

NATURAL RESOURCE PARTNERS LP  
Form DEF 14C  
December 27, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14C INFORMATION  
Information Statement Pursuant to Section 14(c)  
of the Securities Exchange Act of 1934  
Check the appropriate box:

- Preliminary Information Statement  
 Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))  
 Definitive Information Statement

NATURAL RESOURCE PARTNERS L.P.  
(Name of Registrant As Specified In Charter)

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NATURAL RESOURCE PARTNERS L.P.  
1201 Louisiana Street, Suite 3400  
Houston, Texas 77002

NOTICE OF ACTION BY WRITTEN CONSENT

We Are Not Asking You for a Proxy and  
You are Requested Not To Send Us a Proxy

To the Unitholders of Natural Resource Partners L.P.:

The purpose of this notice of action by written consent and information statement is to advise the unitholders of Natural Resource Partners L.P. of the approval, by written consent, of the Natural Resource Partners L.P. 2017 Long-Term Incentive Plan (the "LTIP"), which provides for awards of options to purchase common units, restricted common units, common unit appreciation rights, phantom common units, distribution equivalent rights and other common unit-based awards to employees, directors or consultants providing services to us and our general partner, NRP GP LP. This notice and information statement is being mailed to unitholders of record as of December 20, 2017. We are not asking you to approve the LTIP. The LTIP was unanimously approved by the board of directors of GP Natural Resource Partners LLC, the general partner of NRP GP LP, on December 14, 2017. Although approval of the LTIP by unitholders is also required by rules of The New York Stock Exchange, we are not soliciting your vote because unitholders holding the requisite percentage of votes necessary to approve the LTIP approved the LTIP by written consent in lieu of a special meeting of unitholders on December 20, 2017. This action by a written consent is sufficient to adopt the LTIP without the affirmative vote of any other unitholders. No other votes are necessary to adopt the LTIP. We are Not Asking You for a Proxy and You are Requested Not to Send Us a Proxy.

Notwithstanding the execution and delivery of the written consent described above, under applicable securities regulations, the LTIP may not become effective until at least 20 calendar days after the date this information statement is sent or given to our unitholders. Therefore, the earliest possible date on which the LTIP can become effective is January 16, 2018. A copy of the LTIP is attached to the accompanying information statement as Annex A. Under the rules of the Securities and Exchange Commission (the "SEC"), we are required to furnish you with certain information concerning the LTIP. This notice and the accompanying information statement shall constitute notice to you as required by the rules of the SEC and our Fifth Amended and Restated Agreement of Limited Partnership.

If you have any questions, please contact our Investor Relations Department at (713) 751-7555.

Sincerely,

/s/ Corbin J. Robertson, Jr.

Corbin J. Robertson, Jr.

Chairman of the Board and Chief Executive Officer

GP Natural Resource Partners LLC

This notice and the accompanying information statement are dated December 27, 2017 and are first being mailed to our unitholders on or about December 27, 2017.

NATURAL RESOURCE PARTNERS L.P.

1201 Louisiana Street, Suite 3400

Houston, Texas 77002

INFORMATION STATEMENT

We Are Not Asking You for a Proxy and

You are Requested Not To Send Us a Proxy

To the Unitholders of Natural Resource Partners L.P.:

This information statement is being furnished to the unitholders of record of Natural Resource Partners L.P. as of December 20, 2017, to provide information about the Natural Resource Partners L.P. 2017 Long-Term Incentive Plan (the "LTIP"), which provides for awards of options to purchase common units, restricted common units, common unit appreciation rights, phantom common units, distribution equivalent rights and other common unit-based awards to employees, directors or consultants providing services to us and our general partner, NRP GP LP.

We are not asking you to approve the LTIP. The LTIP was unanimously approved by the board of directors of GP Natural Resource Partners LLC, the general partner of NRP GP LP, on December 14, 2017. Although approval by unitholders of the LTIP is required by rules of The New York Stock Exchange, we are not soliciting your vote because unitholders holding the requisite percentage of votes necessary to approve the LTIP approved the LTIP by written consent in lieu of a special meeting of unitholders on December 20, 2017. This action by a written consent is sufficient to adopt the LTIP without the affirmative vote of any other unitholders. No other votes are necessary to adopt the LTIP. We are Not Asking You for a Proxy and You are Requested Not to Send Us a Proxy.

Notwithstanding the execution and delivery of the written consent described above, under applicable securities regulations, the LTIP may not become effective until at least 20 calendar days after the date this information statement is sent or given to our unitholders. Therefore, the earliest possible date on which the LTIP can become effective is January 16, 2018. A copy of the LTIP is attached to the accompanying information statement as Annex A. Please read this information statement carefully and in its entirety as it contains important information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the LTIP, passed upon the merits or fairness of the LTIP or determined if this information statement is accurate or complete. Any representation to the contrary is a criminal offense.

Sincerely,

/s/ Corbin J. Robertson, Jr.

Corbin J. Robertson, Jr.

Chairman of the Board and Chief Executive Officer

GP Natural Resource Partners LLC

This information statement is dated December 27, 2017 and is first being mailed to our unitholders on or about December 27, 2017.

#### ACTION BY THE BOARD OF DIRECTORS AND CONSENTING UNITHOLDERS

As used in this information statement, unless the context otherwise requires: “we,” “our,” “us” and the “Partnership” refer to Natural Resource Partners L.P. and, where the context requires, our subsidiaries. References to “NRP” refer to Natural Resource Partners L.P. only, and not to NRP (Operating) LLC or any of Natural Resource Partners L.P.’s subsidiaries. References to “OpCo” refer to NRP (Operating) LLC, a wholly owned subsidiary of NRP, and its subsidiaries.

On December 14, 2017, the board of directors (“Board”) of GP Natural Resource Partners LLC (“GP LLC”), the general partner of NRP GP LP (the “General Partner”), the general partner of Natural Resource Partners L.P., unanimously approved resolutions adopting the Natural Resource Partners L.P. 2017 Long-Term Incentive Plan (the “LTIP”), which provides for awards of options to purchase common units, common unit appreciation rights, restricted common units, phantom units, common units in lieu of cash compensation, unit distribution rights and performance awards (any of which may include DERs (as defined below)) to employees, directors or consultants providing services to us and our subsidiaries, subject to the requisite unitholder approval as required by the rules of the New York Stock Exchange (“NYSE”). Under Delaware law and under our Fifth Amended and Restated Agreement of Limited Partnership, dated as of March 2, 2017 (the “Partnership Agreement”), any action that may be taken at a meeting of unitholders may be taken without a meeting, without prior notice and without a vote, if approval in writing setting forth the action so taken is signed by the holders of outstanding limited partnership interests having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all limited partner interests entitled to vote thereon were present and voted.

On December 20, 2017 (the “consent date”), the action taken by the Board regarding the LTIP was approved by written consent of (i) Premium Resources LLC, a company controlled by Corbin J. Robertson, our Chairman and Chief Executive Officer (“Premium Resources”), (ii) certain entities controlled by funds affiliated with The Blackstone Group L.P. (collectively referred to as “Blackstone”), and (iii) the Partnership, which is entitled to exercise voting rights with respect to certain Class A Convertible Preferred Units (the “Preferred Units”) held by affiliates of GoldenTree Asset Management LP (“GoldenTree”) pursuant to the Partnership Agreement, to become effective 20 calendar days after the date this information statement is sent or given to our unitholders. The consenting entities described above are referred to herein as the “Consenting Unitholders.” As of the consent date, the Consenting Unitholders held, or held the voting rights with respect to, a majority of our outstanding common units and Preferred Units (on an as-converted basis). Consequently, no meeting of our common unitholders will be held to approve the LTIP. We are Not Asking You for a Proxy and You are Requested Not to Send Us a Proxy.

#### DISSENTERS’ RIGHTS OF APPRAISAL

Under Delaware law, unitholders are not entitled to dissenters’ rights of appraisal with respect to the above action.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of the consent date, there were a total of 12,232,006 common units and 258,845 Preferred Units (representing 16,948,662 common units on an as-converted basis) issued and outstanding. Holders of our common units and Preferred Units vote together as a single class. Holders of our common units are entitled to one vote per unit, and holders of our Preferred Units are entitled to vote their units on an “as-converted basis” at the then-applicable conversion rate.

The conversion rate used to determine the number of common units into which the Preferred Units would be convertible on the consent date was calculated pursuant to the Partnership Agreement by dividing the liquidation value

of the outstanding Preferred Units by the conversion price. The liquidation value of the Preferred Units as of the consent date was \$1,500 per Preferred Unit (or, in the case of outstanding Preferred Units that were paid in kind (“PIK Units”), \$1,000 per PIK Unit). The conversion price as of the consent date was 90% of the volume-weighted average trading price of our common units on the NYSE for the 30 trading days ended on the day immediately prior to the consent date, which was \$25.1639. All numbers of units or percentages of units referred to in this Information Statement as calculated on an “as-converted basis” are calculated assuming conversion of the Preferred Units in accordance with this paragraph.

As of the consent date:

4,128,599 common units (or 14.1% of the issued and outstanding common units and Preferred Units (on an as-converted basis)) were held by Premium Resources;

147,541 Preferred Units (representing 9,660,700 common units on an as-converted basis) (or 33.1% of the issued and outstanding common units and Preferred Units (on an as-converted basis)) were held by Blackstone; and the right to vote 67,184 Preferred Units (representing 4,399,076 common units on an as-converted basis) held by GoldenTree (or 15.1% of the issued and outstanding common units and Preferred Units (on an as-converted basis)) was held by the Partnership pursuant to the Partnership Agreement.

The Consenting Unitholders, as the holders of a majority of our outstanding common units and Preferred Units (on an as-converted basis), or the voting rights with respect thereto, have approved the LTIP as described above.

#### Preemptive Rights

Pursuant to our Partnership Agreement, our General Partner has the right, which it may assign to any of its affiliates, to purchase equity securities from us whenever, and on the same terms that, we issue equity securities to persons other than our General Partner and its affiliates, to the extent necessary for the General Partner and its affiliates to maintain a percentage ownership equal to that which existed immediately prior to the issuance of such equity securities. Our General Partner has waived its right with respect to any common units to be issued under the LTIP.

In addition, the holders of the Preferred Units have certain preemptive rights with respect to issuances of equity securities. However, these rights do not apply to securities issued pursuant to any plan, program or other compensatory agreement approved by the Board.

Except as described above, no person has any preemptive, preferential or other similar rights with respect to the issuance of our equity securities, including our common units.

#### Warrants to Purchase Common Units

We have also issued two tranches of warrants (the “Warrants”) to purchase common units (Warrants to purchase 1.75 million common units with a strike price of \$22.81 and Warrants to purchase 2.25 million common units with a strike price of \$34.00). Generally, the exercise prices of the Warrants would be adjusted downward to the extent any common units are issued at prices below the exercise price. However, such adjustments do not apply to securities issued pursuant to any plan, program or other compensatory agreement approved by the Board.

## Security Ownership of Certain Beneficial Owners and Management

The following tables set forth, as of December 1, 2017, the amount and percentage of our common units and Preferred Units, respectively, beneficially held by (1) each person known to us to beneficially own 5% or more of such classes of our units, (2) with respect to our common units only, each of our named executive officers and directors and (3) with respect to our common units only, all directors and executive officers as a group. Unless otherwise noted, each of the named persons and members of the group has sole voting and investment power with respect to the units shown.

Name of Beneficial Owner	Number of Common Units	Percentage of Common Units (1)	
Corbin J. Robertson, Jr. (2)	4,128,605	33.8	%
Premium Resources LLC (3)	4,128,599	33.8	%
Maple Rock Capital Partners, Inc. (4)	686,110	5.6	%
JPMorgan Chase & Co. (5)	611,769	5.0	%
Wyatt L. Hogan (6)	1,250	*	
Craig W. Nunez	—	—	
Kathryn S. Wilson	—	—	
Christopher J. Zolas	—	—	
Robert T. Blakely	2,250	*	
Russell D. Gordy (7)	7,000	*	
Robert B. Karn III	500	*	
Jasvinder S. Khaira	—	—	
S. Reed Morian	—	—	
Richard A. Navarre	1,000	*	
Corbin J. Robertson III (8)	172,790	1.4	%
Stephen P. Smith	355	*	
Leo A. Vecellio, Jr.	2,000	*	
Directors and Officers as a Group	4,318,700	35.3	%

(1) Percentages based upon 12,232,006 common units issued and outstanding as of December 1, 2017. Unless otherwise noted, beneficial ownership is less than 1%.

Mr. Robertson may be deemed to beneficially own the 4,128,599 common units owned by Premium Resources and (2) the 6 common units owned by QMP Inc. Mr. Robertson's address is 1415 Louisiana Street, Suite 2400, Houston, Texas 77002.

These common units may be deemed to be beneficially owned by Mr. Robertson. The address of Premium (3) Resources LLC is 1415 Louisiana Street, Suite 2400, Houston, Texas 77002. Premium Resources has sole voting power and sole dispositive power over all of the common units it owns.

According to a Form 13F filed with the Securities and Exchange Commission ("SEC") on November 14, 2017, (4) Maple Rock Capital Partners, Inc. holds sole voting power and sole dispositive power with respect to 686,110 common units in the Partnership. The business address of Maple Rock Capital Partners, Inc. is 45 St. Clair Avenue West, Suite 903, Toronto A6 M4V 1K9.

According to a Schedule 13G filed with the SEC on June 6, 2017, JPMorgan Chase & Co. holds sole voting power (5) and sole dispositive power with respect to 611,769 common units in the Partnership. The business address of JPMorgan Chase & Co. is 270 Park Ave, New York, New York 10017.

Mr. Hogan resigned as President and Chief Operating Officer of GP LLC effective August 8, 2017. Of these (6) common units, 50 common units are owned by the Anna Margaret Hogan 2002 Trust, 50 common units are owned by the Alice Elizabeth Hogan 2002 Trust and 50 common units are owned by the Ellen Catlett Hogan 2005 Trust. Mr. Hogan is a trustee of each of these trusts.

Mr. Gordy may be deemed to beneficially own 5,000 common units owned by Minion Trail, Ltd. and 2,000 (7) common units owned by Rock Creek Ranch 1, Ltd.

Mr. Robertson may be deemed to beneficially own 9,783 common units held CIII Capital Management, LLC, (8) 10,000 common units held by BHJ Investments, 5,046 common units held by The Corbin James Robertson III 2009 Family Trust and 39 common units held by his spouse, Brooke Robertson. The address for CIII Capital Management, LLC is 1415 Louisiana Street, Suite 2400, Houston, Texas 77002, the address for BHJ Investments is 1415 Louisiana Street, Suite 2400, Houston, Texas 77002 and the address for The Corbin James Robertson III 2009 Family Trust is 1415 Louisiana Street, Suite 2400, Houston, Texas 77002. 29,542 common units owned directly by Mr. Robertson are pledged as collateral for loans.

Name of Beneficial Owner	Number of Preferred Units (1)	Percentage of Preferred Units (2)
The Blackstone Group L.P.(3)	147,541	57.0 %
GoldenTree Asset Management, LP(4)	111,304	43.0 %

Holder of our Preferred Units are entitled to vote their units on an as-converted basis with the common units. Subject to the Partnership's redemption rights, the Preferred Units will be convertible into common units at the election of the holders (1) after the fifth anniversary and prior to the eighth anniversary of the issue date at a 7.5% discount to the volume weighted average trading price of the common units (the "VWAP") for the 30 trading days immediately prior to the notice of conversion if the 30-day VWAP immediately prior to such notice is greater than (1) \$51.00 (subject to a maximum of 33% of the Preferred Units per year) and (2) after the eighth anniversary of the issue date at a 10% discount to the VWAP for the 30 trading days immediately prior to the notice of conversion. To the extent the holders of the Preferred Units have not elected to convert their Preferred Units by the twelfth anniversary of the issue date, the Partnership will have the right to force conversion of the Preferred Units into Common Units at a 10% discount to the VWAP for the 30 trading days immediately prior to the notice of conversion.

(2) Percentages based upon 258,845 Preferred Units issued and outstanding as of December 1, 2017.

The Preferred Units are owned by funds managed by The Blackstone Group L.P., whose address is 345 Park Ave, (3) New York, NY 10154. Blackstone Group Management L.L.C. is the general partner of The Blackstone Group L.P., and is wholly owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman.

The Preferred Units are owned by funds managed by GoldenTree Asset Management, LP, whose address is 300 (4) Park Ave, New York, NY 10022. Steven A. Tananbaum serves as senior managing member of GoldenTree Asset Management LLC, the general partner of GoldenTree Asset Management, LP.



## COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

### Compensation Discussion and Analysis

#### Overview

As a publicly traded partnership, we have a unique employment and compensation structure that is different from that of a typical public corporation. We have no employees, other than at the VantaCore operations, our executive officers based in Houston, Texas are employed by Quintana Minerals Corporation and our executive officers based in Huntington, West Virginia are employed by Western Pocahontas Properties Limited Partnership, both of which are our affiliates. Although our executives' salaries and bonuses are paid directly by the private companies that employ them, we reimburse those companies based on the time allocated to the Partnership by each executive officer. Our reimbursement for the compensation of executive officers is governed by the Partnership Agreement. For purposes of this Compensation Discussion and Analysis, our "named executive officers" were:

Corbin J. Robertson, Jr. - Chairman and Chief Executive Officer  
Wyatt L. Hogan – President and Chief Operating Officer  
Craig W. Nunez – Chief Financial Officer and Treasurer  
Kathryn S. Wilson – Vice President, General Counsel and Secretary  
Christopher J. Zolas – Chief Accounting Officer

Effective as of August 8, 2017, Wyatt L. Hogan resigned from his position as President and Chief Operating Officer of GP LLC. Effective as of the same date, Craig W. Nunez, who previously served as Chief Financial Officer and Treasurer of GP LLC, became President and Chief Operating Officer of GP LLC and Christopher J. Zolas, who previously served as Chief Accounting Officer of GP LLC, became Chief Financial Officer and Treasurer of GP LLC.

#### Executive Officer Compensation Strategy and Philosophy

Under the Partnership Agreement, we are required to distribute all of our available cash each quarter. Historically, our primary business objective was to generate cash flows at levels that could sustain long-term quarterly cash distributions to our investors. However, given the difficult coal markets over the past few years, coupled with the limitations on our ability to access capital from additional sources, our current objective is to preserve long-term equity value for our unitholders by using our excess free cash flow to reduce our leverage. Our objective in determining the compensation of our executive officers is to retain qualified people to manage the business through a difficult market cycle. Although we historically have not tied our compensation to achievement of specific financial targets or fixed performance criteria, we have reevaluated that strategy in light of current market conditions. See "—Evaluation of 2016 Performance; Components of Compensation-Long-Term Incentive Compensation—2016 Cash Long-Term Incentive Plan" below.

The 2016 compensation for executive officers consisted of four primary components:

base salaries;  
annual cash incentive awards, including cash payments made by our General Partner based on the cash distributions it receives from the common units that it owns (which we refer to herein as "GP Bonus Awards");  
long-term equity and cash incentive compensation; and  
perquisites and other benefits.

In December 2015, our Compensation, Nominating and Governance Committee of the Board (the “CNG Committee”) reviewed the performance of the executive officers and the amount of time expected to be spent by each officer of the Partnership on Partnership business, and determined the salaries for each officer for 2016. All of our named executive officers, other than Corbin J. Robertson, Jr., our Chairman and Chief Executive Officer and Kathryn S. Wilson, our Vice President, General Counsel and Secretary, spent 100% of their time on Partnership matters during 2016, and the Partnership bears the cost of their time. Mr. Robertson has historically spent approximately 50% of his time on Partnership matters. Mr. Robertson does not receive a salary or an annual bonus in his capacity as Chief Executive Officer. Rather, Mr. Robertson has historically been compensated exclusively through long-term incentive awards and through GP Bonus Awards. Mr. Robertson also directly or indirectly owns in excess of 20% of the outstanding common units of the Partnership, and thus his interests are directly aligned with our unitholders. In 2016, Ms. Wilson spent approximately 94% of her time on Partnership matters and the rest of her time on private Robertson family-owned company matters, and her time has been allocated to the Partnership accordingly.

Historically, in February of each year, the CNG Committee has approved the year-end bonuses for the year just ended and long-term incentive awards for the executive officers. The CNG Committee considers the performance of the Partnership, the performance of the individuals and the outlook for the future in determining the amounts of the award. Because we are a partnership, tax and accounting conventions make it more costly for us to issue additional common units or options as incentive compensation. Consequently, we have no outstanding options or restricted units. Prior to 2016, we issued phantom units, coupled with tandem DERs, to our executive officers that are paid in cash based on the average closing price of our common units for the 20-day trading period prior to vesting. The phantom units and DERs typically vest four years from the date of grant. In past years, these awards have served to align the executive officers’ interests with those of our unitholders.

During 2015, given the sharp decline in the Partnership’s unit price, the Board recognized that the value of the executive officers’ phantom unit awards and the decreased GP Bonus Awards no longer provided long-term incentive or retention value to management. Accordingly, the Board authorized and directed the CNG Committee to begin a review of options for a new long-term incentive program for the Partnership’s management to be adopted in 2016. Upon the conclusion of this review, in February 2016, the CNG Committee elected not to award additional phantom units under the long-term incentive plan and instead adopted a new cash long-term incentive plan (“2016 Cash LTIP”) and recommended the new plan and forms of award agreements thereunder to the Board for approval. The Board approved the new plan and awards in February 2016 and approved awards to officers under the plan in March 2016. In March 2017, the Board determined that the conditions to the vesting of the performance awards had been met as a result of the completion of the 2017 recapitalization transactions described in our Annual Report on Form 10-K for the year ended December 31, 2016 (“2016 10-K”).

#### Role of Compensation Experts

Historically, the CNG Committee periodically has utilized consultants to get a basic sense of the market, but has considered the advice of the consultants as only one of many factors among the other items discussed in this compensation discussion and analysis.

During 2015, at the direction of the Board, the CNG Committee retained Meridian Compensation Partners (“Meridian”) to advise on a new long-term incentive strategy to be implemented in 2016 in order to incentivize and retain management in light of the significant decrease in phantom unit award value and GP Bonus Awards. See “—Evaluation of 2016 Performance; Components of Compensation-Long-Term Incentive Compensation—2016 Cash Long-Term Incentive Plan” below. In selecting Meridian as its compensation consultant, the CNG Committee assessed the independence of Meridian pursuant to SEC rules and considered, among other things, whether Meridian provides any other services to the Partnership, the policies of Meridian that are designed to prevent any conflict of interest

between Meridian, the CNG Committee and the Partnership, any personal or business relationship between Meridian and a member of the CNG Committee or one of the Partnership's executive officers and whether Meridian owned any of the Partnership's common units. In addition to the foregoing, the CNG Committee received documentation from Meridian addressing the firm's independence. Meridian was engaged directly by the CNG Committee, reported exclusively to the CNG Committee and does not provide any additional services to the Partnership. The CNG Committee concluded that Meridian is independent and did not have any conflicts of interest. While management did cooperate with Meridian in collecting data with respect to the Partnership's compensation programs, the CNG Committee determined that management had not attempted to influence Meridian's review or recommendations.

#### Role of Our Executive Officers in the Compensation Process

Mr. Hogan, our former President and Chief Operating Officer, provided Mr. Robertson with recommendations relating to executive officers other than himself in connection with the evaluation of the 2016 compensation programs. Mr. Robertson considered those recommendations and provided the CNG Committee with recommendations for all of the executive officers other than himself. Mr. Robertson relied on his personal experience in setting compensation over a number of years in determining the appropriate amounts for each employee, and considered each of the factors described elsewhere in this compensation discussion and analysis. Mr. Robertson and Mr. Hogan attended the CNG Committee meetings at which the Committee deliberated and approved the compensation, but were excused from the meetings when the CNG Committee discussed their compensation. Mr. Nunez and Ms. Wilson also participated in the meetings with Meridian and the CNG Committee with respect to the design and implementation of the 2016 Cash LTIP.

#### Evaluation of 2016 Performance; Components of Compensation

##### 2016 Performance

The Board considers Adjusted EBITDA, distributable cash flow and overall leverage to be the critical measures in evaluating the Partnership's performance. Despite the continued depressed coal and oil and gas markets in 2016, we recorded Adjusted EBITDA in 2016 of \$255.5 million, which was essentially flat compared to our Adjusted EBITDA in 2015, and distributable cash flow of \$271.4 million, which increased from \$176.6 million in 2015 primarily as a result of cash proceeds from asset sales in 2016.

Other factors considered by the CNG Committee in determining total management compensation for 2016 included: the sale of approximately \$181 million of assets during 2016, including \$116.1 million of oil and gas working interests and royalty interests that marked the Partnership's strategic exit from the non-operated oil and gas working interest business;

- the permanent reduction in the Partnership's debt of approximately \$248 million during 2016;
- the extension in 2016 of the maturity date under the revolving credit facility of OpCo to June 2018;
- the increase in the trading price of the Partnership's common units of over 300% during 2016;
- overall cost reductions; and
- additional revenue of \$40 million recognized in connection with lease amendments in the coal segment.

#### Base Salaries

With the exception of Mr. Robertson, who, as described above, does not receive a salary for his services as Chief Executive Officer, our executive officers are paid an annual base salary by Quintana Minerals Corporation (“Quintana”) or Western Pocahontas Properties Limited Partnership (“Western Pocahontas”) for services rendered to us by the executive officers during the fiscal year. We then reimburse Quintana and Western Pocahontas based on the time allocated by each executive officer to our business. The base salaries of our named executive officers are reviewed on an annual basis as well as at the time of a promotion or other material change in responsibilities. The CNG Committee reviews and approves the full salaries paid to each executive officer by Quintana and Western Pocahontas, based on both the actual time allocations to the Partnership in the prior year and the anticipated time allocations in the coming year. Adjustments in base salary are based on an evaluation of individual performance, the Partnership’s overall performance during the fiscal year and the individual’s contribution to our overall performance.

In determining salaries for the Partnership’s executive officers for 2016 at the December 2015 meeting, the CNG Committee considered the financial performance of the Partnership for the nine months ended September 30, 2015 as well as the projected financial performance of the Partnership for the fourth quarter of 2015 and for the year ending December 31, 2016. The CNG Committee also considered the individual performance of each member of the executive management team during 2015 and the changes to the management team that became effective during the year. Based on its review, the CNG Committee approved the salaries disclosed in the Summary Compensation Table below.

#### Annual Cash Incentive Awards

Each named executive officer participated in two cash incentive programs in 2016, with the exception of Mr. Robertson, who did not participate in the cash bonus program. The first program is a discretionary cash bonus award approved in February 2017 by the CNG Committee based on criteria similar to the criteria used to evaluate the annual base salaries. The bonuses awarded with respect to 2016 under this program are disclosed in the Summary Compensation Table under the Cash Bonus column. As with the base salaries, there are no formulas or specific performance targets related to these awards. The bonuses for Mr. Hogan, Mr. Nunez, Ms. Wilson and Mr. Zolas were increased over the prior year in part to offset the declines in other components of their compensation and in recognition of their contributions to the Partnership.

Under the second cash incentive program (the “GP Bonus Award program”), our General Partner h