consignment certified under each such scheme.	
2.8	A description of the forestry management practices or land management practices used where the wood was grown;	
2.9	The proportion of such Biomass which is derived from hardwood and softwood respectively; (hardwood means wood derived from a broadleaf tree and softwood means wood derived from a coniferous tree);	
2.10	The proportion of Biomass derived from a protected or threatened species, and which species it is;	
2.11	The proportion of Biomass that was composed of or derived from Saw Logs.	

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The Supporting Data in relation to any Consignment is as follows:

No.	Item	Unit
1.	**Emissions from extraction and cultivation of raw materials (*eec*)**	gCO_{2eq}/MJ(fuel)
1.1.	Feedstock stock wood type	
1.2.	Lower heating value of raw material	MJ/ton
1.3.	Moisture content at collection	%
1.4.	Module efficiency	T(output)/t(input)
1.5.	Type of fuel used for harvesting	
1.6.	Harvesting or chipping emissions factor	gCO_{2eq}/MJ
1.7.	Emissions from Chipping (if applicable, include in *eec*)	gCO_{2eq}/MJ(fuel)
1.7.1.	Emissions from electricity use in drying	g CO_{2eq}/MJ
1.7.2.	Plant yield	T(output)/t(input)
1.7.3.	Moisture content at output	%
1.7.4.	Amount of electricity used	MJ(electricity)/t(output)
1.7.5.	Type of primary fuel used for process (e.g. natural gas or grid electricity)	
1.7.6.	Electricity emissions factor	gCO_{2eq}/MJ(electricity)
2.	**Emissions from Land Use Change (el)**	**gCO_{2eq}/MJ(electricity)**
2.1.	Crop yield	T(feedstock)/ha
2.2.	Any change in land use or land carbon stock? If yes, provide previous and current land use and previous and current land management practice.	
2.3.	Climate region	
2.4.	Soil type	
3.	**Emissions from Processing (*ep*)**	
3.1.	**Emissions from Drying (*ep*)**	gCO_{2eq}/MJ(fuel)
3.1.1.	Module efficiency	T(output)/t(input)
3.1.2.	Moisture content after drying	%
3.1.3.	Amount of electricity used	MJ(electricity)/t(output)
3.1.4.	Electricity emissions factor	gCO_{2eq}/MJ(electricity)
3.1.5.	Type of primary fuel used for process (e.g. natural gas or grid electricity)	
3.2.	**Emissions from Pellet Production (*ep*)**	gCO_{2eq} /MJ(fuel)
3.2.1.	Emissions from electricity use in drying	g CO_{2eq} /MJ
3.2.2.	Plant yield	T(output)/t(input)
3.2.3.	Moisture content at output	%
3.2.4.	Amount of electricity used	MJ(electricity)/t(output)
3.2.5.	Type of primary fuel used for process (e.g. natural gas or grid electricity)	
3.2.6.	Electricity emissions factor	gCO_{2eq} /MJ(electricity)

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No.	Item	Unit
4.	**Emissions from transport from transport and distribution (*etd*)**	gCO_{2eq}/MJ(fuel)
4.1.	**Emissions from transport of raw material to Pellet Plant (*etd*)**	gCO_{2eq}/MJ(fuel)
4.1.1.	Transport mode	
4.1.2.	Distance	
4.1.3.	Density of wood transported	t/m^3
4.1.4.	Energy intensity of transport	MJ(fuel)/(t-km)
4.1.5.	Module efficiency	T(output)/t(input)
4.1.6.	Type of fuel used for transport mode	
4.1.7.	Emissions factor of transport fuel	gCO_{2eq} /MJ
4.2.	**Emissions from transport of pellets to Teesside (*etd*)**	gCO_{2eq} /MJ
4.2.1.	Country of origin	
4.2.2.	Distance	km
4.2.3.	Transport mode	
4.2.4.	Density of pellets transported	t/m^3
4.2.5.	Energy intensity of transport	MJ(fuel)/(t-km)
4.2.6.	Module efficiency	T(output)/t(input)
4.2.7.	Type of fuel used for transport mode	
5.	**Emissions from co-products**	gCO_{2eq}/MJ
6.	**Emissions from binders**	gCO_{2eq}/MJ

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PART E — PPS AUDIT REPORT

1. Each PPS Audit Report shall contain such data as the Purchaser may reasonably require in order to verify the contents and accuracy of each Consignment Compliance Certificate submitted under or in accordance with this Agreement.

2. Each PPS Audit Report shall contain the information below on controls and systems:

   (a) a detailed narrative of whether the systems used to produce the Sustainability Information, in particular the information included in the Consignment Compliance Certificates, are likely to produce reasonably accurate and reliable information;

   (b) a detailed narrative of the controls in place to help protect the Sustainability Information against material misstatements due to fraud or error;

   (c) a detailed narrative of the frequency and methodology of any sampling carried out for the purpose of obtaining or checking the data provided;

   (d) a detailed narrative as to the robustness of the data on which the Seller relied in preparing the Sustainability Information; and

   (e) whether anything has come to the attention of the person preparing the report to indicate that the relevant sustainability information is not accurate.

SCHEDULE 9

FORM OF FINAL PRICE CONFIRMATION NOTICE

From: ENVIVA PARTNERS, LP

To: ENVIVA WILMINGTON HOLDINGS, LLC

Dated: [ ]

Dear Sirs

Biomass Supply Agreement dated [ ] (the "Agreement")
Final Price Confirmation Notice

1. We refer to the Agreement. This is a Final Price Confirmation Notice. Terms defined in the Agreement have the same meaning in this Final Price Confirmation Notice unless given a different meaning in this Final Price Confirmation Notice and terms defined in both Schedule 6 and Schedule 6B of the Agreement have the meanings set forth in Schedule 6 of the Agreement.

2. This Final Price Confirmation Notice expires on: [ ] (3 Business Days from the date of this Final Price Confirmation Notice)

3. The proposed Contract Price is [ ] GBP/Tonne

4. This proposed Contract Price was calculated by dividing the Base Price in USD/Tonne by the below Reference Rate:

	Date	Forward Rate
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
	Reference Rate (arithmetic average):	

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5. Please confirm the Purchaser's acceptance of the Seller's proposed Contract Price by countersigning below and returning a copy to us.

6. Following the Purchaser's countersignature in accordance with paragraph 5 above, the Contract Price shall be final and binding for the purposes of the Agreement.

7. This Final Price Confirmation Notice is irrevocable.

Yours faithfully

ENVIVA PARTNERS, LP,

By: Enviva Partners GP, LLC,
as its sole general partner

By: ________________________________
Name:
Title:

Countersigned by:

ENVIVA WILMINGTON HOLDINGS, LLC,

By: Enviva Development Holdings, LLC,
as its managing member

By: ________________________________
Name:
Title:

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SCHEDULE 10

TECHNICAL DISPUTE RESOLUTION PROCEDURES

1. Commencement and Selection of Technical Expert

(a) As used herein, "***Technical Expert***" means any individual selected in accordance with the procedure specified in this Schedule 10 and who (i) has professional qualifications and practical experience in the subject matter of the Technical Dispute, (ii) has no interest, financial or otherwise, or duty which conflicts or may conflict with his or her functions as a Technical Expert (such individual being required to fully disclose any such interest or duty prior to his or her appointment) and (iii) is not currently and has not been (x) during the five years prior to the date of appointment, an employee of any of the Parties or any of their Affiliates and (y) during the three years prior to the date of appointment, a contractor or consultant of either of the Parties or any of their Affiliates, unless otherwise mutually agreed by the Parties.

(b) Within ten Business Days following receipt of a Party's notice referring a Technical Dispute for resolution in accordance with the provisions of this Schedule 10, the representatives of each of the Parties will confer in an effort to agree upon a Technical Expert to hear the Technical Dispute. If the Parties are unable to agree upon the appointment of a Technical Expert, then at the end of such ten Business Day period each Party will, within five Business Days, notify the other Party in writing of its designation of three proposed Technical Experts. Each Party will promptly strike two of the proposed Technical Experts designated by the other Party. The remaining two proposed Technical Experts will, within two Business Days, select one of them to hear the Technical Dispute, provided that if one of the Parties still objects to the Technical Dispute being heard by such selected Technical Expert, then, within two Business Days, such two proposed Technical Experts will select a third Technical Expert (who may be one of the Technical Experts designated by the Parties or another Technical Expert) and such third Technical Expert will hear the Technical Dispute.

2. Submission to Technical Expert

Each Party will be required to put forth and endorse one proposal as its proposed resolution to the Technical Dispute, based on an agreed statement of the nature of the Technical Dispute and agreed facts surrounding such Technical Dispute. Each Party's proposal will be delivered to the Technical Expert and the other parties to such Technical Dispute no later than 45 days after the date of the notice of the Party submitting the Technical Dispute to the Technical Expert. The Technical Expert will be required to select one of the proposals and will not be able to select any other proposal, except to the extent mutually agreed by the parties to such Technical Dispute.

3. Decision of the Technical Expert

(a) The Technical Expert will render a decision resolving the matter within 60 days of the date of the notice of the Party submitting such matter for resolution by the Technical Expert. The Technical Expert will not award to either Party any relief greater than that initially sought by such Party. The decision of the Technical Expert will be final and binding upon the Parties and not subject to appeal or review, whether through arbitration or otherwise, absent manifest injustice. The Parties will share equally all costs and expenses of the Technical Expert procedure and the Technical Expert will not have the authority to award costs or attorneys' fees to either Party.

(b) The Technical Expert will act as an expert and not as an arbitrator and no provisions of any arbitration rules will apply to the Technical Expert or his or her determination or the procedure by which he or she reaches his or her determination

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SIGNATORIES

IN WITNESS WHEREOF, the Parties have executed this Agreement and agreed to be bound hereby as of the Agreement Date.

ENVIVA WILMINGTON HOLDINGS, LLC,

By: Enviva Development Holdings, LLC,
as its managing member

By /s/ William H. Schmidt, Jr.
Name: William H. Schmidt, Jr.
Title: President, General Counsel and Secretary

ENVIVA PARTNERS, LP,

By: Enviva Partners GP, LLC,
as its sole general partner

By /s/ Stephen F. Reeves
Name: Stephen F. Reeves
Title: Executive Vice President and Chief Financial Officer

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EXHIBIT 23.1

Certification of Independent Registered Public Accounting Firm

The Board of Directors and Unitholders
Enviva Partners, LP:

We consent to the incorporation by reference in the registration statement (No. 333-203756) on Form S-8 of Enviva Partners, LP and subsidiaries of our report dated March 8, 2016, with respect to the consolidated balance sheets of Enviva Partners, LP and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, partners' capital, and cash flows for each of the years in the three-year period ended December 31, 2015, and all related financial statement schedules, which report appears in the December 31, 2015 annual report on Form 10-K of Enviva Partners, LP and subsidiaries.

(signed) KPMG LLP

McLean, Virginia
March 8, 2016

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EXHIBIT 23.1

Certification of Independent Registered Public Accounting Firm

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EXHIBIT 31.1

Certification of Principal Executive Officer
Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a)

I, John K. Keppler, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2015 of Enviva Partners, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2016

/s/ JOHN K. KEPPLER

John K. Keppler
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

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[EXHIBIT 31.1](#)

[Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a)](#)

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EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a)

I, Stephen F. Reeves, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2015 of Enviva Partners, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2016

/s/ STEPHEN F. REEVES

Stephen F. Reeves
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a)

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EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Enviva Partners, LP (the "Partnership") for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John K. Keppler, Chairman, President and Chief Executive Officer of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ JOHN K. KEPPLER

John K. Keppler
Chairman, President and Chief Executive Officer
(Principal Executive Officer)
Date: March 8, 2016

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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Enviva Partners, LP (the "Partnership") for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen F. Reeves, Executive Vice President and Chief Financial Officer of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ STEPHEN F. REEVES

Stephen F. Reeves
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
Date: March 8, 2016

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