



SAMPLE K-1  
1000 UNITS  
7200 WISCONSIN AVENUE  
SUITE 1000  
BETHESDA, MD 20814

**\*SAMPLE\*:** K-1 Tax Package Sample is for informational purposes only. The values are based on hypothetical units purchased in December 2015 and allocations for the full 12 month tax year ended December 31, 2016. The sample is based on tax year 2016 information and is not representative of future results and should not be considered as tax advice.

Dear Unitholder,

Enclosed is the 2016 tax reporting package related to your investment in Enviva Partners, LP (NYSE: EVA). This package has been prepared to assist you in complying with the income tax filing requirements resulting from your investment. The enclosed schedules provide the information you will need to report the Partnership income allocated to you on your federal and state income tax returns.

Your 2016 tax package includes the following:

- Schedule K-1 (Form 1065)
- 2016 State Schedule
- 2016 Schedule K-1 Supplemental Information
- 2016 Ownership Schedule
- 2016 Sales Schedule (if applicable)
- Partner's instructions for Schedule K-1 (Form 1065)

Please review the information on your Ownership and Sales schedules carefully for completeness and accuracy. The information on these schedules is the basis for determining your Schedule K-1 taxable income and any erroneous information may result in the information being reported to you and the Internal Revenue Service (IRS) to be incorrect. Please contact us by May 16, 2017 as explained on the Ownership Schedule to correct any errors.

The enclosed Partner's instructions is provided for your general guidance, and are not intended to be, nor should they be construed as, the basis of tax advice. The tax information discussed in this package and reflected on the schedules provided to you is based on existing federal and state laws as interpreted by the General Partner. Before undertaking any tax filing, we suggest that you refer to the appropriate federal and state income tax laws or consult with your tax advisor.

Your tax information is also available electronically through our website at [www.envivapartners.com](http://www.envivapartners.com), where it can be transferred to IRS forms or imported into Turbo Tax software.

If you have any questions regarding this tax package, please contact Tax Package Support at (855) 839-4124, Monday through Friday, 8AM to 5PM, Central Time.

We appreciate your investment.

Sincerely yours,

Enviva Partners, LP

**IMPORTANT NOTICE:** The information in the enclosed tax package is provided by the Partnership to assist you in preparing your personal tax return. The information reflects the application of various assumptions and conventions, as disclosed by the Partnership to you in various SEC filings and other offering documents. It is anticipated that the Partnership may provide disclosure of certain of these assumptions and conventions in the preparation of its Partnership return as warranted to the Internal Revenue Service and/or other taxing authorities. We suggest that you refer to the appropriate federal and state income tax laws, instructions, and SEC filings and other offering documents, and that you consult your tax advisor with any questions. You should discuss with your tax advisor whether the treatment of any items in the enclosed tax package may subject you and/or your tax advisor to a penalty by a taxing authority and the need to adequately disclose any items in order to avoid such penalty.

**Schedule K-1  
(Form 1065)**

**2016**

Department of the Treasury  
Internal Revenue Service

For calendar year 2016, or tax  
year beginning \_\_\_\_\_, 2016  
ending \_\_\_\_\_, 20\_\_\_\_

Final K-1  Amended K-1

**Partner's Share of Income, Deductions, Credits, etc.**  
▶ See back of form and separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
46-4097730

**B** Partnership's name, address, city, state, and ZIP code  
ENVIVA PARTNERS, LP  
7200 WISCONSIN AVENUE  
SUITE 1000  
BETHESDA, MD 20814

**C** IRS Center where partnership filed return  
e-file

**D**  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number

**F** Partner's name, address, city, state, and ZIP code  
SAMPLE K-1  
1000 UNITS  
7200 WISCONSIN AVENUE  
SUITE 1000  
BETHESDA, MD 20814

**G**  General partner or LLC member-manager  Limited partner or other LLC member

**H**  Domestic partner  Foreign partner

**I1** What type of entity is this partner? Individual

**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.004040 %	0.003811 %
Loss	0.004040 %	0.003811 %
Capital	0.004040 %	0.003811 %

**K** Partner's share of liabilities at year end:

Nonrecourse . . . . . \$ \_\_\_\_\_

Qualified nonrecourse financing . . . \$ \_\_\_\_\_

Recourse . . . . . \$ \_\_\_\_\_

**L** Partner's capital account analysis:

Beginning capital account . . . . .	\$	16,870
Capital contributed during the year . . . . .	\$	0
Current year increase (decrease) . . . . .	\$	-1,591
Withdrawals & distributions . . . . .	\$ (	2,025)
Ending capital account . . . . .	\$	13,254

Tax basis  GAAP  Section 704(b) book  
 Other (explain)

**M** Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss)	<b>15</b>	Credits
	-1,548		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)	<b>16</b>	Foreign transactions
<b>4</b>	Guaranteed payments		
<b>5</b>	Interest income	<b>3</b>	
<b>6a</b>	Ordinary dividends		
<b>6b</b>	Qualified dividends		
<b>7</b>	Royalties		
<b>8</b>	Net short-term capital gain (loss)		
<b>9a</b>	Net long-term capital gain (loss)	<b>17</b>	Alternative minimum tax (AMT) items
		<b>A</b>	78
<b>9b</b>	Collectibles (28%) gain (loss)	<b>B</b>	0
<b>9c</b>	Unrecaptured section 1250 gain		
<b>10</b>	Net section 1231 gain (loss)	<b>18</b>	Tax-exempt income and nondeductible expenses
	-40	<b>C</b>	6
<b>11</b>	Other income (loss)		
<b>12</b>	Section 179 deduction	<b>19</b>	Distributions
		<b>A</b>	2,025
<b>13</b>	Other deductions	<b>20</b>	Other information
<b>T*</b>	STMT	<b>A</b>	3
<b>14</b>	Self-employment earnings (loss)	<b>V</b>	-1,548
		<b>Z*</b>	18,428

\*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
<b>1. Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
Passive loss		
Passive income		
Nonpassive loss		
Nonpassive income		
<b>2. Net rental real estate income (loss)</b>		
<b>3. Other net rental income (loss)</b>		
Net income		
Net loss		
<b>4. Guaranteed payments</b>		
<b>5. Interest income</b>		
<b>6a. Ordinary dividends</b>		
<b>6b. Qualified dividends</b>		
<b>7. Royalties</b>		
<b>8. Net short-term capital gain (loss)</b>		
<b>9a. Net long-term capital gain (loss)</b>		
<b>9b. Collectibles (28%) gain (loss)</b>		
<b>9c. Unrecaptured section 1250 gain</b>		
<b>10. Net section 1231 gain (loss)</b>		
<b>11. Other income (loss)</b>		
Code		
<b>A</b> Other portfolio income (loss)	See the Partner's Instructions	
<b>B</b> Involuntary conversions	See the Partner's Instructions	
<b>C</b> Sec. 1256 contracts & straddles	Form 6781, line 1	
<b>D</b> Mining exploration costs recapture	See Pub. 535	
<b>E</b> Cancellation of debt	Form 1040, line 21 or Form 982	
<b>F</b> Other income (loss)	See the Partner's Instructions	
<b>12. Section 179 deduction</b>	See the Partner's Instructions	
<b>13. Other deductions</b>		
<b>A</b> Cash contributions (50%)	See the Partner's Instructions	
<b>B</b> Cash contributions (30%)		
<b>C</b> Noncash contributions (50%)		
<b>D</b> Noncash contributions (30%)		
<b>E</b> Capital gain property to a 50% organization (30%)		
<b>F</b> Capital gain property (20%)		
<b>G</b> Contributions (100%)		
<b>H</b> Investment interest expense	Form 4952, line 1	
<b>I</b> Deductions—royalty income	Schedule E, line 19	
<b>J</b> Section 59(e)(2) expenditures	See the Partner's Instructions	
<b>K</b> Deductions—portfolio (2% floor)	Schedule A, line 23	
<b>L</b> Deductions—portfolio (other)	Schedule A, line 28	
<b>M</b> Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	
<b>N</b> Educational assistance benefits	See the Partner's Instructions	
<b>O</b> Dependent care benefits	Form 2441, line 12	
<b>P</b> Preproductive period expenses	See the Partner's Instructions	
<b>Q</b> Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	
<b>R</b> Pensions and IRAs	See the Partner's Instructions	
<b>S</b> Reforestation expense deduction	See the Partner's Instructions	
<b>T</b> Domestic production activities information	See Form 8903 instructions	
<b>U</b> Qualified production activities income	Form 8903, line 7b	
<b>V</b> Employer's Form W-2 wages	Form 8903, line 17	
<b>W</b> Other deductions	See the Partner's Instructions	
<b>14. Self-employment earnings (loss)</b>		
<b>Note:</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
<b>A</b> Net earnings (loss) from self-employment	Schedule SE, Section A or B	
<b>B</b> Gross farming or fishing income	See the Partner's Instructions	
<b>C</b> Gross non-farm income	See the Partner's Instructions	
<b>15. Credits</b>		
<b>A</b> Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	
<b>B</b> Low-income housing credit (other) from pre-2008 buildings		
<b>C</b> Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
<b>D</b> Low-income housing credit (other) from post-2007 buildings		
<b>E</b> Qualified rehabilitation expenditures (rental real estate)		
<b>F</b> Other rental real estate credits		
<b>G</b> Other rental credits		
<b>H</b> Undistributed capital gains credit		Form 1040, line 73; check box a
<b>I</b> Biofuel producer credit		
<b>J</b> Work opportunity credit		
<b>K</b> Disabled access credit	See the Partner's Instructions	
<b>Code</b>		
<b>L</b> Empowerment zone employment credit		See the Partner's Instructions
<b>M</b> Credit for increasing research activities		
<b>N</b> Credit for employer social security and Medicare taxes		
<b>O</b> Backup withholding		
<b>P</b> Other credits		
<b>16. Foreign transactions</b>		
<b>A</b> Name of country or U.S. possession		Form 1116, Part I
<b>B</b> Gross income from all sources		
<b>C</b> Gross income sourced at partner level		
<i>Foreign gross income sourced at partnership level</i>		
<b>D</b> Passive category		Form 1116, Part I
<b>E</b> General category		
<b>F</b> Other		
<i>Deductions allocated and apportioned at partner level</i>		
<b>G</b> Interest expense		Form 1116, Part I
<b>H</b> Other		Form 1116, Part I
<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
<b>I</b> Passive category		Form 1116, Part I
<b>J</b> General category		
<b>K</b> Other		
<i>Other information</i>		
<b>L</b> Total foreign taxes paid		Form 1116, Part II
<b>M</b> Total foreign taxes accrued		Form 1116, Part II
<b>N</b> Reduction in taxes available for credit		Form 1116, line 12
<b>O</b> Foreign trading gross receipts		Form 8873
<b>P</b> Extraterritorial income exclusion		Form 8873
<b>Q</b> Other foreign transactions		See the Partner's Instructions
<b>17. Alternative minimum tax (AMT) items</b>		
<b>A</b> Post-1986 depreciation adjustment		See the Partner's Instructions and the Instructions for Form 6251
<b>B</b> Adjusted gain or loss		
<b>C</b> Depletion (other than oil & gas)		
<b>D</b> Oil, gas, & geothermal—gross income		
<b>E</b> Oil, gas, & geothermal—deductions		
<b>F</b> Other AMT items		
<b>18. Tax-exempt income and nondeductible expenses</b>		
<b>A</b> Tax-exempt interest income		Form 1040, line 8b
<b>B</b> Other tax-exempt income		See the Partner's Instructions
<b>C</b> Nondeductible expenses		See the Partner's Instructions
<b>19. Distributions</b>		
<b>A</b> Cash and marketable securities		See the Partner's Instructions
<b>B</b> Distribution subject to section 737		
<b>C</b> Other property		
<b>20. Other information</b>		
<b>A</b> Investment income		Form 4952, line 4a
<b>B</b> Investment expenses		Form 4952, line 5
<b>C</b> Fuel tax credit information		Form 4136
<b>D</b> Qualified rehabilitation expenditures (other than rental real estate)		See the Partner's Instructions
<b>E</b> Basis of energy property		See the Partner's Instructions
<b>F</b> Recapture of low-income housing credit (section 42(j)(5))		Form 8611, line 8
<b>G</b> Recapture of low-income housing credit (other)		Form 8611, line 8
<b>H</b> Recapture of investment credit		See Form 4255
<b>I</b> Recapture of other credits		See the Partner's Instructions
<b>J</b> Look-back interest—completed long-term contracts		See Form 8697
<b>K</b> Look-back interest—income forecast method		See Form 8866
<b>L</b> Dispositions of property with section 179 deductions		See the Partner's Instructions
<b>M</b> Recapture of section 179 deduction		
<b>N</b> Interest expense for corporate partners		
<b>O</b> Section 453(l)(3) information		
<b>P</b> Section 453A(c) information		
<b>Q</b> Section 1260(b) information		
<b>R</b> Interest allocable to production expenditures		
<b>S</b> CCF nonqualified withdrawals		
<b>T</b> Depletion information—oil and gas		
<b>U</b> Reserved		
<b>V</b> Unrelated business taxable income		
<b>W</b> Precontribution gain (loss)		
<b>X</b> Section 108(l) information		
<b>Y</b> Net investment income		
<b>Z</b> Other information		



Partner Name: SAMPLE K-1  
 Account Number: 21527988  
 Partner Federal ID/Entity Individual  
 Custodian Federal ID:  
 Partnership Federal ID: 46-4097730

2016 OWNERSHIP SCHEDULE	TRANSACTION		BROKER OR CERTIFICATE NUMBER	UNITS
	DESCRIPTION	DATE		
<p>This schedule contains a summary of your unit ownership history from your original acquisition of Partnership units to December 31, 2016. This information came directly from the transfer agent's records if you are a registered holder.</p> <p>Ownership information for street name owners (who held units in a brokerage nominee account) was provided from your broker's or nominee's records, if the broker or nominee provided the information in accordance with Internal Revenue Code Section 6031(c). IRS regulations concerning partnerships require brokers and nominees to inform the Partnership directly of your unit activity so that the Partnership may automatically furnish you with tax information.</p> <p>If you held multiple lots of Partnership units, the ownership information has been accumulated for each lot having a common federal tax identification number and entity type, except for lots attributable to an individual retirement account (IRA), Keogh or similar type of account, which are reported on in a separate package. For IRA, Keogh, or Pension accounts, the federal tax identification number of the custodian is shown. You will receive a separate Individualized Income Tax Reporting Package for each lot with a different tax identification number. Dispositions of Partnership units have been treated as if they relate to the lots with the earliest acquisition date.</p> <p>If your records do not agree with the information reported on this Ownership Schedule, then the amounts reported on the following schedules may not be correct. To correct this, please make the necessary corrections directly onto this schedule, including any necessary explanations, sign where indicated, and mail before May 16, 2017 to:</p> <p>Enviva Partners, LP        Tax Package Support        P. O. Box 799060        Dallas, TX 75379-9060</p> <p>Also, you may call the Partnership's Tax Package Support at 1-855-839-4124 or go to our tax website at <a href="http://www.envivapartners.com">www.envivapartners.com</a>.</p> <p>The Partnership will be filing a Schedule K-1 with the IRS based upon the amounts reported in this tax reporting package. If you have notified the Partnership of any necessary corrections prior to May 16, 2017, the corrected information will be filed with the IRS. Any corrections made after this date may require you to file Form 8082 - Notice of Inconsistent Treatment or Administrative Adjustment request (AAR) with your return.</p> <p>You may find it necessary to extend your filing date for your personal tax return by filing Form 4868 - Application for Automatic Extension of Time to File U.S. Individual Income Tax Return by April 18, 2017.</p> <p>If the Ownership Schedule is the only schedule containing information (i.e. the Schedule K-1 and State Schedule is blank), then the ownership history the Partnership received from the transfer agent, brokerage firm or nominee, for your account is inaccurate or incomplete. Please contact the Partnership for instructions on how to proceed.</p>	AC BUY	12/31/2015	MAN	1,000.00000
	<b>END OF PERIOD UNITS</b>			
<p><b>This schedule is not proof of ownership. The information reported on this schedule, as corrected, accurately and completely presents my ownership history through December 31, 2016. By signing this schedule, I authorize the Partnership to make the corrections as indicated above to my Schedule K-1.</b></p> <p>Signed: _____</p> <p>Daytime Phone Number: _____</p>				
<p><b>Ownership Schedule Definitions</b></p> <p><i>Transaction Description</i> - This is the type of transaction for the group of shares involved. The "Description" column provides explanations for the abbreviations used in this column.</p> <p><i>Transaction Date</i> - This is the date on which the transaction occurred as reported to the Partnership by either the transfer agent (if you are a registered owner) or by your broker or nominee (if your units are in street name).</p> <p><i>Broker or Certificate Number</i> - This column will indicate "Broker" if the transaction was reported to the Partnership from a broker or nominee. This column will also report a certificate number for transactions registered with the Partnership's transfer agent.</p> <p><i>Units</i> - This is the number of units associated with each certificate or transaction.</p>				
<p><b>FEDERAL INCOME TAX FORMS AND REQUIRED STATEMENTS</b></p> <p>The schedules included in this Individualized Income Tax Reporting Package contain references to the appropriate federal forms to be used in preparing your 2016 Federal individual income tax return. You should obtain the following federal income tax forms before beginning the preparation of your return. You may find, however, that some of these forms may not be required for your particular situation.</p> <p>Form 1040 Schedule B - Interest and Ordinary Dividends        Form 1040 Schedule D - Capital Gains and Losses        Form 1040 Schedule E - Supplemental Income and Loss        Form 4797 Sales of Business Property        Form 4868 Application for Automatic Extension of Time To File U.S. Individual Income Tax Return        Form 4952 Investment Interest Expense Deduction        Form 6251 Alternative Minimum Tax - Individuals        Form 8082 Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)        Form 8949 Sales and Other Dispositions of Capital Assets</p>				



**PARTNER NAME:** SAMPLE K-1  
**ACCOUNT NUMBER:** 21527988  
**PARTNER FEDERAL ID/ENTITY:** Individual  
**CUSTODIAN FEDERAL ID:**  
**PARTNERSHIP FEDERAL ID:** 46-4097730

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**2016 STATE SCHEDULE**

This Schedule contains the income tax information you need to fill out your state income tax returns. These amounts are based on the information reflected on your Ownership Schedule. Each line in the State Information section represents your share of income tax items for certain states in which the Partnership had operations. Each state is identified by a two-letter code shown in the far left hand column of this section. Differences between the sum of amounts in the state information and amounts in the Schedule K-1 federal information are due to rounding and variations between federal and state income tax laws. You may be required to file state income tax returns in these states.

**Resident State Filing Guidelines**

Generally, the amounts reported on the Federal Schedule K-1 are needed to prepare your income tax return for the state in which you live. Due to frequent tax law changes by the states, you should consult your tax advisor concerning the proper tax treatment in your state of residence.

**Non-Resident State Filing Guidelines**

The Partnership operates in multiple states, certain of which impose an income tax on a partner's share of the Partnership income allocable to such states. You may be required to file a tax return with the states even though you are not a resident of these states. The State Schedule represents allocations of your share of the federal amounts to the states in which the Partnership operates. If you are required to file a non-resident return, you should enter your share of Partnership tax items attributable to the particular state on your state tax return.

S T A T E	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	ORDINARY INCOME OR LOSS(-)	TOTAL SECTION 1231 GAIN OR LOSS (-)	DIVIDEND INCOME	PORTFOLIO INTEREST INCOME	GROSS RECEIPTS	ALTERNATIVE MINIMUM TAX DEPRECIATION ADJUSTMENT	ALTERNATIVE MINIMUM TAX ADJUSTED GAIN OR LOSS
STATE INFORMATION (due to rounding and other Federal and State differences, totals may not agree to Federal totals)							
AL	0	0	0	0	0	0	0
FL	-104	-3	0	0	1,238	5	0
MD	-2	0	0	0	21	0	0
MS	-40	-1	0	0	476	2	0
NC	-168	-4	0	0	1,997	8	0
VA	-155	-4	0	0	1,848	8	0

**2016 K-1 SCHEDULE  
Supplemental Information**

13T1	Domestic production gross receipts (DPGR)	18,428
13T2	Gross receipts from all sources	18,428
13T3	Cost of goods sold allocable to DPGR	15,356
13T4	Cost of goods sold from all sources	15,356
13T5	Total deductions, expenses and losses directly allocable to DPGR	4,620
13T6	Total deductions, expenses and losses directly related to a non-DPGR class of income	0
13T7	Other deductions, expenses and losses not directly allocable to DPGR or another class of income	0
13T8	Form W-2 wages allocable to DPGR	0
20Z1	Gross Receipts	18,428



**ENVIVA PARTNERS, LP  
2016 INCOME TAX REPORTING PACKAGE  
INTRODUCTION**

**IMPORTANT: The amount of your taxable income will not correspond to the amount of cash distributed to you during the year.**

If you have questions about the information reported, please contact our Tax Package Support at 1-855-839-4124, Monday through Friday, 8 AM to 5 PM, Central Time.

Enviva Partners, LP is a publicly traded limited partnership. We are not subject to federal or state income tax. Instead, each partner is required to report an allocable share of our items of income, gain, loss, deduction or tax credit in the partner's individual income tax return. We have provided a Schedule K-1 and Graphic Guide (see reverse side) to assist you in reporting your allocable share of partnership items in your federal income tax return. If you have any questions regarding how this information should be reported in your return, please contact your tax advisor.

**IMPORTANT NOTICE**

The enclosed information is provided for your general guidance. The information is not intended to be, nor should it be construed as, the basis of tax advice. The tax information discussed in this booklet and reflected on the schedules provided to you is based on existing federal and state laws and regulations as interpreted by the General Partner. Before undertaking any tax filing, we suggest that you refer to the appropriate federal and state income tax laws or consult with your personal tax advisor.

**FREQUENTLY ASKED QUESTIONS AND ANSWERS**

Q. Why is the amount of cash I received different than the amount I must report on my individual income tax return?

A. The cash distributions you receive represent your share of our available cash. The amount you are required to include in your individual income tax return is your share of our income and related items, allocated based on the number of units you owned during 2016 and reported on your Schedule K-1. The difference between available cash and income is mainly caused by depreciation (a non-cash expense).

Q. Why do I receive a Schedule K-1 rather than a Form 1099?

A. Form 1099 is used to report interest and dividend income. Partnerships are required to separately report many different items of income, gain, loss, deduction and credit. Federal tax law requires these items to be reported on a Schedule K-1.

Q. Why don't I receive my Schedule K-1 by January 31, which is the date required for distribution of Form 1099?

A. The required distribution date for Schedule K-1s is different than for Form 1099s. Federal law requires partnerships to provide a Schedule K-1 to partners by April 16. However, we strive to provide Schedule K-1s as early as possible, typically during mid-March. We must obtain information regarding units bought or sold during the year from brokerage firms and our transfer agent to prepare the Schedule K-1s. Much of this information, in accordance with applicable law, is not provided to us until late January. A review of this information is performed and then processed with other K-1 information resulting in printing and mailing during mid-March.



Q. What is Unrelated Business Taxable Income (UBTI)?

A. UBTI is relevant for a tax-exempt organization (including IRAs, Keogh and other qualified retirement plans). It represents the distributive share of gross income and allowable deductions of a publicly traded partnership which is considered to be unrelated to the regular activities of the tax-exempt organization and therefore includable in taxable income. UBTI may be offset by a \$1,000 annual deduction. We expect virtually all of our income to be considered UBTI for these tax-exempt organizations.

Q. What federal tax return is used to report UBTI?

A. Tax-exempt organizations (including IRAs, Keogh and other qualified retirement plans) are required to file Form 990-T if they have gross income from an unrelated trade or business of \$1,000 or more. Gross income is gross revenue minus the cost of goods sold. See 2016 SCHEDULE K-1 SUPPLEMENTAL INFORMATION for your share of EVA's gross income.

Q. How is my tax basis affected by cash distributions, income and non-recourse debt?

A. The cash distributions you receive decrease the tax basis in your EVA units. At year end, your tax basis is also adjusted up or down by your share of our taxable income or (loss) and increased by non-recourse debt allocated to you on your Schedule K-1. Note that no adjustment needs to be made to the amounts reflected on the Sales Schedule with respect to EVA's nonrecourse debt.

Q. Does the Schedule K-1 show my tax basis in the units I own?

A. No. However, the Ending Capital Account under Item L in the Schedule K-1, when added to non-recourse debt allocated to you under Item K in the Schedule K-1, may provide an approximation of your ending tax basis for all units owned at December 31. The Ending Capital Account includes your original cost of units, as reported to us by your broker, and other adjustments affecting tax basis. However, brokers do not always report original cost to us, or the original cost reported may be incorrect. When brokers do not report original cost to us, the low closing price for the month in which you purchased units is assumed to be the cost. This assumption, or incorrect reporting by the broker, can cause the Ending Capital Account to be different than your actual tax basis at December 31.

Q. If I sell my EVA units, why is there ordinary income to report?

A. A sale of units is treated as if there were a sale of the partner's allocable share of each of our assets. Gain on the sale of assets for which depreciation deductions have been taken is treated as ordinary income rather than capital gain. The ordinary income on sale of units represents the gain resulting from depreciation deductions previously allocated to you.

Q. If I sell my units, how is my tax basis determined for computing gain or loss?

A. Your tax basis is the original amount paid for the partnership units. The basis is increased by the cumulative income and gains and is reduced by cash distributions, as well as cumulative amounts of loss, deduction and credits reported on Schedule K-1.

**IRC Section 751 Statement:** If you disposed of Enviva Partners, LP units during tax year 2016, you may be required to file an IRC Section 751 Statement with your personal income tax return.

#### **IRS Section 751 Statement**

The taxpayer has reported ordinary income upon disposition of units in Enviva Partners, L.P., as provided by the General Partner. The amount was determined in accordance with Internal Revenue Code Section 751 and the detailed information is available in the offices of the General Partner upon request.





Q. Am I required to file tax returns for the states in which EVA operates?

A. Certain states require unitholders to file tax returns in the states in which we operate. You should consult your tax advisor for additional guidance on this issue. In addition, state tax forms and instructions can be obtained via the internet at sites such as [www.taxesites.com](http://www.taxesites.com) or by contacting the appropriate state's department of revenue.

Q. Is the taxable income I earn from my investment in EVA subject to the 3.8% Net Investment Income Tax?

A. If you are an individual who is a citizen or resident of the United States and you do not materially participate in the activities of EVA, the items of income, gain, loss, and deduction reported on your Schedule K-1 as well as any gain or loss you recognize from the sale of EVA units may be subject to the Net Investment Income Tax. Certain trusts and estates may also be subject to the tax. The tax applies when a taxpayer's modified adjusted gross income exceeds certain threshold amounts. Please see your 2016 Supplemental Information and State Schedule, 2016 Sales Schedule, and the instructions to Form 8960 for additional information

#### **Important Notice**

The enclosed information is provided for your general guidance. The information is not intended to be, nor should it be construed as, the basis of tax advice. The tax information discussed in this document and reflected on the schedules provided to you is based on existing federal and state laws and regulations as interpreted by the General Partners. Before undertaking any tax filing, we suggest that you refer to the appropriate federal and state income tax laws or consult with your personal tax advisor.