

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, 2021
- 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 No. 001-36567

Westlake Chemical Partners LP
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

32-0436529
(I.R.S. Employer
Identification No.)

2801 Post Oak Boulevard, Suite 600
Houston, Texas 77056
(Address of principal executive offices, including zip code)
(713) 585-2900
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units representing limited partner interests	WLKP	The 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 Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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 registrant's common units held by non-affiliates of the registrant on June 30, 2021, the end of the registrant's most recently completed second fiscal quarter, based on the closing price on June 30, 2021 of \$26.92 on the New York Stock Exchange, was approximately \$521.4 million. Common units held by executive officers and directors of the registrant and its affiliates are not included in the computation. The registrant, solely for the purpose of this required presentation, has deemed its directors and executive officers and those of its affiliates to be affiliates.

The registrant had 35,214,416 common units outstanding as of February 23, 2022.

TABLE OF CONTENTS

PART I

Item	Page
1) Business	1
1A) Risk Factors	7
1B) Unresolved Staff Comments	28
2) Properties	28
3) Legal Proceedings	28
4) Mine Safety Disclosure	28

PART II

5) Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	29
6) [Reserved]	31
7) Management's Discussion and Analysis of Financial Condition and Results of Operations	31
7A) Quantitative and Qualitative Disclosures about Market Risk	43
8) Financial Statements and Supplementary Data	44
9) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	70
9A) Controls and Procedures	70
9B) Other Information	70
9C) Disclosure Regarding Foreign Jurisdiction that Prevent Inspections	70

PART III

10) Directors, Executive Officers and Corporate Governance	71
11) Executive Compensation	75
12) Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	81
13) Certain Relationships and Related Transactions, and Director Independence	83
14) Principal Accountant Fees and Services	87

PART IV

15) Exhibits and Financial Statement Schedules	88
16) Form 10-K Summary	92

Explanatory Note

Unless otherwise indicated, references in this Annual Report on Form 10-K (this "report") to "we," "our," "us" or like terms refer to Westlake Chemical Partners LP ("Westlake Chemical Partners LP" or the "Partnership"), Westlake Chemical OpCo LP ("OpCo") and Westlake Chemical OpCo GP LLC ("OpCo GP"). References to "Westlake" refer to Westlake Corporation (formerly known as Westlake Chemical Corporation) and its consolidated subsidiaries other than the Partnership, OpCo GP and OpCo. Unless the context otherwise requires, references to our "board of directors" or our "directors" refer to the board of directors of our general partner and such board's directors, respectively.

Cautionary Statement Regarding Forward-Looking Statements

Certain of the statements contained in this report are forward-looking statements. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements can be identified by the use of words such as "believes," "intends," "may," "should," "could," "anticipates," "expects," "will" or comparable terminology, or by discussions of strategies or trends. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that these expectations will prove to be correct. Forward-looking statements relate to matters such as:

- the amount of ethane that we are able to process, which could be adversely affected by, among other things, operating difficulties;
- the volume of ethylene that we are able to sell;
- the price at which we are able to sell ethylene;
- industry market outlook, including prices and margins in third-party ethylene and co-products sales;
- widespread outbreak of an illness or any other communicable disease, or any other public health crisis, including the coronavirus ("COVID-19") pandemic and efforts to contain its transmission;
- our plans and Westlake's plans to respond to the challenges presented by the COVID-19 pandemic;
- the impact of ongoing supply chain constraints and workforce availability caused by the COVID-19 pandemic;
- the parties to whom we will sell ethylene and on what basis;
- volumes of ethylene that Westlake may purchase, in addition to the minimum commitment under the Ethylene Sales Agreement;
- timing, funding and results of capital expenditures;
- our intended quarterly distributions and the manner of making such distributions;
- our ability to meet our liquidity needs;
- timing of and amount of capital expenditures;
- Our At-the-Market program and the use of any net proceeds from any sales under that program;
- potential loans from Westlake to OpCo to fund OpCo's expansion capital expenditures in the future;
- expected mitigation of exposure to commodity price fluctuations;
- turnaround activities and the variability of OpCo's cash flow;
- receipt of any buyer deficiency fee and Shortfall under the Ethylene Sales Agreement;
- compliance with present and future environmental regulations and costs associated with environmentally related penalties, capital expenditures, remedial actions and proceedings, including any new laws, regulations or treaties that may come into force to limit or control carbon dioxide and other greenhouse gas emissions or to address other issues of climate change;
- our ability to receive indemnification from Westlake for environmental and other losses; and
- effects of pending legal proceedings.

We have based these statements on assumptions and analysis in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe were appropriate in the circumstances when the statements were made. Forward-looking statements by their nature involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those described in such statements.

These statements are subject to a number of assumptions, risks and uncertainties, including those described in "Part 1. Item 1A. Risk Factors" of this report and the following:

- general economic and business conditions;
- the cyclical nature of the chemical industry;
- the availability, cost and volatility of raw materials and energy;
- lower crude oil prices reducing the cost advantage of ethane-based ethylene producers;
- uncertainties associated with the United States and worldwide economies, including those due to political tensions and unrest in the Middle East and elsewhere;
- uncertainties associated with pandemic infectious diseases, particularly COVID-19;
- current and potential governmental regulatory actions in the United States and regulatory actions and political unrest in other countries, including environmental regulations;
- industry production capacity and operating rates;
- the supply/demand balance for our products;
- competitive products and pricing pressures;
- instability in the credit and financial markets;
- access to capital markets;
- terrorist acts;
- operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, spills and releases and other environmental risks);
- changes in laws or regulations;
- technological developments;
- our ability to integrate acquired businesses;
- foreign currency exchange risks;
- our ability to implement our business strategies; and
- creditworthiness of our customers.

Many of these factors are beyond our ability to control or predict. Any of the factors, or a combination of these factors, could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of our future performance, and our actual results and future developments may differ materially from those projected in the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels. Every forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

Industry and Market Data

Industry and market data used throughout this report were obtained through internal research, surveys and studies conducted by unrelated third parties and publicly available industry and general publications, including information from IHS Markit ("IHS"). We have not independently verified market and industry data from external sources. While we believe internal partnership estimates are reliable and market definitions are appropriate, neither such estimates nor these definitions have been verified by any independent sources.

Production Capacity

Unless we state otherwise, annual production capacity estimates used throughout this report represent rated capacity of the facilities at December 31, 2021. We calculated rated capacity by estimating the number of days in a typical year that a production unit of a plant is expected to operate, after allowing for downtime for regular maintenance, and multiplying that number by an amount equal to the unit's optimal daily output based on the design feedstock mix. Because the rated capacity of a production unit is an estimated amount, actual production volumes may be more or less than the rated capacity.

PART I

Item 1. Business

General

We are a Delaware limited partnership formed by Westlake in March 2014 to operate, acquire and develop ethylene production facilities and related assets. On August 4, 2014, we completed our initial public offering (the "IPO") of 12,937,500 common units representing limited partner interests. In connection with the IPO, we acquired an initial 10.6% interest in OpCo and a 100% interest in OpCo GP, which is the general partner of OpCo. As of December 31, 2018, we had an aggregate 18.3% limited partner interest in OpCo. On March 29, 2019, we completed a private placement of 2,940,818 common units and used the net proceeds to purchase an additional 4.5% interest in OpCo, effective January 1, 2019, resulting in us owning an aggregate 22.8% limited partner interest in OpCo.

Our business and operations are conducted through OpCo. Because we own OpCo's general partner, we have control over all of OpCo's assets and operations. As of December 31, 2021, Westlake held a 77.2% limited partner interest in OpCo and held a 40.1% limited partner interest in us (consisting of 14,122,230 common units), our general partner interest and our incentive distribution rights.

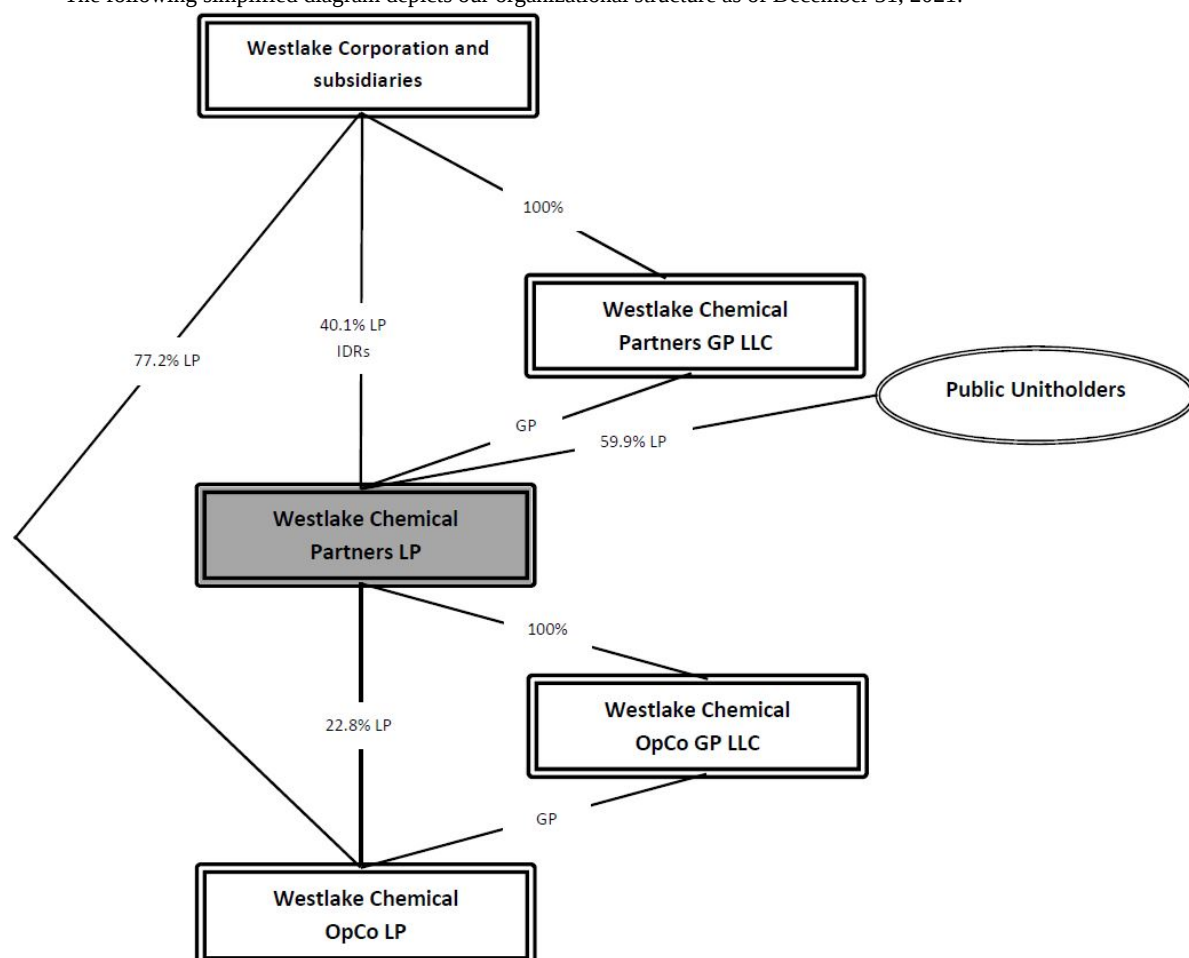
OpCo's assets are comprised of three ethylene production facilities, which primarily convert ethane into ethylene and have an aggregate annual capacity of approximately 3.7 billion pounds, and a 200-mile ethylene pipeline. OpCo derives substantially all of its revenue from these ethylene production facilities. Ethylene is the world's most widely used petrochemical in terms of volume and is a key building block used to produce a number of key derivatives, such as polyethylene ("PE") and polyvinyl chloride ("PVC"), which are used in a wide variety of end markets, including packaging, construction and transportation. Westlake's downstream PE and PVC production facilities consume a substantial majority of the ethylene produced by OpCo. OpCo generates revenue primarily by selling ethylene to Westlake and others, as well as through the sale of co-products of ethylene production, including propylene, crude butadiene, pyrolysis gasoline and hydrogen. Our sole revenue generating asset is our 22.8% limited partner interest in OpCo.

Our assets and operations are organized into a single reportable segment and are all located and conducted in the United States. See "Item 8. Financial Statements and Supplementary Data" for financial information on our operations and assets; such information is incorporated herein by reference.

Among other agreements entered into in connection with the closing of the IPO, OpCo entered into a 12-year ethylene sales agreement with Westlake, under which Westlake agreed to purchase 95% of OpCo's planned ethylene production each year, on a cost-plus basis that is expected to generate a fixed margin per pound of \$0.10 (the "Ethylene Sales Agreement"). Any ethylene not sold to Westlake and all co-products that are produced by OpCo will be sold to third parties on either a spot or contract basis. OpCo also entered into a feedstock supply agreement with Westlake that supplies OpCo with ethane (and any other feedstocks) required for OpCo to produce ethylene under the Ethylene Sales Agreement (the "Feedstock Supply Agreement"). OpCo primarily uses ethane (a component of natural gas liquids, or NGLs) to produce ethylene.

Ownership of Westlake Chemical Partners LP

The following simplified diagram depicts our organizational structure as of December 31, 2021:



Public Common Units	59.9	%
Interests of Westlake:		
Common Units	40.1	%
Non-Economic General Partner Interest	—	
Incentive Distribution Rights	—	
	100.0	%

- (1) Incentive distribution rights represent a variable interest in distributions and thus are not expressed as a fixed percentage. Distributions with respect to the incentive distribution rights are classified as distributions with respect to equity interests.

Our Assets and Operations

Our sole revenue generating asset is our 22.8% limited partner interest in OpCo. We also own the general partner interest of OpCo. OpCo owns:

- two ethylene production facilities at Westlake's Lake Charles, Louisiana site ("Petro 1" and "Petro 2," collectively referred to as "Lake Charles Olefins"), with an annual combined capacity of approximately 3.0 billion pounds;
- one ethylene production facility at Westlake's Calvert City, Kentucky site ("Calvert City Olefins"), with an annual capacity of approximately 730 million pounds; and
- a 200-mile common carrier ethylene pipeline that runs from Mont Belvieu, Texas to the Longview, Texas chemical site, which includes Westlake's Longview PE production facility (the "Longview Pipeline").

As the owner of the general partner interest of OpCo, we control all aspects of the management of OpCo, including its cash distribution policy. See "—OpCo's Assets."

OpCo's Assets

Ethylene Production Facilities.

OpCo operates three ethylene production facilities that are situated on real property leased to OpCo by Westlake pursuant to two 50-year site lease agreements. See "Our Agreements with Westlake—Site Lease Agreements" for a description of the site leases. Ethylene can be produced from either NGL feedstocks, such as ethane, propane and butane, or from petroleum-derived feedstocks, such as naphtha. Lake Charles Olefins and Calvert City Olefins use primarily ethane as their feedstock. Calvert City Olefins can also use propane as a feedstock and Petro 2 can also use an ethane/propane mix, propane, butane or naphtha as a feedstock.

The following table provides information regarding OpCo's ethylene production facilities as of December 31, 2021:

Plant Location (Description)	Annual Production Capacity (millions of pounds)	Feedstock	Primary Uses of Ethylene
Lake Charles, Louisiana (Petro 1)	1,500	Ethane	PE and PVC
Lake Charles, Louisiana (Petro 2)	1,490	Ethane, ethane/propane mix, propane, butane or naphtha	PE and PVC
Calvert City, Kentucky (Calvert City Olefins)	730	Ethane or propane	PVC
Total	3,720		

Lake Charles Olefins

Two of OpCo's ethylene production facilities, which we refer to as Petro 1 and Petro 2 and, collectively, as Lake Charles Olefins, are located at Westlake's Lake Charles site. The combined capacity of these two ethylene production facilities is approximately 3.0 billion pounds per year.

Within Westlake's Lake Charles site, Petro 1 and Petro 2 are connected by pipeline systems to Westlake's polyethylene plants. Westlake may use the ethylene it purchases from OpCo at its Lake Charles facilities or transfer it to its Geismar facility or its Longview facility, either through physical transportation or via exchange transactions. Westlake may also use the ethylene it purchases from OpCo with chlorine to produce ethylene dichloride and transport it via barge to Westlake's Calvert City site.

In addition, OpCo produces ethylene co-products including chemical grade propylene, crude butadiene, pyrolysis gasoline and hydrogen. OpCo sells its output of these co-products to external customers.

Calvert City Olefins

One of OpCo's ethylene production facilities is located at Westlake's Calvert City site, which we refer to as Calvert City Olefins. The capacity of Calvert City Olefins is approximately 730 million pounds per year.

Pipeline

OpCo owns a 200-mile 10-inch diameter ethylene pipeline system that connects the Equistar Pipeline, the Flint Hills Pipeline and the Lone Star Storage Facility in Mont Belvieu to the Longview, Texas chemical site, which includes Westlake's Longview PE production facility. The system has a capacity of 3.5 million pounds per day of ethylene and is operated as a common carrier pipeline by Buckeye Development & Logistics I LLC. As a common carrier intrastate pipeline in Texas, the system is subject to rate regulation under the Texas Utilities Code, as implemented by the Texas Railroad Commission, or the TRRC, and has a tariff on file with the TRRC.

Technology

OpCo has perpetual and paid-up licenses for steam cracking and process recovery technology used at its ethylene plants.

Our Agreements with Westlake

Except as otherwise indicated, the agreements described below became effective on August 4, 2014, concurrent with the closing of the IPO.

Ethylene Sales Agreement

OpCo and Westlake are parties to the Ethylene Sales Agreement, which has an initial term through December 31, 2026 and automatic 12-month renewal periods until terminated at the end of the initial term or any renewal term on 12-months' notice. The Ethylene Sales Agreement requires Westlake to purchase OpCo's planned ethylene production each year, subject to certain exceptions and a maximum commitment of 3.8 billion pounds per year, less product sold by OpCo to third parties equal to approximately 5% of the annual output. If OpCo's actual production is in excess of planned ethylene production, Westlake has the option to purchase up to 95% of production in excess of planned production. Westlake's purchase price for ethylene under the Ethylene Sales Agreement includes a \$0.10 per pound margin, the total costs incurred by OpCo for the feedstock and natural gas to produce each pound of ethylene (subject to a usage cap and a floor), and estimated operating costs, maintenance capital expenditures and other turnaround expenditures, less net proceeds from co-products sales. This purchase price is not designed to cover capital expenditures for expansion. Variable costs not incurred by OpCo due to a deficiency in takes are rebated to Westlake. Under specified circumstances, unrecovered costs may be carried forward for recovery in subsequent years.

Certain of the pricing components that make up the price for ethylene sold under the Ethylene Sales Agreement are modified to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene. Costs specific to the processing of Westlake's purge gas are recovered under the Services and Secondment Agreement (as described below), and not the Ethylene Sales Agreement.

Under the Ethylene Sales Agreement, OpCo has the option to curtail up to approximately 5% of its ethylene production annually in the event OpCo reasonably determines that its sales of such ethylene to third parties during the relevant period would be uneconomic.

Pursuant to the Ethylene Sales Agreement, Westlake's obligation to pay for the annual minimum commitment (95% of OpCo's budgeted ethylene production), which is measured on an annual basis, is not reduced for a force majeure event lasting fewer than 45 consecutive days. In the event of a force majeure event, the Partnership recognizes buyer deficiency fees representing fixed margin and unavaoided operating and maintenance capital expenditures and maintenance expenses per pound of volume committed by Westlake during the force majeure event.

Under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the contract year, OpCo is entitled to recover the shortfall in such production costs (proportionate to the volume sold to Westlake) in the subsequent year ("Shortfall"). The Shortfall is generally recognized during the period in which the related operating, maintenance or turnaround activities occur.

The Ethylene Sales Agreement provides that, if compliance with any law adopted or modified following our IPO results in OpCo incurring additional costs in excess of \$500,000 in any contract year, OpCo is entitled to charge Westlake a monthly surcharge following efforts to mitigate the effects of such compliance.

Feedstock Supply Agreement

OpCo and Westlake are parties to the Feedstock Supply Agreement, which has an initial term through December 31, 2026 and automatic 12-month renewal periods until terminated at the end of the initial term or any renewal term on 12-months' notice. Under the Feedstock Supply Agreement, Westlake sells OpCo ethane and other feedstock in amounts sufficient for OpCo to produce the ethylene to be sold under the Ethylene Sales Agreement. The price at which ethane and feedstock is sold includes an indexed price for spot gas liquids at Mont Belvieu and applicable transportation, storage and other costs.

Services and Secondment Agreement

OpCo and Westlake are parties to the Services and Secondment Agreement, pursuant to which OpCo provides Westlake with various utilities and utility services in exchange for Westlake providing OpCo with various utility services, comprehensive operating services for OpCo's units, services for the maintenance and operation of the common facilities and seconded employees to perform all services required under the agreement.

Site Lease Agreements

OpCo and Westlake are parties to two 50-year site lease agreements (the "Site Leases"). Under the Site Leases, OpCo leases the real property underlying Calvert City Olefins and Lake Charles Olefins and is granted certain use and access rights related thereto, for a base rental amount of \$1 per year per site. Each of the Site Leases is terminable by the lessor upon the occurrence of certain events of default or by OpCo if Calvert City Olefins or Lake Charles Olefins, as applicable, is destroyed by casualty. Pursuant to the Site Leases, Westlake has the right to restore and repurchase the units for fair market value if OpCo fails to expeditiously restore Calvert City Olefins or Lake Charles Olefins, as applicable, following a casualty loss. Subject to the foregoing repurchase right, OpCo may remove its ethylene production facilities and other related improvements for up to one year after expiration or termination of the applicable Site Lease, so long as such removal can be accomplished without material damage or harm to Westlake's property or operations; provided that any assets that are not timely removed by OpCo will be deemed to have been surrendered to Westlake.

Omnibus Agreement

We, OpCo and Westlake are parties to the Omnibus Agreement, pursuant to which we granted Westlake, among other things, a right of first refusal on any proposed transfer of (1) our equity interests in OpCo, (2) the ethylene production facilities that serve Westlake's other facilities or (3) certain other assets we may acquire from Westlake. The Omnibus Agreement also provides for reimbursement to Westlake for the provision of various administrative services and direct expenses incurred on our behalf and in connection with the operation of our business. Under the Omnibus Agreement, Westlake will indemnify us against certain environmental and other losses, and we will indemnify Westlake against certain environmental and other losses for which Westlake is not otherwise obligated to indemnify us and certain other losses and liabilities to the extent resulting from the provision of services by Westlake to us.

Exchange Agreement

OpCo and Westlake are parties to an exchange agreement, which had an initial term through August 1, 2015 and continues on an annual basis unless and until terminated by either party. Under the exchange agreement, OpCo may require Westlake to deliver up to 200 million pounds of ethylene for OpCo per year from the Site Leases to an ethylene hub in Mt. Belvieu, Texas, for which OpCo would be required to pay Westlake an exchange fee of \$0.006 per pound.

OpCo Partnership Agreement

We, OpCo GP and Westlake are parties to an agreement of limited partnership for OpCo (the "OpCo LP Agreement"). The OpCo LP Agreement governs the ownership and management of OpCo and designates OpCo GP as the general partner of OpCo. OpCo GP generally has complete authority to manage OpCo's business and affairs. We control OpCo GP, as its sole member, subject to certain approval rights held by Westlake.

Investment Management Agreement

On August 1, 2017, we, OpCo and Westlake executed an Investment Management Agreement that authorizes Westlake to invest the Partnership's and OpCo's excess cash with Westlake for a term of up to a maximum of nine months. Per the terms of the Investment Management Agreement, the Partnership earns a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of the Partnership or OpCo.

See "Liquidity and Capital Resources" in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of the Partnership's and OpCo's debt agreements with Westlake and "Interest Rate Risk" in Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" for a discussion of the Partnership's interest rate contract with Westlake.

Environmental

As is common in our industry, we and OpCo are subject to environmental laws and regulations related to the use, storage, handling, generation, transportation, emission, discharge, disposal and remediation of, and exposure to, hazardous and non-hazardous substances and wastes in all of the jurisdictions in which we do business. National, state or provincial and local standards regulating air, water and land quality affect substantially all of our manufacturing locations. Compliance with such laws and regulations has required and will continue to require capital expenditures and increased operating costs. Pursuant to our arrangement with Westlake, Westlake will indemnify us for liabilities that occurred or existed (in connection with compliance with such laws and regulations) prior to August 4, 2014.

It is our policy to comply with all environmental, health and safety requirements in the jurisdictions in which we and OpCo operate and to provide safe and environmentally sound workplaces for our employees. In some cases, compliance can be achieved only by incurring capital expenditures. In 2021, OpCo incurred capital expenditures of \$2.2 million related to environmental compliance. We estimate that OpCo will make capital expenditures of approximately \$2.2 million in 2022 and \$0.9 million in 2023, respectively, related to environmental compliance. Additionally, in 2022 and 2023 capital expenditures of approximately \$24.9 million and \$29.8 million, respectively, are expected to be incurred related to corrective actions required by the Environmental Protection Agency (the "EPA") to resolve the flare enforcement matter discussed below. Under the Omnibus Agreement, Westlake will incur costs for such corrective actions. See "Business—Our Agreements with Westlake—*Omnibus Agreement*." We anticipate that stringent environmental regulations will continue to be imposed on us and the industry in general. Under the Ethylene Sales Agreement, we may be entitled to charge Westlake a monthly surcharge as a result of complying with certain changes in law occurring after our IPO. See "Business—Our Agreements with Westlake—*Ethylene Sales Agreement*." Although we cannot predict with certainty future expenditures, management believes that our current spending trends for environmental compliance will continue.

Potential Flare Modifications. For several years, the EPA has been conducting an enforcement initiative against petroleum refineries and petrochemical plants with respect to emissions from flares. On April 21, 2014, Westlake received a Clean Air Act Section 114 Information Request from the EPA which sought information regarding flares at the Calvert City and Lake Charles facilities. The EPA notified Westlake that it believes that some of the flares are out of compliance with applicable standards. The EPA has indicated that it is seeking a consent decree that would obligate Westlake to take corrective actions relating to the alleged noncompliance. The Partnership believes the resolution of these matters may require the payment of a monetary sanction in excess of \$300,000. As discussed above, Westlake is expected to fully indemnify us for such costs.

Flash Fire at Petro 2. There are lawsuits pending in connection with the flash fire at the quench tower that occurred in September 2021 during the Petro 2 turnaround, which are described in Note 16 to the consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K. We expect insurance to cover most of the costs associated with these lawsuits.

Also, see the discussion of our environmental matters contained in "Item 1A. Risk Factors" and "Item 3. —Legal Proceedings" below.

Human Capital

Neither we nor OpCo has any employees. Under the Services and Secondment Agreement with Westlake, Westlake seconded employees to OpCo to allow OpCo to operate its facilities, and we sometimes refer to these individuals, for drafting convenience only, as our employees because they provide services directly to us. Such seconded employees are under OpCo's control while they work on OpCo's facilities. As of December 31, 2021, 151 employees were seconded to OpCo. Of these, 25 are covered by collective bargaining agreements that expire on November 1, 2024. There have been no strikes, lockouts or work stoppages at OpCo's facilities. We believe that Westlake's relationship with the local union officials and bargaining committees is open and positive. Westlake is responsible for human capital management policies, including any human capital measures and objectives that management focuses on in managing the business.

Legal Proceedings

In the ordinary conduct of our business, we and Westlake and our and Westlake's subsidiaries, including OpCo, are subject to periodic lawsuits, investigations and claims, including environmental claims and employee related matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, we do not believe that any currently pending legal proceeding or proceedings to which we or Westlake or any of our or Westlake's subsidiaries, including OpCo, are a party will have a material adverse effect on our business, results of operations, cash flows or financial condition.

Competition

Due to the Ethylene Sales Agreement and integration with Westlake, OpCo does not directly compete with other ethylene producers for 95% of the planned volumes it produces. It is only on the 5% of planned ethylene volumes and any excess volumes not sold to Westlake where OpCo competes with other regional merchant ethylene producers, including LyondellBasell Industries, N.V., Shell Chemical Company, BASF Corporation and Motiva Enterprises LLC.

Available Information

Our website address is www.wlkpartners.com. Our website content is available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference in this Form 10-K. We make available on this website under "Investor Relations/SEC Filings," free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those materials as soon as reasonably practicable after we electronically file those materials with, or furnish those materials to, the Securities Exchange Commission (the "SEC"). The SEC also maintains a website at www.sec.gov that contains reports, proxy statements and other information regarding SEC registrants, including us.

We intend to satisfy the requirement under Item 5.05 of Form 8-K to disclose any amendments to our Code of Ethics and any waiver from a provision of our Code of Ethics by posting such information on our website at www.wlkpartners.com under "Investor Relations/Corporate Governance."

Item 1A. Risk Factors

Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. Security holders and potential investors should carefully consider the following risk factors together with all of the other information included in this report. If any of the following risks were actually to occur, our business, financial condition, results of operations or cash flows could be materially adversely affected.

Summary Risk Factors

Risks Inherent in Our Business

Operational Relationship with Westlake

- We are substantially dependent on Westlake for our cash flows. If Westlake does not pay us under the terms of the Ethylene Sales Agreement or if our assets fail to perform as intended, 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 the minimum quarterly distribution to our unitholders.
- OpCo is subject to the credit risk of Westlake on a substantial majority of its revenues, and Westlake's leverage and creditworthiness could adversely affect our ability to make distributions to our unitholders. The impact and effects of public health crises, pandemics and epidemics, including the ongoing coronavirus (COVID-19) pandemic, could materially adversely affect Westlake's business, financial condition and results of operations.
- OpCo is a restricted subsidiary under certain indentures governing Westlake's senior notes.
- The ethylene sales price charged under the Ethylene Sales Agreement is designed to permit OpCo to cover the substantial majority of its operating costs, but not our public partnership and other OpCo costs, which reduce our net operating profit.
- If OpCo is unable to renew or extend the Ethylene Sales Agreement beyond the initial 12-year term or the other agreements with Westlake upon expiration of these agreements, our ability to make distributions in the future could be materially adversely affected and the value of our units could decline.
- OpCo has the right to use the real property underlying Lake Charles Olefins and Calvert City Olefins pursuant to two, 50-year site lease agreements with Westlake. If OpCo is not able to renew the site lease agreements or if the site lease agreements are terminated by Westlake, OpCo may have to relocate Lake Charles Olefins and Calvert City Olefins, abandon the assets or sell the assets to Westlake.
- OpCo depends upon Westlake for numerous services and for its labor force.
- Cost reimbursements due to our general partner and Westlake for services provided to us or on our behalf reduce our earnings and therefore our cash available for distribution to our unitholders. The amount and timing of such reimbursements are determined by our general partner.

Business Operations

- Substantially all of OpCo's sales are generated at three facilities located at two sites. Any adverse developments at any of these facilities or sites could have a material adverse effect on our results of operations and therefore our ability to distribute cash to unitholders.
- 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.
- If we are unable to make acquisitions from Westlake or third parties on economically acceptable terms, our future growth would be limited, and any acquisitions we make may reduce, rather than increase, our cash generated from operations on a per unit basis.

Risks Relating to Our Partnership Structure

Our General Partner

- Westlake 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 Westlake, may have conflicts of interest with us and have limited duties, and they may favor their own interests to our detriment and that of our unitholders.
- Our general partner has limited its liability regarding our obligations.
- Our partnership agreement replaces our general partner's fiduciary duties to holders of our units.

- Westlake and other affiliates of our general partner may compete with us.
- 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 trade.
- Even if holders of our common units are dissatisfied, they cannot currently remove our general partner without its consent.
- Control of our general partner may be transferred to a third party without unitholder consent.
- Our general partner has a call right that may require unitholders to sell their common units at an undesirable time or price.

Cash Distributions to Unitholders

- The board of directors 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.
- We expect to distribute a significant portion of our available cash to our partners, which could limit our ability to grow and make acquisitions.

Ownership of Our Common Units

- We may issue additional units without unitholder approval, which would dilute existing unitholder ownership interests.
- 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 Westlake or other large holders.

Tax Risks

- Our tax treatment depends on our status as a partnership for federal income tax purposes, and not being subject to a material amount of entity-level taxation. Our cash available for distribution to unitholders may be substantially reduced if we become subject to entity-level taxation as a result of the Internal Revenue Service ("IRS") treating us as a corporation or legislative, judicial or administrative changes, and may also be reduced by any audit adjustments if imposed directly on the partnership.
- 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. A unitholder's share of our taxable income may be increased as a result of the IRS successfully contesting any of the federal income tax positions we take.
- Tax-exempt entities and non-U.S. unitholders face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Risks Inherent in Our Business

Operational Relationship with Westlake

We are substantially dependent on Westlake for our cash flows. If Westlake does not pay us under the terms of the Ethylene Sales Agreement or if our assets fail to perform as intended, 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 the minimum quarterly distribution to our unitholders.

Currently, all of our cash flow is generated from cash distributions from OpCo, and a substantial majority of OpCo's cash flow is generated from payments by Westlake under the Ethylene Sales Agreement. Westlake's obligations to purchase ethylene under the Ethylene Sales Agreement may be temporarily suspended to the extent OpCo is unable to perform its obligations caused by any of certain events outside the reasonable control of OpCo. Such events include, for example, acts of God or calamities which affect the operation of OpCo's facilities; certain labor difficulties (whether or not the demands of the employees are within the power of OpCo to concede); and governmental orders or laws. In addition, Westlake is not obligated to purchase ethylene with respect to any period during which OpCo's facilities are not operating due to scheduled or unscheduled maintenance or turnarounds other than under certain circumstances relating to the occurrence of force majeure. We expect that each of OpCo's facilities will have a turnaround approximately once every five years and will not operate for typically between 30 and 60 days during each turnaround by itself. However, the duration of a turnaround by itself may be longer than expected or may cost more than originally estimated. Furthermore, expansions may also coincide with turnarounds, which may complicate and delay the completion of such turnarounds. A suspension of Westlake's obligations under the Ethylene Sales Agreement, including during periods where OpCo's facilities are not operating due to scheduled or unscheduled maintenance or turnarounds, would reduce OpCo's revenues and cash flows, and could materially adversely affect our ability to make distributions to our unitholders.

Westlake may be unable to generate enough cash flow from operations to meet its minimum obligations under the Ethylene Sales Agreement if its business is adversely impacted by competition, operational problems, general adverse economic conditions or the inability to obtain feedstock. For example, lower prices of crude oil, such as the prices experienced from the third quarter of 2014 through 2020 have led to a reduction in the cost advantage for natural gas liquids-based ethylene derivatives in North America, such as Westlake's, as compared to naphtha-based ethylene derivatives. As a result, Westlake's margins and cash flows have been negatively impacted. While crude oil prices stabilized and increased in 2021, activity has still not reached the level it was at prior to these events and therefore these events continue to have a negative impact on Westlake's margins and cash flows. If Westlake were unable to meet its minimum payment obligations to OpCo as a result of any one or more of these factors, our ability to make distributions to our unitholders would be reduced or eliminated. The level of payments made by Westlake will depend upon its ability to pay its minimum obligations under the Ethylene Sales Agreement and its ability and election to increase volumes above the minimums specified in the Ethylene Sales Agreement, which in turn are dependent upon, among other things, the level of production at Westlake's other facilities. If Westlake is unable to generate sufficient cash flow from its operations to meet its obligations, or otherwise defaults on its obligations, under the Ethylene Sales Agreement, OpCo will not have sufficient available cash to distribute to us to enable us to pay the minimum quarterly distribution, which will fluctuate from quarter to quarter based on the following factors, some of which are beyond our control:

- severe financial hardship or bankruptcy of Westlake or one of our other customers, or the occurrence of other events affecting our ability to collect payments from Westlake or our other customers, including any of our customers' default;
- volatility and cyclical downturns in the chemicals industry and other industries which materially and adversely impact Westlake and our other customers;
- Westlake's inability to perform, or any other default on its obligations, under the Ethylene Sales Agreement;
- the age of, and changes in the reliability, efficiency and capacity of the various equipment and operating facilities used in OpCo's operations, and in the operations of Westlake and our other customers, business partners and/or suppliers;
- the cost of environmental remediation at OpCo's facilities not covered by Westlake or third parties;
- changes in the expected operating levels of OpCo's assets;
- OpCo's ability to meet minimum volume requirements, yield standards and ethylene quality requirements in the Ethylene Sales Agreement;
- OpCo's ability to renew the Ethylene Sales Agreement or to enter into new, long-term agreements for the sale of ethylene under terms similar or more favorable;

- changes in the marketplace that may affect supply and demand for ethane or ethylene, including decreased availability of ethane (which may result from greater restrictions on hydraulic fracturing, any reduction in hydraulic fracturing due to low crude oil prices or exports of natural gas liquids from the United States, for example), increased production of ethylene or export of ethane or ethylene from the United States;
- changes in overall levels of production, production capacity, pricing and/or margins for ethylene;
- OpCo's ability to secure adequate supplies of ethane, other feedstocks and natural gas from Westlake or third parties;
- the need to use higher priced or less attractive feedstock due to the unavailability of ethane;
- the effects of pipeline, railroad, barge, truck and other transportation performance and costs, including any transportation disruptions;
- the availability and cost of labor;
- risks related to employees and workplace safety;
- the effects of adverse events relating to the operation of OpCo's facilities and to the transportation and storage of hazardous materials (including equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);
- changes in product specifications for the ethylene that we produce;
- changes in insurance markets and the level, types and costs of coverage available, and the financial ability of our insurers to meet their obligations;
- changes in, or new, statutes, regulations or governmental policies by federal, state and local authorities with respect to protection of the environment;
- changes in accounting rules and/or tax laws or their interpretations;
- nonperformance or force majeure by, or disputes with or changes in contract terms with, Westlake, our other major customers, suppliers, dealers, distributors or other business partners; and
- changes in, or new, statutes, regulations, governmental policies and taxes, or their interpretations.

In addition, the actual amount of cash we will have available for distribution will depend on other factors, including:

- the amount of cash we or OpCo are able to generate from sales of ethylene, and associated co-products, to third parties, which will be impacted by changes in prices for ethane (or other feedstocks), natural gas, ethylene and co-products and lower prices of crude oil, such as those experienced from the third quarter of 2014 through 2020, and could be less than the margin we earn from ethylene sales to Westlake;
- the level of capital expenditures we or OpCo make;
- the cost of acquisitions;
- construction costs;
- fluctuations in our or OpCo's working capital needs;
- our or OpCo's ability to borrow funds (including under our or OpCo's revolving credit facilities) and access capital markets;
- our or OpCo's debt service requirements and other liabilities;
- restrictions contained in our or OpCo's existing or future debt agreements; and
- the amount of cash reserves established by our general partner.

We will require a significant amount of cash to service our debt and OpCo's debt, including borrowings under our and OpCo's credit facilities with Westlake. Our ability to make payments on and refinance this debt will depend on our ability to generate cash in the future, which is subject to the same factors described above in connection with our ability to pay quarterly distributions to unitholders. Cash that is used to service debt will be unavailable for distributions to our unitholders.

OpCo is subject to the credit risk of Westlake on a substantial majority of its revenues, and Westlake's leverage and creditworthiness could adversely affect our ability to make distributions to our unitholders. The impact and effects of public health crises, pandemics and epidemics, including the ongoing coronavirus (COVID-19) pandemic, could materially adversely affect Westlake's business, financial condition and results of operations.

Our ability to make distributions to unitholders is substantially dependent on Westlake's ability to meet its minimum contractual obligations under the Ethylene Sales Agreement. If Westlake defaults on its obligations, our ability to make distributions to our unitholders would be reduced or eliminated. Westlake has not pledged any assets to us as security for the performance of its obligations.

Westlake has not agreed with us to limit its ability to incur indebtedness, pledge or sell assets or make investments, and we have no control over the amount of indebtedness Westlake incurs, the assets it pledges or sells or the investments it makes.

Public health crises, pandemics and epidemics, such as the COVID-19 pandemic, could materially adversely affect Westlake's business, financial condition and results of operations. The COVID-19 pandemic has resulted in authorities implementing numerous measures to try to contain the disease, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns, among others. We have also encountered supply chain constraints and disruptions and workforce availability issues as a result of COVID-19 related actions and vaccination requirements.

Despite the availability of vaccines, the COVID-19 pandemic may continue unabated or worsen, including as a result of the emergence of more infectious strains of the virus or vaccine hesitancy. The perceived risk of infection and health risks associated with COVID-19 has and will continue to alter behaviors of consumers and policies of companies around the world.

Westlake, which provides us operating services, has modified certain business practices (including those related to employee travel, employee work locations and employee work practices), to comply with government restrictions and implement, where appropriate, practices encouraged by governmental and health authorities. However, the quarantine of personnel or the inability to access our or Westlake's facilities could adversely affect our and Westlake's operations. We or Westlake may take further actions as required by government authorities from time to time or that we or Westlake determine are in the best interests of our employees, customers, Westlake's partners and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus, and our ability to perform certain functions could be harmed. The ultimate extent of the impact of COVID-19 on Westlake's business, financial condition and results of operations will depend largely on future developments, including the duration and spread of COVID-19, the impact of governmental actions designed to prevent the spread of COVID-19 and the development, availability, timely distribution and acceptance of effective treatments and vaccines worldwide, all of which are highly uncertain and cannot be predicted with certainty at this time.

OpCo is a restricted subsidiary under certain indentures governing Westlake's senior notes.

All of our cash is currently generated from cash distributions from OpCo. Certain indentures governing Westlake's senior notes impose significant operating and financial restrictions on OpCo. These restrictions limit OpCo's ability to:

- incur additional indebtedness;
- create liens; and
- sell all or substantially all of its assets or consolidate or merge with or into other companies.

These covenants may adversely affect OpCo's ability to finance future business opportunities. A breach of any of these covenants could result in a default in respect of the related debt. If a default occurred, the relevant lenders could elect to declare the debt, together with accrued interest and other fees, to be immediately due and payable and proceed against any collateral securing that debt, including OpCo and its assets. In addition, any acceleration of debt under Westlake's credit facility will constitute a default under some of Westlake's other debt, including the indentures governing its senior notes.

The ethylene sales price charged under the Ethylene Sales Agreement is designed to permit OpCo to cover the substantial majority of its operating costs, but not our public partnership and other OpCo costs, which reduce our net operating profit.

The purchase price under the Ethylene Sales Agreement is based on OpCo's actual ethane, other feedstock and natural gas costs and an annual estimate of other operating costs and maintenance capital expenditures and other turnaround expenditures. The price is designed to permit OpCo to recover the portion of its costs of feedstocks and other costs to operate the ethylene production facilities associated with the percentage of its production capacity purchased by Westlake and generate a fixed margin per pound of ethylene purchased by Westlake. The price is not designed to allow OpCo to recover any capital expenditures related to expansion, or operational efficiency. The ethylene sales price also does not increase to cover our public partnership costs. Both of these costs reduce our net operating profit.

The fee structure of the Ethylene Sales Agreement may limit OpCo's ability to take advantage of favorable market developments in the future.

The Ethylene Sales Agreement sets a \$0.10 per pound margin for a substantial majority of OpCo's ethylene production, limiting OpCo's ability to take advantage of potential decreased ethane and other feedstock prices, potential increased ethylene prices or other favorable market developments. Under these circumstances, OpCo may not be in a position to enable its partners, including us, to benefit from favorable market developments (including any potential ethylene price increase in the future) through increased distributions. In addition, under these circumstances, OpCo may be disadvantaged relative to those of its competitors that are in a better position to take advantage of favorable market developments.

If OpCo is unable to renew or extend the Ethylene Sales Agreement beyond the initial 12-year term or the other agreements with Westlake upon expiration of these agreements, our ability to make distributions in the future could be materially adversely affected and the value of our units could decline.

Westlake's obligations under the Ethylene Sales Agreement, the Feedstock Supply Agreement and the related Services and Secondment Agreement will become terminable by either party commencing December 31, 2026. If OpCo were unable to reach agreement with Westlake on an extension or replacement of these agreements, then our ability to make distributions on our common units could be materially adversely affected and the value of our common units could decline.

OpCo has the right to use the real property underlying Lake Charles Olefins and Calvert City Olefins pursuant to two, 50-year site lease agreements with Westlake. If OpCo is not able to renew the site lease agreements or if the site lease agreements are terminated by Westlake, OpCo may have to relocate Lake Charles Olefins and Calvert City Olefins, abandon the assets or sell the assets to Westlake.

Westlake has (1) leased to OpCo the real property underlying Lake Charles Olefins and Calvert City Olefins and (2) granted OpCo rights to access and use certain other portions of Westlake's facilities that are necessary to operate OpCo's units at such facilities. The site lease agreements each have a term of 50 years and may be renewed if agreed to by the parties. If an event of default with respect to bankruptcy of OpCo occurs, if Westlake terminates the Ethylene Sales Agreement in accordance with its provisions either for cause or due to a force majeure event, or if OpCo ceases to operate Lake Charles Olefins or Calvert City Olefins for six consecutive months (other than due to force majeure or construction following a casualty loss), Westlake may terminate the applicable site lease following notice and expiration of a cure period to remedy the default. In addition, if OpCo fails to act in good faith to expeditiously restore Lake Charles Olefins or Calvert City Olefins following a casualty loss, Westlake has the ability to terminate the applicable site lease agreement, to restore Lake Charles Olefins or Calvert City Olefins, as the case may be, and to purchase such ethylene production facilities at fair market value. If OpCo is unable to renew the site lease agreements or if Westlake terminates one or both of the site lease agreements, OpCo may have to relocate Lake Charles Olefins and Calvert City Olefins, abandon the assets or sell the assets to Westlake, the result of which may have a material adverse effect on our business, results of operations and financial condition.

OpCo depends upon Westlake for numerous services and for its labor force.

Pursuant to the Services and Secondment Agreement, Westlake is obligated to provide OpCo operating services, utility access services and other key site services. Westlake provides the services of certain of its employees, who act as OpCo's agents in operating and maintaining OpCo's ethylene production facilities and other assets. If this agreement is terminated or if Westlake or its affiliates fail to satisfactorily provide these services or employees, OpCo would be required to hire labor, provide these services internally or find a third-party provider of these services. Any services or labor OpCo chooses to provide internally may not be as cost effective as those that Westlake or its affiliates provide, particularly in light of OpCo's lack of experience as an independent organization. If OpCo is required to obtain these services or labor from a third party, it may be unable to do so in a timely, efficient and cost-effective manner, the services or labor it receives may be inferior to or more costly than those that Westlake is currently providing, or such services and labor may be unavailable. Moreover, given the integration of OpCo's ethylene production facilities and Westlake's Lake Charles and Calvert City facilities, it may not be practical for us or for a third party to provide site services or labor for OpCo's ethylene production facilities separately.

OpCo's ability to receive greater cash flows from increased production may be limited by the Ethylene Sales Agreement.

OpCo's ability to increase throughput volumes through its assets is constrained by the capacity limitations of those assets, which are currently operating at close to full capacity. OpCo's ability to increase its cash flow by selling ethylene to third parties may be limited by the Ethylene Sales Agreement. OpCo's ability to sell ethylene to third parties is limited to available excess capacity, since Westlake has the right to purchase the substantial majority of production from OpCo's facilities through its minimum purchase commitment and option to purchase additional ethylene under the Ethylene Sales Agreement. The Ethylene Sales Agreement provisions may prohibit OpCo from competing effectively for third party business for this excess production given the limited volumes available for sale. For example, so long as Westlake is not in default under the Ethylene Sales Agreement, Westlake has the right to purchase 95% of OpCo's production in excess of planned capacity.

Cost reimbursements due to our general partner and Westlake for services provided to us or on our behalf reduce our earnings and therefore our cash available for distribution to our unitholders. The amount and timing of such reimbursements are determined by our general partner.

We are obligated under our partnership agreement to reimburse our general partner and its affiliates for all expenses they incur and payments they make on our behalf, including expenses we and OpCo incur under the services and secondment agreement and the omnibus agreement. 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 all expenses incurred under the services and secondment agreement and the omnibus agreement, including 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 reduce the amount of our earnings and, thereby, our ability to distribute cash to our unitholders.

Business Operations***Substantially all of OpCo's sales are generated at three facilities located at two sites. Any adverse developments at any of these facilities or sites could have a material adverse effect on our results of operations and therefore our ability to distribute cash to unitholders.***

OpCo's operations are subject to significant hazards and risks inherent in ethylene production operations. These hazards and risks include, but are not limited to, equipment malfunction, explosions, fires and the effects of severe weather conditions, any of which could result in production and transportation difficulties and disruptions, pollution, personal injury or wrongful death claims and other damage to our properties and the property of others. There is also risk of mechanical failure of OpCo's facilities both in the normal course of operations and following unforeseen events. Any adverse developments at any of OpCo's facilities could have a material adverse effect on our results of operations and therefore our ability to distribute cash to unitholders.

Because substantially all of OpCo's sales are generated at three facilities located at two sites, any such events at any facility or site could significantly disrupt OpCo's ethylene production and its ability to supply ethylene to its customers. For example, OpCo's Lake Charles facility was shut down for a significant period of time in the months of August, September and October 2020 in the aftermath of Hurricanes Laura and Delta. Any similar or other sustained disruption in OpCo's ability to meet its supply obligations under the Ethylene Sales Agreement could have a material adverse effect on our results of operations and therefore our ability to distribute cash to unitholders.

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 borrowings (including any under our and OpCo's credit facilities) 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 may be unable to access our and OpCo's revolving credit facilities when we do not have sufficient cash flows to pay cash distributions.

If we are unable to make acquisitions from Westlake or third parties on economically acceptable terms, our future growth would be limited, and any acquisitions we make may reduce, rather than increase, our cash generated from operations on a per unit basis.

Our strategy to grow our business and increase distributions to unitholders is dependent on our ability to make acquisitions that result in an increase in our cash distributions per unit. If we are unable to make acquisitions of additional interests in OpCo from Westlake on acceptable terms or we are unable to obtain financing for these acquisitions, our future growth and ability to increase distributions will be limited. In addition, we may be unable to make acquisitions from third parties as an alternative avenue to growth. Furthermore, even if we do consummate acquisitions that we believe will be accretive, they may in fact result in a decrease in our cash distributions 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 from other business concerns;
- unforeseen difficulties in connection with operating in new product areas or new geographic areas; and
- customer or key employee losses at the acquired businesses.

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.

Many of our assets have been in service for many years and require significant expenditures to maintain them. As a result, our maintenance or repair costs may increase in the future. In addition, while we establish cash reserves in order to cover turnaround expenditures, the amounts we reserve may not be sufficient to fully cover such expenditures.

Many of the assets we use to produce ethylene are generally long-lived assets. As a result, some of those assets have been in service for many decades. The age and condition of these assets could result in increased maintenance or repair expenditures. In addition, while we establish certain cash reserves to cover our expected turnaround expenditures, the amounts we reserve may be insufficient to fully cover such expenditures. Any significant and unexpected increase in these expenditures could adversely affect our results of operations, financial position or cash flows, as well as our ability to pay cash distributions.

Our production facilities process volatile and hazardous materials that subject us to operating risks that could adversely affect our operating results.

Our operations are subject to the usual hazards associated with commodity chemical manufacturing and the related use, storage, transportation and disposal of feedstocks, products and wastes, including:

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;
- unscheduled downtime;
- labor difficulties;
- transportation interruptions;
- chemical spills;
- discharges or releases of toxic or hazardous substances or gases;
- storage tank leaks;
- other environmental risks; and

- terrorist attacks.

All these hazards can cause personal injury and loss of life, catastrophic damage to or destruction of property and equipment and environmental damage, and may result in a suspension of operations and the imposition of civil or criminal penalties. We could become subject to environmental claims brought by governmental entities or third parties. A loss or shutdown of operations over an extended period at any one of our three major operating facilities would have a material adverse effect on us. We maintain property, business interruption and casualty insurance that we believe is in accordance with customary industry practices, but we cannot be fully insured against all potential hazards incident to our business, including losses resulting from war risks or terrorist acts. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position.

Our operations and assets are subject to extensive environmental, health and safety laws and regulations.

We use hazardous substances and generate hazardous wastes and emissions in our manufacturing operations. Our industry is highly regulated and monitored by various environmental regulatory authorities such as the EPA. As such, we are subject to extensive federal, state and local laws and regulations pertaining to pollution and protection of the environment, health and safety, which govern, among other things, emissions to the air, discharges onto land or waters, the maintenance of safe conditions in the workplace, the remediation of contaminated sites, and the generation, handling, storage, transportation, treatment and disposal of waste materials. Some of these laws and regulations are subject to varying and conflicting interpretations. Many of these laws and regulations provide for substantial fines and potential criminal sanctions for violations and require the installation of costly pollution control equipment or operational changes to limit pollution emissions or reduce the likelihood or impact of hazardous substance releases, whether permitted or not. For example, our petrochemical facilities may require improvements to comply with certain changes in process safety management requirements.

In April 2016, the EPA issued an Information Collection Request ("ICR") for ethylene production facilities to inform the agency's mandatory Risk and Technology Review of the existing ethylene maximum available technology ("MACT") rule, which regulates the emissions of organic Hazardous Air Pollutants (HAP) including benzene, toluene and xylene among others. The EPA evaluated companies' responses and testing data from the ICR and published a final rule amending the ethylene MACT rule in July 2020. Among other things, the final rule strengthens heat exchange system and storage vessel control requirements, adds monitoring and operational requirements for flares, and removes exemptions for periods of startup, shutdown, and malfunctions.

Our operations also produce greenhouse gas ("GHG") emissions, which have been the subject of increased scrutiny and regulation. In December 2015, the United States joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France. The resulting Paris Agreement calls for the parties to undertake "ambitious efforts" to limit the average global temperature and to conserve and enhance sinks and reservoirs of greenhouse gases. The United States signed the Paris Agreement in April 2016, and the Paris Agreement went into effect in November 2016. In November 2019, the United States submitted formal notification to the United Nations that it intended to withdraw from the Paris Agreement. The withdrawal took effect in November 2020. However, President Biden signed an executive order on January 20, 2021 for reentry of the United States into the Paris Agreement and on February 19, 2021, President Biden formally rejoined the Paris Agreement. As part of rejoining the Paris Agreement, President Biden announced that the United States would commit to a 50 to 52 percent reduction from 2005 levels of GHG emissions by 2030 and set the goal of reaching net-zero GHG emissions by 2050. Legislation to regulate GHG emissions has periodically been introduced in the United States Congress, and such legislation may be proposed or adopted in the future. There has been a wide-ranging policy debate regarding the impact of these gases and possible means for their regulation. Some of the proposals would require industries to meet stringent new standards that would require substantial reductions in carbon emissions. The adoption and implementation of any international, federal or state legislation or regulations that restrict emissions of GHGs could result in increased compliance costs or additional operating restrictions. The EPA has adopted rules requiring the reporting of GHG emissions from specified large GHG emission sources on an annual basis including our facilities in Lake Charles and Calvert City. Various jurisdictions have considered or adopted laws and regulations on GHG emissions, with the general aim of reducing such emissions. The EPA currently requires certain industrial facilities to report their GHG emissions and to obtain permits with stringent control requirements before constructing or modifying new facilities with significant criteria pollutant and GHG emissions. As our chemical processing results in GHG emissions, these and other GHG laws and regulations could affect our costs of doing business.

We also may face liability for alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our facilities or to chemicals that we otherwise manufacture, handle or own. Although these types of claims have not historically had a material impact on our operations, a significant increase in the success of these types of claims could have a material adverse effect on our business, financial condition, operating results or cash flow.

Environmental laws may have a significant effect on the nature and scope of, and responsibility for, cleanup of contamination at our current and former operating facilities, the costs of transportation and storage of raw materials and finished products, the costs of reducing emissions and the costs of the storage and disposal of wastewater. The U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and similar state laws impose joint and several liability for the costs of remedial investigations and actions on the entities that are deemed responsible for a release of hazardous substances into the environment, including entities that have generated hazardous substances or arranged for their transportation or disposal, as well as the past and present owners and operators of disposal sites. All such potentially responsible parties (or any one of them, including us) may be required to bear all of such costs regardless of fault, legality of the original disposal or ownership of the disposal site. In addition, CERCLA and similar state laws could impose liability for damages to natural resources caused by contamination.

Although we seek to take preventive action, our operations are inherently subject to accidental spills, discharges or other releases of hazardous substances that may make us liable to governmental entities or private parties. This may involve contamination associated with our current and former facilities, facilities to which we sent wastes or by-products for treatment or disposal and other contamination. Accidental discharges may occur in the future, future action may be taken in connection with past discharges, governmental agencies may assess damages or penalties against us in connection with any past or future contamination, or third parties may assert claims against us for damages allegedly arising out of any past or future contamination. In addition, we may be liable for existing contamination related to certain of our facilities for which, in some cases, we believe third parties are liable in the event such third parties fail to perform their obligations.

Failure to adequately protect critical data and technology systems could materially affect our operations.

Information technology system failures, network disruptions and breaches of data security due to internal or external factors including cyber-attacks could disrupt our operations by causing delays or cancellation of customer orders, impede the manufacture or shipment of products or cause standard business processes to become ineffective, resulting in the unintentional disclosure of information or damage to our reputation. Cyber-attacks could include, but are not limited to, ransomware attacks, malicious software, attempts to gain unauthorized access to our data and the unauthorized release, corruption or loss of our data and personal information, interruptions in communication, loss of our intellectual property or theft of our sensitive or proprietary technology, loss or damage to our data delivery systems, or other cybersecurity and infrastructure systems, including our property and equipment. Westlake, which manages our security protocol under the omnibus agreement, has taken steps to address these risks by implementing network security and internal control measures, including employee training, comprehensive monitoring of our networks and systems, maintenance of backup and protective systems and disaster recovery and incident response plans. Westlake's employees, systems, networks, products, facilities and services remain potentially vulnerable to sophisticated cyber-assault, especially while certain employees are working remotely during the COVID-19 pandemic, and, as such, there can be no assurance that a system failure, network disruption or data security breach will not have a material adverse effect on our operations, business, financial condition, operating results or cash flow.

A terrorist attack or armed conflict could harm our business.

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the United States or other jurisdictions could adversely affect the United States and global economies and could prevent us from meeting financial and other obligations. We could experience loss of business, delays or defaults in payments from customers or disruptions of fuel supplies and markets if North American and global utilities 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 Relating to Our Partnership Structure

Our General Partner

Westlake 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 Westlake, may have conflicts of interest with us and have limited duties, and they may favor their own interests to our detriment and that of our unitholders.

Westlake 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 interests, the executive officers and directors of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to Westlake. Therefore, conflicts of interest may arise between Westlake 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 Westlake, in exercising certain rights under our partnership agreement;
- neither our partnership agreement nor any other agreement requires Westlake to pursue a business strategy that favors us;
- our partnership agreement 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 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;
- our general partner may cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make incentive distributions or may cause us not to borrow funds to pay cash distributions when we do not otherwise have the funds to pay such cash distributions;
- our partnership agreement permits us to distribute up to \$28.0 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on 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 Westlake's incentive distribution rights without the approval of the conflicts committee of the board of directors or the unitholders. This election may result in lower distributions to the common unitholders in certain situations.

In addition, we may compete directly with Westlake 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. See "[Risks Relating to Our Partnership Structure—Our General Partner—Westlake and other affiliates of our general partner may compete with us](#)" below.

Our general partner has limited its liability regarding our obligations.

Our general partner has limited 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 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.

Our partnership agreement 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;
- 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.

By purchasing a common unit, a unitholder is treated as having consented to the provisions in the partnership agreement, including the provisions discussed above.

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, 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 partnership agreement provides that the conflicts committee of the board of directors may be comprised of one or more independent directors. If the board of directors establishes a conflicts committee with only one independent director, your interests may not be as well served as if the conflicts committee was comprised of at least two independent directors. A single-member conflicts committee would not have the benefit of discussion with, and input from, other independent directors.

Westlake and other affiliates of our general partner may compete with us.

Affiliates of our general partner, including Westlake, are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us. In addition, Westlake 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 Westlake. 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 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.

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 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 will have no right on an annual or ongoing basis to elect our general partner or its board of directors. The board of directors, including the independent directors, is chosen entirely by Westlake, 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.

Even if holders of our common units are dissatisfied, they cannot currently remove our general partner without its consent.

If our unitholders are dissatisfied with the performance of our general partner, they currently cannot remove our general partner. Unitholders currently are unable to remove our general partner without its consent because our general partner and its affiliates own sufficient units to be able to prevent its removal. The vote, including Westlake, 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 February 23, 2022, Westlake owned an aggregate of 40.1% of our common units. This condition provides Westlake, at its current ownership levels, the ability to prevent the removal of our general partner.

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 permits Westlake to transfer ownership of our general partner to a third party, also without the consent of our unitholders. 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.

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 limited 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 limited 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 Securities Exchange Act of 1934, as amended, or the Exchange Act.

Cash Distributions to Unitholders

The board of directors 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.

The board of directors adopted a cash distribution policy pursuant to which we intend to distribute quarterly at least \$0.2750 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.

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 amount we distribute 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, 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 Westlake to the detriment of our common unitholders.

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

We plan to distribute most of our available cash, 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.

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 target distribution levels related to the incentive distribution rights, without the approval of the conflicts committee of our board of directors or the holders of our common units. This could result in lower distributions to holders of our common units.

The holder or holders of a majority of our incentive distribution rights (currently Westlake) 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 by such holder or holders, the minimum quarterly distribution 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. If such holder or holders elects to reset the target distribution levels, they will be entitled to receive common units as consideration for such election. The number of common units to be issued to such holder or holders will equal the number of common units that would have entitled the holder to an aggregate quarterly cash distribution for the quarter prior to the reset election equal to the distribution on the incentive distribution rights for the quarter prior to the reset election.

Westlake, as the current holder of our incentive distribution rights, could 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, Westlake may transfer the incentive distribution rights at any time. It is possible that Westlake 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, a holder 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 rather than retain the right to receive incentive distributions based on the initial target distribution levels. As a result, a reset election may cause our common unitholders to experience reduction 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.

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

Westlake may transfer the incentive distribution rights to a third party at any time without the consent of our unitholders. If Westlake transfers the incentive distribution rights to a third party, it 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 Westlake could reduce the likelihood of it accepting offers made by us relating to assets owned by Westlake, 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.

Ownership of Our Common Units

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 earnings per each unit may decrease;
- 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.

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 Westlake or other large holders.

Westlake has registration rights with respect to the common units it holds. Sales by Westlake 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, cannot vote on any matter.

Unitholders may have liability to repay distributions.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Delaware law, 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.

Public and investor sentiment towards climate change and other environmental, social and governance ("ESG") matters could adversely affect our cost of capital and the price of our common units.

There have been intensifying efforts within the investment community (including investment advisors, investment fund managers, sovereign wealth funds, public pension funds, universities and individual investors) to promote the divestment of, or limit investment in, the equity of companies in the petrochemical industry. There has also been pressure on lenders and other financial services companies to limit or curtail financing of companies in the industry. Because we operate within the petrochemical industry, if these efforts continue or expand, our stock price and our ability to raise capital may be negatively impacted.

Members of the investment community are increasing their focus on ESG practices and disclosures by public companies, including practices and disclosures related to climate change and sustainability, D&I initiatives and heightened governance standards. As a result, we may continue to face increasing pressure regarding our ESG disclosures and practices. Additionally, members of the investment community may screen companies such as ours for ESG disclosures and performance before investing in our common units. Over the past few years, there has also been an acceleration in investor demand for ESG investing opportunities, and many large institutional investors have committed to increasing the percentage of their portfolios that are allocated towards ESG investments. With respect to any of these investors, our ESG disclosures and efforts may not satisfy the investor requirements or their requirements may not be made known to us. If we or our securities are unable to meet the ESG standards or investment criteria set by these investors and funds, we may lose investors or investors may allocate a portion of their capital away from us, our cost of capital may increase, and our common unit price may be negatively impacted.

Tax Risks

Our tax treatment depends on our status as a partnership for federal income tax purposes, and not being subject to a material amount of entity-level taxation. If the Internal Revenue Service ("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 U.S. 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 and current Treasury Regulations, we believe we satisfy the qualifying income requirement.

Prior to our initial public offering, we 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 the production, transportation, storage and marketing of ethylene and its co-products constitutes "qualifying income" within the meaning of Section 7704 of the Internal Revenue Code of 1986, as amended (the "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. 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 our 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 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. We currently own assets and conduct business in several states, most of which impose entity-level franchise or gross receipt taxes on partnerships. In the future, we may expand our operations. Imposition of similar entity-level taxes 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. Members of Congress and the President have frequently proposed and considered substantive changes to the existing U.S. federal income tax laws that would affect publicly-traded partnerships, including proposals that would eliminate our ability to qualify for partnership tax treatment. Recent proposals have provided for the expansion of the qualifying income exception for publicly traded partnerships in certain circumstances and other proposals have provided for the total elimination of the qualifying income exception upon which we rely for our partnership tax treatment.

In addition, the Treasury Department has issued, and in the future may issue, regulations interpreting those laws that affect publicly-traded partnerships. On January 24, 2017, final regulations regarding which activities give rise to qualifying income within the meaning of Section 7704 of the Code (the "Final Regulations") were published in the Federal Register. The Final Regulations, consistent with our private letter ruling, treat our income from the production, transportation, storage and marketing of ethylene and its co-products constitutes as "qualifying income." There can be no assurance that there will not be further changes to U.S. federal income tax laws or the Treasury Department's interpretation of the qualifying income rules in a manner that could impact our ability to qualify as a partnership in the future.

Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be retroactively applied 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 changes or other proposals will ultimately be enacted. Any future legislative changes could negatively impact the value of an investment in our common units. You are urged to consult with your own tax advisor with respect to the status of regulatory or administrative developments and proposals and their potential effect on your 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 our cash available for distribution to our unitholders.

The IRS may adopt positions that differ from the positions we take. 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 result in a reduction in our cash available for distribution to our unitholders and thus will be borne indirectly by our unitholders.

If the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders behalf.

If the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us. To the extent possible under these rules, our general partner may elect to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue a revised information statement to each unitholder and former unitholder with respect to an audited and adjusted return. Although our general partner may elect to have our unitholders and former unitholders take such audit adjustment into account and pay any resulting taxes (including applicable penalties or interest) in accordance with their interests in us during the tax year under audit, there can be no assurance that such election will be practical, permissible or effective in all circumstances. As a result, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders behalf. Additionally, we may be required to allocate an adjustment disproportionately among our unitholders, causing our publicly traded units to have different capital accounts, unless the IRS issues further guidance.

In the event the IRS makes an audit adjustment to our income tax returns and we do not or cannot shift the liability to our unitholders in accordance with their interests in us during the year under audit, we will generally have the ability to request that the IRS reduce the determined underpayment by reducing the suspended passive loss carryovers of our unitholders (without any compensation from us to such unitholders), to the extent such underpayment is attributable to a net decrease in passive activity losses allocable to certain partners. Such reduction, if approved by the IRS, will be binding on any affected unitholders.

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. 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 unitholder's share of our taxable income, and its relationship to any distributions we make, may be affected by a variety of factors, including our economic performance, which may be affected by numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control, and certain transactions in which we might engage. For example, we may engage in transactions that produce substantial taxable income allocations to some or all of our unitholders without a corresponding increase in cash distributions to our unitholders, such as a sale or exchange of assets, the proceeds of which are reinvested in our business or used to reduce our debt, or an actual or deemed satisfaction of our indebtedness for an amount less than the adjusted issue price of the debt. A unitholder's ratio of its share of taxable income to the cash received by it may also be affected by changes in law.

From time to time, in connection with an offering of our common units, we may state an estimate of the ratio of federal taxable income to cash distributions that a purchaser of common units in that offering may receive in a given period. These estimates depend in part on factors that are unique to the offering with respect to which the estimate is stated, so the expected ratio applicable to other common units will be different, and in many cases less favorable, than these estimates. Moreover, even in the case of common units purchased in the offering to which the estimate relates, the estimate may be incorrect, due to the uncertainties described above, challenges by the IRS to tax reporting positions which we adopt, or other factors. The actual ratio of taxable income to cash distributions could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units.

Tax gain or loss on the disposition of our common units could be more or less than expected.

If a unitholder sells common units, the unitholder will recognize a gain or loss equal to the difference between the amount realized and that unitholder's tax basis in those common units. Because distributions in excess of a unitholder's allocable share of our net taxable income decrease such unitholder's tax basis in its common units, the amount, if any, of such prior excess distributions with respect to the units a unitholder sells will, in effect, become taxable income to a unitholder if it sells such units at a price greater than its tax basis in those units, even if the price such unitholder receives is less than its original cost. In addition, because the amount realized includes a unitholder's share of our nonrecourse liabilities, if a unitholder sells its units, a unitholder may incur a tax liability in excess of the amount of cash received from the sale.

A substantial portion of the amount realized from a unitholder's sale of our units, whether or not representing gain, may be taxed as ordinary income to such unitholder due to potential recapture items, including depreciation recapture. Thus, a unitholder may recognize both ordinary income and capital loss from the sale of units if the amount realized on a sale of such units is less than such unitholder's adjusted basis in the units. Net capital loss may only offset capital gains and, in the case of individuals, up to \$3,000 of ordinary income per year. In the taxable period in which a unitholder sells its units, such unitholder may recognize ordinary income from our allocations of income and gain to such unitholder prior to the sale and from recapture items that generally cannot be offset by any capital loss recognized upon the sale of units.

Unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

In general, we are entitled to a deduction for interest paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. However, our deduction for "business interest" is limited to the sum of our business interest income and 30% of our "adjusted taxable income." For the purposes of this limitation, our adjusted taxable income is computed without regard to any business interest expense or business interest income, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion to the extent such depreciation, amortization, or depletion is not capitalized into cost of goods sold with respect to inventory.

If our "business interest" is subject to limitation under these rules, our unitholders will be limited in their ability to deduct their share of any interest expense that has been allocated to them. As a result, unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

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

Investment in our common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs) raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from U.S. federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income ("UBTI") and will be taxable to them. Tax-exempt entities should consult a tax advisor before investing in our common units.

Non-U.S. Unitholders will be subject to U.S. taxes and withholding with respect to their income and gain from owning our units.

Non-U.S. unitholders are generally taxed and subject to income tax filing requirements by the United States on income effectively connected with a U.S. trade or business. Income allocated to our unitholders and any gain from the sale of our units will generally be considered to be "effectively connected" with a U.S. trade or business. As a result, distributions to a non-U.S. unitholder will be subject to withholding at the highest applicable effective tax rate and a non-U.S. unitholder who sells or otherwise disposes of a unit will also be subject to U.S. federal income tax on the gain realized from the sale or disposition of that unit.

Moreover, the transferee of an interest in a partnership that is engaged in a U.S. trade or business is generally required to withhold 10% of the "amount realized" by the transferor unless the transferor certifies that it is not a foreign person. While the determination of a partner's "amount realized" generally includes any decrease of a partner's share of the partnership's liabilities, the Treasury regulations provide that the "amount realized" on a transfer of an interest in a publicly-traded partnership, such as our common units, will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor, and thus will be determined without regard to any decrease in that partner's share of a publicly-traded partnership's liabilities. The Treasury regulations and other guidance from the IRS further provide that withholding on a transfer of an interest in a publicly-traded partnership will not be imposed on a transfer that occurs prior to January 1, 2023. Thereafter, the obligation to withhold on a transfer of interests in a publicly traded partnership that is effected through a broker is imposed on the transferor's broker. Current and prospective non-U.S. unitholders should consult their tax advisors regarding the impact of these rules on an investment in our common units.

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

Because we cannot match transferors and transferees of common units, we have adopted certain methods for allocating depreciation and amortization deductions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to the use of these methods 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 any sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to a unitholder's tax returns.

We generally 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 generally 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 (the "Allocation Date"), instead of on the basis of the date a particular unit is transferred. Similarly, we generally allocate (i) certain deductions for depreciation of capital additions, (ii) gain or loss realized on a sale or other disposition of our assets and (iii) in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction based upon ownership on the Allocation Date. Treasury Regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of our proration method. 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 to have disposed of those units. If so, such unitholder 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 to have 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 consult a tax advisor to determine whether it is advisable 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 our 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.

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 recognized from the sale of our common units, have a negative impact on the value of our common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions.

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 property and conduct business in a number of states, most of which currently impose a personal income tax on individuals, and most of which also impose an income or similar tax on corporations and certain other entities. As we make acquisitions or expand our business, we may own assets or conduct business in additional states that impose similar taxes. It is our unitholders' responsibility to file all United States federal, foreign, state and local tax returns and pay any taxes due in these jurisdictions. Unitholders should consult with their own tax advisors regarding the filing of such tax returns, the payment of such taxes, and the deductibility of any taxes paid.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Information regarding our properties is contained in "Item 1. Business—OpCo's Assets" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 3. Legal Proceedings

In the ordinary conduct of our business, we and Westlake and Westlake's subsidiaries, including OpCo, are subject to periodic lawsuits, investigations and claims, including environmental claims and employee related matters. See the discussions of our environmental matters contained in "Item 1. Business—Environmental" and "Note 16 —Commitments and Contingencies", to the consolidated financial statements within this report. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, we do not believe that any currently pending legal proceeding or proceedings to which we or Westlake or any of our or Westlake's subsidiaries, including OpCo, are a party will have a material adverse effect on our business, results of operations, cash flows or financial condition. In addition, under the Omnibus Agreement, Westlake agreed to indemnify OpCo for certain environmental liabilities arising out of or occurring before the closing date of the IPO.

Item 4. Mine Safety Disclosure

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Partnership Interests

Our common units are listed and traded on the New York Stock Exchange ("NYSE") under the symbol "WLKP." As of the close of business on February 23, 2022, based upon information received from our transfer agent, there were four holders of record of our common units.

We are a publicly-traded partnership and are not subject to federal income tax. Instead, unitholders are required to report their allocable share of our income, gain, loss and deduction, regardless of whether we make distributions.

Following the Partnership's cash distribution for the second quarter of 2017, the requirement under the Partnership's partnership agreement for the conversion of all subordinated units was satisfied. As a result, effective August 30, 2017, all of the subordinated units owned by Westlake were converted into common units on a one-for-one basis and thereafter participate on terms equal with all other common units in distributions of available cash.

Selected Information from our Partnership Agreement

Set forth below is a summary of the significant provisions of our partnership agreement that relate to cash distributions, minimum quarterly distributions and incentive distribution rights.

Cash Distribution Policy

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 adopted a cash distribution policy in connection with the closing of the IPO 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 make a minimum quarterly distribution of \$0.2750 per unit 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 may change our cash 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.

Operating Surplus and Capital Surplus

Any distribution we make is characterized as made from "operating surplus" or "capital surplus." Distributions from operating surplus are made differently than cash distributions we would make from capital surplus. Operating surplus distributions will be made to our unitholders and, if we make quarterly distributions above the first target distribution level described below, to the holder of our incentive distribution rights. We do not anticipate that we will make any distributions from capital surplus. In such an event, however, any capital surplus distribution would be made pro rata to all unitholders, but the incentive distribution rights would generally not participate in any capital surplus distributions. Any distribution of capital surplus would result in a reduction of the minimum quarterly distribution and target distribution levels and, if we reduce the minimum quarterly distribution to zero and eliminate any unpaid arrearages, thereafter capital surplus would be distributed as if it were operating surplus and the incentive distribution rights would thereafter be entitled to participate in such distributions. In determining operating surplus and capital surplus, we will only take into account our proportionate share of our consolidated subsidiaries that are not wholly owned, such as OpCo.

Minimum Quarterly Distribution

On July 27, 2018, the partnership agreement was amended to revise the minimum quarterly distribution thresholds for the Partnership's incentive distribution rights. The amended partnership agreement provides that the Partnership will distribute cash each quarter to all the unitholders, pro-rata, until each common unit has received a distribution of \$1.2938. If cash distributions to the Partnership's unitholders exceed \$1.2938 per common unit in any quarter, the Partnership's unitholders and Westlake, as the holder of the Partnership's incentive distribution rights, will receive distributions according to the percentage allocations per the amended partnership agreement. For more information on the Partnership's amended distribution allocation percentages, see Note 9, "Distributions and Net Income Per Limited Partner Unit," to the consolidated financial statements within this report.

General Partner Interests 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 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 target distribution levels have been achieved. Westlake currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest.

Unregistered Sales of Equity Securities

We did not have any unregistered sales of equity securities during the quarter or fiscal year ended December 31, 2021 that we have not previously reported on a Quarterly Report on Form 10-Q or a Current Report on Form 8-K.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations****Overview**

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying consolidated financial statements, the notes thereto, and the other financial information appearing elsewhere in this report. The following discussion includes forward-looking statements that involve certain risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" included within this report.

We are a Delaware limited partnership formed by Westlake to operate, acquire and develop ethylene production facilities and related assets. On August 4, 2014, we closed our initial public offering (the "IPO") of 12,937,500 common units. In connection with the IPO, we acquired a 10.6% interest in OpCo and a 100% interest in OpCo GP, which is the general partner of OpCo. On April 29, 2015, we purchased an additional 2.7% newly-issued limited partner interest in OpCo, resulting in an aggregate 13.3% limited partner interest in OpCo effective as of April 1, 2015. On September 29, 2017, we completed a secondary public offering of 5,175,000 common units and purchased an additional 5.0% newly-issued limited partner interest in OpCo, resulting in an aggregate 18.3% limited partner interest in OpCo effective as of July 1, 2017. The 12,686,115 subordinated units of the Partnership, all of which were previously owned by Westlake, were converted into common units of the Partnership on August 30, 2017. On March 29, 2019, we completed a private placement of 2,940,818 common units and used the net proceeds to purchase an additional 4.5% interest in OpCo, effective January 1, 2019, resulting in us owning an aggregate 22.8% limited partner interest in OpCo.

Currently, our sole revenue generating asset is our 22.8% limited partner interest in OpCo, a limited partnership formed by Westlake and us in anticipation of the IPO to own and operate an ethylene production business. We control OpCo through our ownership of its general partner. Westlake retains the remaining 77.2% limited partner interest in OpCo as well as a significant interest in us through its ownership of our general partner, 40.1% of our limited partner units (consisting of 14,122,230 common units) and our incentive distribution rights. OpCo's assets include (1) two ethylene production facilities ("Petro 1" and "Petro 2" and, collectively, "Lake Charles Olefins") at Westlake's Lake Charles, Louisiana site; (2) one ethylene production facility ("Calvert City Olefins") at Westlake's Calvert City, Kentucky site; and (3) a 200-mile common carrier ethylene pipeline (the "Longview Pipeline") that runs from Mont Belvieu, Texas to Westlake's Longview, Texas facility.

How We Generate Revenue

We generate revenue primarily by selling ethylene and the resulting co-products we produce. OpCo and Westlake have entered into an ethylene sales agreement (the "Ethylene Sales Agreement") pursuant to which we generate a substantial majority of our revenue. The Ethylene Sales Agreement is a long-term, fee-based agreement with a minimum purchase commitment and includes variable pricing based on OpCo's actual feedstock and natural gas costs and estimated other costs of producing ethylene (including OpCo's estimated operating costs and a five-year average of OpCo's expected future maintenance capital expenditures and other turnaround expenditures based on OpCo's planned ethylene production capacity for the year), plus a fixed margin per pound of \$0.10 less revenue from co-products sales. Pursuant to the Ethylene Sales Agreement, Westlake's obligation to pay for the annual minimum commitment (95% of OpCo's budgeted ethylene production), which is measured on an annual basis, is not reduced for a force majeure event lasting fewer than 45 consecutive days. In the event of a force majeure event, we recognize buyer deficiency fees representing fixed margin and unavoided operating and maintenance capital expenditures and maintenance expenses per pound of volume committed by Westlake during the force majeure event. Payment for the buyer deficiency fee is scheduled to be received by the Partnership after the conclusion of the year.

Westlake has an option to take 95% of volumes in excess of the minimum commitment on an annual basis under the Ethylene Sales Agreement if we produce more than our planned production. Under the Ethylene Sales Agreement, the price for the sale of such excess ethylene to Westlake is based on a formula similar to that used for the minimum purchase commitment, with the exception of certain fixed costs. In addition, under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the contract year, OpCo is entitled to recover the shortfall in such production costs (proportionate to the volume sold to Westlake) in the subsequent year ("Shortfall"). The Shortfall is generally recognized during the period in which the related operating, maintenance or turnaround activities occur.

The Ethylene Sales Agreement provides that, if compliance with any law adopted or modified following our IPO results in OpCo incurring additional costs in excess of \$500,000 in any contract year, OpCo is entitled to charge Westlake a monthly surcharge following efforts to mitigate the effects of such compliance.

We sell ethylene production in excess of volumes sold to Westlake, as well as all associated co-products resulting from the ethylene production, directly to third parties on either a spot or contract basis. Net proceeds (after transportation and other costs) from the sales of associated co-products that result from the production of ethylene purchased by Westlake are netted against the ethylene price charged to Westlake under the Ethylene Sales Agreement, thereby substantially reducing our exposure to fluctuations in the market prices of these co-products. During 2021, all the third-party ethylene and associated co-products sales generated 15.5% of our total revenues.

Under the Services and Secondment Agreement, OpCo uses a portion of its production capacity to process purge gas for Westlake. On August 4, 2016, OpCo and Westlake entered into an amendment to the Ethylene Sales Agreement in order to provide that certain of the pricing components that make up the price for ethylene sold thereunder would be modified to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene and to clarify that costs specific to the processing of Westlake's purge gas would be recovered under the Services and Secondment Agreement, and not the Ethylene Sales Agreement.

Please refer to Note 2 to the consolidated financial statements included within this report for more information on the Ethylene Sales Agreement.

How We Source Feedstock

OpCo has entered into a 12-year feedstock supply agreement (the "Feedstock Supply Agreement") with Westlake Petrochemicals LLC, a wholly owned subsidiary of Westlake, under which Westlake Petrochemicals LLC supplies OpCo with ethane and other feedstocks that OpCo uses to produce ethylene under the Ethylene Sales Agreement. For its approximately five percent merchant sales, OpCo may purchase the ethane and other feedstocks to produce ethylene and resulting co-products to sell to unrelated third parties from Westlake Petrochemicals LLC.

Please refer to Note 2 to the consolidated financial statements included within this report for more information on the Feedstock Supply Agreement.

How We Evaluate Operations

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include: (1) production volumes, (2) operating and maintenance expenses, including turnaround costs, and (3) MLP distributable cash flow and EBITDA.

Production Volumes

The amount of profit we generate primarily depends on the volumes of ethylene and resulting co-products we are able to produce at Calvert City Olefins and Lake Charles Olefins. Although Westlake has committed to purchasing minimum volumes from us under the Ethylene Sales Agreement, our results of operations are impacted by our ability to:

- produce sufficient volumes of ethylene to meet our commitments under the Ethylene Sales Agreement or recover our estimated costs through the pricing provisions of the Ethylene Sales Agreement;
- contract with third parties for the remaining uncommitted production capacity;
- add or increase capacity at our existing production facilities, or add additional production capacity via organic expansion projects and acquisitions; and
- achieve or exceed the specified yield factors for natural gas, ethane and other feedstock under the Ethylene Sales Agreement.

Operating Expenses, Maintenance Capital Expenditures and Turnaround Costs

Our management seeks to maximize the profitability of our operations by effectively managing operating expenses, maintenance capital expenditures and turnaround costs. Our operating expenses are comprised primarily of feedstock costs and natural gas, labor expenses (including contractor services), utility costs (other than natural gas) and turnaround and maintenance expenses. With the exception of feedstock (including natural gas) and utilities-related expenses, operating expenses generally remain relatively stable across broad ranges of production volumes but can fluctuate from period to period depending on the circumstances, particularly maintenance and turnaround activities. Our maintenance capital expenditures and turnaround costs are comprised primarily of maintenance of our ethylene production facilities and the amortization of capitalized turnaround costs. These capital expenditures relate to the maintenance and integrity of our facilities. We capitalize the costs of major maintenance activities, or turnarounds, and amortize the costs over the period until the next planned turnaround of the affected facility.

Operating expenses, maintenance capital expenditures and turnaround costs are built into the price per pound of ethylene charged to Westlake under the Ethylene Sales Agreement. Because the expenses other than feedstock costs and natural gas are based on forecasted amounts and remain a fixed component of the price per pound of ethylene sold under the Ethylene Sales Agreement for any given 12-month period, our ability to manage operating expenses, maintenance expenditures and turnaround costs may directly affect our profitability and cash flows. The impact on profitability is partially mitigated by the fact that we generally recognize any Shortfall as revenue in the period such costs and expenses are incurred. We seek to manage our operating and maintenance expenses on our ethylene production facilities by scheduling maintenance and turnarounds over time to avoid significant variability in our operating margins and minimize the impact on our cash flows, without compromising our commitment to safety and environmental stewardship. In addition, we reserve cash on an annual basis from what we would otherwise distribute to minimize the impact of turnaround costs in the year of incurrence. The purchase price under the Ethylene Sales Agreement is not designed to cover capital expenditures for expansions.

MLP Distributable Cash Flow and EBITDA

The body of accounting principles generally accepted in the United States is commonly referred to as "GAAP." For this purpose, a non-GAAP financial measure is generally defined by the Securities and Exchange Commission ("SEC") as a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that (1) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the registrant; or (2) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. We use the non-GAAP measures of MLP distributable cash flow and EBITDA to analyze our performance. We define distributable cash flow as net income plus depreciation, amortization and disposition of property, plant and equipment, less contributions for turnaround reserves, maintenance capital expenditures and mark-to-market adjustment on derivative contracts. We define MLP distributable cash flow as distributable cash flow less distributable cash flow attributable to Westlake's noncontrolling interest in OpCo and distributions attributable to the incentive distribution rights holder. MLP distributable cash flow does not reflect changes in working capital balances. We define EBITDA as net income before interest expense, income taxes, depreciation and amortization. We use each of MLP distributable cash flow and EBITDA to analyze our performance. Fees for a buyer deficiency and Shortfall are included in net income in the periods in which they are recognized. MLP distributable cash flow and EBITDA are non-GAAP supplemental financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess our operating performance as compared to other publicly-traded partnerships; our ability to incur and service debt and fund capital expenditures; and the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

MLP distributable cash flow is not a substitute for the GAAP measures of net income and net cash provided by operating activities. MLP distributable cash flow has important limitations as an analytical tool because it excludes some but not all items that affect net income and net cash provided by operating activities. EBITDA is not a substitute for the GAAP measures of net income, income from operations and net cash provided by operating activities. In addition, it should be noted that companies calculate EBITDA differently and, therefore, EBITDA as presented for us may not be comparable to EBITDA reported by other companies. EBITDA has material limitations as a performance measure because it excludes interest expense, depreciation and amortization, and income taxes. Reconciliations for each of MLP distributable cash flow and EBITDA are included in "—Results of Operations" below.

Factors Affecting Our Business

Supply and Demand for Ethylene and Resulting Co-products

We generate a substantial majority of our revenue from the Ethylene Sales Agreement. This contract is intended to promote cash flow stability and minimize our direct exposure to commodity price fluctuations in the following ways: (1) the cost-plus pricing structure of the Ethylene Sales Agreement is expected to generate a fixed margin of \$0.10 per pound, adjusting automatically for changes in feedstock costs; and (2) Westlake is committed to purchase 95% of the annual planned output, subject to a maximum commitment of 3.8 billion pounds of ethylene per year, with an option to purchase an additional 95% of actual output in excess of the planned output on a contract year basis. As a result, our direct exposure to commodity price risk is limited to approximately 5% of our total ethylene production, which is that portion sold to third parties, assuming Westlake exercises its option to purchase 95% of the over production, as well as to our co-products sales.

We also have indirect exposure to commodity price fluctuations to the extent such fluctuations affect the ethylene consumption patterns of third-party purchasers. Demand for ethylene exhibits cyclical commodity characteristics as margins earned on ethylene derivative products are influenced by changes in the balance between supply and demand, the resulting operating rates and general economic activity. While we believe we have substantially mitigated our indirect exposure to commodity price fluctuations during the term of the Ethylene Sales Agreement through the minimum commitment and the cost-plus based pricing, our ability to execute our growth strategy in our areas of operation will depend, in part, on the demand for ethylene derivatives in the geographical areas served by our ethylene production facilities.

Significant Developments Affecting Industry Conditions and Our Business

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the ongoing COVID-19 outbreak a pandemic and recommended containment and mitigation measures worldwide. The pandemic has resulted in widespread adverse impacts on the global economy and on our employees, customers and suppliers. The COVID-19 pandemic has not caused significant disruptions to our business operations and we do not expect the COVID-19 pandemic to cause significant disruptions to our future business operations, primarily due to the fact that 95% of our production is sold to Westlake on a take-or-pay contract.

OpCo's Petro 2 Turnaround

In September 2021, we commenced our planned major maintenance activities, or turnaround, of OpCo's Petro 2 ethylene unit in Lake Charles, Louisiana. The turnaround was originally expected to conclude in November 2021. On September 27, 2021, shortly after the turnaround commenced, there was a flash fire at the quench tower of the Petro 2 facility. Several contractors working on the quench tower were injured. Although there was no sustained fire or offsite impact resulting from the incident and the quench tower did not sustain significant damage, due to the subsequent investigation by the Occupational Safety and Health Administration, the duration of the turnaround was extended until December 2021. There are lawsuits pending in connection with the flash fire at the quench tower during the Petro 2 turnaround. We expect insurance to cover most of the costs associated with these lawsuits.

Force Majeure Events

OpCo declared force majeure events in September 2021 due to the flash fire at the Petro 2 facility, in June 2021 due to OpCo's Petro 1 facility outage, and in February 2021 due to the severe winter storm. As a result of these force majeure events, the Partnership recognized revenue for buyer deficiency fees of \$51.4 million and Shortfall of \$58.9 million during 2021, which is classified as a component of net sales. The buyer deficiency fee is measured periodically based upon the lower of the actual production deficiency at period end or the estimated annual production deficiency based upon OpCo's annual anticipated production. These periodic estimates are updated at the end of the year based on actual annual production. The buyer deficiency fee was collected from Westlake in January 2022 and the Shortfall recognized in 2021 is recoverable during 2022 under the Ethylene Sales Agreement.

Results of Operations

The table below and descriptions that follow represent the consolidated results of operations of the Partnership for the years 2021, 2020 and 2019.

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of dollars, except unit amounts and per unit data)		
Net sales—Westlake	\$ 1,026,586	\$ 888,245	\$ 937,625
Net co-products, ethylene and feedstock sales—third parties	188,272	78,425	154,246
Total net sales	1,214,858	966,670	1,091,871
Gross profit	441,706	378,883	379,428
Selling, general and administrative expenses	31,018	25,895	29,278
Income from operations	410,688	352,988	350,150
Other income (expense)			
Interest expense—Westlake	(8,816)	(12,038)	(19,623)
Other income, net	62	733	3,096
Income before income taxes	401,934	341,683	333,623
Provision for income taxes	549	564	728
Net income	\$ 401,385	\$ 341,119	\$ 332,895
Less: Net income attributable to noncontrolling interest in OpCo	318,838	274,952	271,914
Net income attributable to Westlake Chemical Partners LP and limited partners' interest in net income	\$ 82,547	\$ 66,167	\$ 60,981
Net income attributable to Westlake Chemical Partners LP per limited partner unit (basic and diluted)			
Common units	\$ 2.34	\$ 1.88	\$ 1.77
Weighted average limited partner units outstanding (basic and diluted)			
Common units—public	21,084,103	21,073,041	20,365,828
Common units—Westlake	14,122,230	14,122,230	14,122,230
MLP distributable cash flow ⁽¹⁾	\$ 70,057	\$ 71,983	\$ 73,181
EBITDA ⁽¹⁾	\$ 519,564	\$ 456,875	\$ 460,566

	Year Ended December 31,			
	2021		2020	
	Average Sales Price	Volume	Average Sales Price	Volume
Product sales price and volume percentage change from prior year	+26.8 %	-3.6 %	+0.8%	-18.6 %

	Year Ended December 31,		
	2021	2020	2019
	Average industry prices ⁽²⁾		
Ethane (cents/lb)	10.4	6.4	7.3
Propane (cents/lb)	24.7	11.0	12.7
Ethylene (cents/lb) ⁽³⁾	42.9	17.5	18.5

(1) See above for discussions on non-GAAP financial measures. Reconciliations for each of MLP distributable cash flow and EBITDA are included below.

(2) Industry pricing data was obtained through IHS. We have not independently verified the data.

(3) Represents average North American spot prices of ethylene over the period as reported by IHS.

Reconciliation of MLP Distributable Cash Flow to Net Income and Net Cash Provided by Operating Activities

	Year Ended December 31,		
	2021	2020	2019
	(dollars in thousands)		
Net cash provided by operating activities	\$ 408,439	\$ 373,397	\$ 450,807
Loss from disposition of fixed assets	(4,198)	(1,000)	(515)
Changes in operating assets and liabilities and other	(2,856)	(31,278)	(117,397)
Net Income	401,385	341,119	332,895
Add:			
Depreciation, amortization and disposition of property, plant and equipment	113,032	104,154	107,835
Mark-to-market adjustment loss (gain) on derivative contracts	—	(1,340)	1,301
Less:			
Contribution to turnaround reserves	(80,090)	(39,937)	(15,630)
Maintenance capital expenditures	(87,783)	(37,343)	(39,940)
Incentive distribution rights	—	—	—
Distributable cash flow attributable to noncontrolling interest in OpCo	(276,487)	(294,670)	(313,280)
MLP distributable cash flow	\$ 70,057	\$ 71,983	\$ 73,181

Reconciliation of EBITDA to Net Income, Income from Operations and Net Cash Provided by Operating Activities

	Year Ended December 31,		
	2021	2020	2019
	(dollars in thousands)		
Net cash provided by operating activities	\$ 408,439	\$ 373,397	\$ 450,807
Loss from disposition of fixed assets	(4,198)	(1,000)	(515)
Changes in operating assets and liabilities and other	(2,856)	(31,278)	(117,397)
Net income	401,385	341,119	332,895
Less:			
Other income, net	62	733	3,096
Interest expense	(8,816)	(12,038)	(19,623)
Provision for income taxes	(549)	(564)	(728)
Income from operations	410,688	352,988	350,150
Add:			
Depreciation and amortization	108,814	103,154	107,320
Other income, net	62	733	3,096
EBITDA	\$ 519,564	\$ 456,875	\$ 460,566

Summary

For the year ended December 31, 2021, net income was \$401.4 million on net sales of \$1,214.9 million. This represents an increase in net income of \$60.3 million as compared to net income of \$341.1 million on net sales of \$966.7 million for the year ended December 31, 2020. Net income attributable to the Partnership in 2021 was \$82.5 million as compared to \$66.2 million in 2020, an increase of \$16.3 million. Income from operations was \$410.7 million for 2021, as compared to \$353.0 million for 2020. The increase in income from operations, as well as net income and net income attributable to the Partnership, was primarily due to the higher sales price for ethylene sold to third parties and an increase in the buyer deficiency fee and Shortfall revenue in 2021 compared to 2020. The buyer deficiency fee and Shortfall revenue in 2021 was \$110.3 million as compared to \$69.6 million in 2020. These increases were slightly offset by lower sales volumes to Westlake due to OpCo's Petro 2 turnaround and force majeure events that resulted in lower production as well as higher feedstock and conversion costs. Net sales for 2021 increased by \$248.2 million as compared to 2020 mainly due to higher sales prices to third parties and Westlake per the terms of the Ethylene Sales Agreement and the buyer deficiency fee and Shortfall recognized, partially offset by lower sales volumes to Westlake during the year ended December 31, 2021.

2021 Compared with 2020

Net Sales. Net sales increased by \$248.2 million, or 25.7%, to \$1,214.9 million in 2021 from \$966.7 million in 2020. The increase in net sales in 2021 was primarily due to the higher sales price to third parties and Westlake per the terms of the Ethylene Sales Agreement and the buyer deficiency fee and Shortfall of \$110.3 million recognized in 2021 as compared to \$69.6 million in 2020, partially offset by lower production during the year, mainly due to the force majeure events occurring in 2021. The average sales price in 2021 contributed to a 26.8% increase in net sales, compared to 2020. The lower sales volume during 2021 contributed to a decrease in net sales of 3.6% for the year ended December 31, 2021 compared to the year ended December 31, 2020. The decrease in sales volume during 2021 was primarily due to OpCo's Petro 2 Turnaround and the force majeure events in 2021.

Gross Profit. Gross profit was \$441.7 million in 2021, as compared to gross profit of \$378.9 million in 2020. The gross profit margin was 36.4% in 2021 as compared to 39.2% in 2020. The increase in gross profit was primarily due to the higher sales price for ethylene sold to third parties and an increase in the buyer deficiency fee and Shortfall revenue in 2021 compared to 2020. The decreased 2021 gross profit margin was primarily due to increased feedstock and conversion costs as compared to 2020.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$5.1 million, or 19.7%, to \$31.0 million in 2021 from \$25.9 million in 2020. The increase in 2021, as compared to 2020, was mainly attributable to higher service costs.

Interest Expense. Interest expense decreased by \$3.2 million to \$8.8 million in 2021 from \$12.0 million in 2020, largely due to a lower average interest rate on debt.

Other Income, net. Other income, net decreased by \$0.6 million to \$0.1 million in 2021 from \$0.7 million in 2020, primarily due to a decrease in interest income earned under the Investment Management Agreement as a result of lower average interest rates.

Provision for Income Taxes. Provision for income taxes was \$0.5 million in 2021 as compared to \$0.6 million in 2020.

MLP Distributable Cash Flow. MLP distributable cash flow decreased by \$1.9 million to \$70.1 million in 2021 from \$72.0 million in 2020. The decrease in MLP distributable cash flow was primarily a result of lower production, increased turnaround reserves and higher maintenance expense in 2021 compared to 2020, partially offset by the buyer deficiency fee and Shortfall of \$110.3 million recognized in 2021 as compared to \$69.6 million in 2020 and lower interest expense during the year.

EBITDA. EBITDA increased by \$62.7 million to \$519.6 million in 2021 from 2020 EBITDA of \$456.9 million. The increased EBITDA, as compared to the prior year, was primarily due to the buyer deficiency fee and Shortfall of \$110.3 million recognized during 2021 compared to the buyer deficiency of \$69.6 million recognized in 2020, partially offset by lower sales volumes as a result of lower production and higher feedstock and conversion costs.

2020 Compared with 2019

Net Sales. Net sales decreased by \$125.2 million, or 11.5%, to \$966.7 million in 2020 from \$1,091.9 million in 2019. The decrease in net sales in 2020 was primarily due to lower production during the year, mainly due to the force majeure events and lower sales prices to third parties, partially offset by the buyer deficiency fee of \$69.6 million recognized in 2020 and higher sales price to Westlake per the terms of the Ethylene Sales Agreement in 2020. The lower sales volume during 2020 contributed to a decrease in net sales of 18.6% for the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease in sales volume during 2020 was primarily due to the force majeure events at our Lake Charles Petro 1 and Petro 2 units. The average sales price in 2020 contributed to a 0.8% increase in net sales, compared to 2019, which was mainly due to higher sales prices to Westlake per the terms of the Ethylene Sales Agreement, partially offset by lower third party sales prices.

Gross Profit. Gross profit was \$378.9 million in 2020, as compared to gross profit of \$379.4 million in 2019. The gross profit margin was 39.2% in 2020 as compared to 34.7% in 2019. The increased 2020 gross profit margin was due to higher earnings on ethylene sold to Westlake and the buyer deficiency fee of \$69.6 million recognized during the year, partially offset by lower sales volumes resulting from lower production at the Lake Charles Petro I and Petro 2 units compared to 2019.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by \$3.4 million, or 11.6%, to \$25.9 million in 2020 from \$29.3 million in 2019. The decrease in 2020, as compared to 2019, was mainly attributable to lower service cost.

Interest Expense. Interest expense decreased by \$7.6 million to \$12.0 million in 2020 from \$19.6 million in 2019, largely due to a lower interest rate on debt as a result of a decrease in the London Interbank Offered Rate ("LIBOR").

Other Income, net. Other income, net decreased by \$2.4 million to \$0.7 million in 2020 from \$3.1 million in 2019, primarily due to a decrease in interest income earned under the Investment Management Agreement as a result of lower average interest rates.

Provision for Income Taxes. Provision for income taxes was \$0.6 million in 2020 as compared to \$0.7 million in 2019.

MLP Distributable Cash Flow. MLP distributable cash flow decreased by \$1.2 million to \$72.0 million in 2020 from \$73.2 million in 2019. The decrease in MLP distributable cash flow was primarily a result of lower production, increased turnaround reserves and higher maintenance expense, partially offset by the buyer deficiency of \$69.6 million recognized in 2020 and lower interest expense during the year.

EBITDA. EBITDA decreased by \$3.7 million to \$456.9 million in 2020 from 2019 EBITDA of \$460.6 million. The decreased EBITDA, as compared to the prior year, was primarily due to lower sales volumes as a result of lower production and higher maintenance expense, partially offset by the buyer deficiency fee of \$69.6 million recognized during 2020 and lower selling, general and administrative expenses.

Cash Flows**Operating Activities**

Operating activities provided cash of \$408.4 million in 2021 as compared to cash provided by operating activities of \$373.4 million in 2020. The \$35.0 million increase in cash flows from operating activities was mainly due to increase in net income and in cash provided by working capital, partially offset by OpCo's Petro 2 facility turnaround activities during 2021 as compared to 2020. Changes in components of working capital, which we define for the purposes of this cash flow discussion as accounts receivable—Westlake, accounts receivable, net—third parties, inventories, prepaid expenses and other current assets less accounts payable and accrued liabilities and other liabilities, provided cash of \$25.6 million in 2021 as compared to \$67.9 million of cash used in 2020, resulting in an overall favorable change of \$93.5 million. This change in 2021 as compared to 2020 was due to changes in receivable due from Westlake resulting from the buyer deficiency fee and Shortfall recognized in 2021 as compared to 2020 and favorable changes in third party accounts payable and accrued liabilities due to the timing of payments related to the turnaround costs and capital expenditures. These favorable changes were partially offset by an unfavorable change related to turnaround costs incurred during 2021.

Operating activities provided cash of \$373.4 million in 2020 as compared to cash provided by operating activities of \$450.8 million in 2019. The \$77.4 million decrease in cash flows from operating activities was mainly due to an increase in use of cash in working capital during 2020 as compared to 2019. Changes in components of working capital, which we define for the purposes of this cash flow discussion as accounts receivable—Westlake, accounts receivable, net—third parties, inventories, prepaid expenses and other current assets less accounts payable and accrued liabilities and other liabilities, used cash of \$67.9 million in 2020 as compared to \$11.7 million of cash provided in 2019, resulting in an overall unfavorable change of \$79.6 million. This change was due to an unfavorable change in Westlake accounts receivable in 2020 as compared to 2019, primarily due to the buyer deficiency fee recognized in 2020.

Investing Activities

Net cash used in investing activities during 2021 was \$64.3 million as compared to net cash provided by investing activities of \$2.0 million in 2020, mainly due to increased additions to property, plant, and equipment, partially offset by maturities of investments under the Investment Management Agreement in 2021, as compared to 2020. During 2021, we invested \$276.0 million with Westlake, and \$293.0 million of such investments matured. Capital expenditures were \$81.2 million in 2021 as compared to \$37.0 million in 2020. The higher capital expenditure in 2021 was primarily associated with OpCo's Petro 2 turnaround. Remaining capital expenditures during 2021 and 2020 were related to projects to improve production capacity or reduce costs, maintenance and safety and environmental projects at our facilities.

Net cash provided by investing activities during 2020 was \$2.0 million as compared to net cash used for investing activities of \$57.7 million in 2019, mainly due to maturities of investments under the Investment Management Agreement and a decrease in additions to property, plant and equipment in 2020, as compared to 2019. During 2020, we invested \$349.0 million with Westlake, and \$388.0 million of such investments matured. Capital expenditures were \$37.0 million in 2020 as compared to \$43.7 million in 2019. Capital expenditures during 2020 and 2019 were primarily related to projects to improve production capacity or reduce costs, maintenance and safety and environmental projects at our facilities.

Financing Activities

Net cash used for financing activities during 2021 was \$344.2 million as compared to net cash used for financing activities of \$378.2 million in 2020. The cash outflows during 2021 were related to distributions of \$277.9 million to Westlake and of \$66.4 million to other unitholders by the Partnership.

Net cash used for financing activities during 2020 was \$378.2 million as compared to net cash used for financing activities of \$392.9 million in 2019. The cash outflows during 2020 were related to distributions of \$311.8 million to Westlake and of \$66.4 million to other unitholders by the Partnership.

Liquidity and Capital Resources

Liquidity and Financing Arrangements

On March 29, 2019, we completed the private placement of 2,940,818 common units at a price of \$21.40 per unit. Net proceeds from the issuance of these common units were approximately \$62.7 million.

Pursuant to the terms of the ATM Agreement, entered in October 2018 and amended in February 2020, among the Partnership and various investment banks, the Partnership may offer and sell the Partnership's common units from time to time to or through the Managers, as the Partnership's sales agents or as principals, having an aggregate offering amount of up to \$50.0 million (the "ATM Program"). The Partnership intends to use the net proceeds of sales of the common units, if any, for general partnership purposes, including the funding of potential drop-downs and other acquisitions. No common units had been issued under the ATM Program as of December 31, 2021.

Based on the terms of our cash distribution policy, we expect that we will distribute to our partners most of the excess cash generated by our operations. To the extent we do not generate sufficient cash flow to fund capital expenditures, we expect to fund them primarily from external sources, including borrowing directly from Westlake, as well as future issuances of equity interests or debt.

The Partnership maintains separate bank accounts, but Westlake continues to provide treasury services on our behalf under the Services and Secondment Agreement. Our sources of liquidity include cash generated from operations, the OpCo Revolver, the MLP Revolver and, if necessary and possible under then current market conditions, the issuance of additional equity interests or debt. We believe that cash generated from these sources will be sufficient to meet our short-term working capital requirements and long-term capital expenditure requirements and to make quarterly cash distributions. Westlake may also provide other direct and indirect financing to us from time to time, although it is not obligated to do so.

In order to fund non-annual turnaround expenditures, we cause OpCo to reserve an amount for turnaround costs during each twelve-month period designed to cover future turnaround activities. Each of OpCo's ethylene production facilities requires turnaround maintenance approximately every five years. By reserving additional cash annually, we intend to reduce the variability in OpCo's cash flow. Westlake's purchase price for ethylene purchased under the Ethylene Sales Agreement includes a component (adjusted annually) designed to cover, over the long term, substantially all of OpCo's turnaround expenditures.

Our cash is generated from cash distributions from OpCo. OpCo is a restricted subsidiary under certain indentures governing Westlake's senior notes, and these restrictions limit OpCo's ability to incur additional debt, among other things. Westlake's credit facility and various indentures do not prevent OpCo from making distributions to us.

We, OpCo and Westlake are parties to an Investment Management Agreement that authorizes Westlake to invest the Partnership's and OpCo's excess cash with Westlake for a term of up to a maximum of nine months. Per the terms of the Investment Management Agreement, cash invested with Westlake earns a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of the Partnership or OpCo.

On January 24, 2022, the board of directors of Westlake Chemical Partners GP LLC, our general partner, approved a quarterly distribution of \$0.4714 per unit payable on February 17, 2022 to unitholders of record on February 3, 2022, which equates to approximately \$16.6 million per quarter, or approximately \$66.4 million per year in aggregate, based on the number of common units outstanding on December 31, 2021. We do not have a legal or contractual obligation to pay distributions on a quarterly basis or any other basis at our minimum quarterly distribution rate or any other rate.

Capital Expenditures

Westlake has historically funded expansion capital expenditures related to Lake Charles Olefins and Calvert City Olefins. No such funding was required by OpCo during 2021 or 2020. We expect that Westlake will loan additional cash to OpCo to fund its expansion capital expenditures in the future, but Westlake is under no obligation to do so.

Cash and Cash Equivalents

As of December 31, 2021, our cash and cash equivalents totaled \$17.1 million. In addition, we have cash invested under the Investment Management Agreement and a revolving credit facility with Westlake available to supplement cash on hand, if needed, as described under "Indebtedness" below.

As described above, we, OpCo and Westlake are parties to an Investment Management Agreement that authorizes Westlake to invest the Partnership's and OpCo's excess cash with Westlake for a term of up to a maximum of nine months. The Partnership had \$106.2 million of cash invested under the Investment Management Agreement at December 31, 2021.

Indebtedness

OpCo Revolver

In connection with the IPO, OpCo entered into a \$600.0 million revolving credit facility with Westlake, as amended in August and December 2017 and March 2020 (the "OpCo Revolver") that may be used to fund growth projects and working capital needs. On April 30, 2019, OpCo repaid \$201.4 million of borrowings under the OpCo Revolver. As of December 31, 2021, outstanding borrowings under the OpCo Revolver totaled \$22.6 million and bore interest at the London Interbank Offered Rate ("LIBOR") rate plus 2.0%, which is accrued in arrears quarterly. On September 25, 2018, the OpCo Revolver was amended to extend the scheduled maturity date from August 4, 2019 to September 25, 2023 and to revise the applicable margin from 3% to 2%.

MLP Revolver

In 2015, we entered into a senior, unsecured revolving credit agreement with an affiliate of Westlake (the "MLP Revolver"). The MLP Revolver has a borrowing capacity of \$600.0 million. On March 29, 2019, the Partnership borrowed \$123.5 million under the MLP Revolver to partially fund the purchase of an additional 4.5% interest in OpCo. On March 19, 2020, the Partnership entered into an amendment to the MLP Revolver, to extend the maturity date to March 19, 2023 and add a phase-out provision for LIBOR, which is to be replaced by an alternate benchmark rate. Borrowings under the MLP Revolver bear interest at a variable rate of either (a) LIBOR plus 2.0% or, if LIBOR is no longer available, (b) Alternate Base Rate plus 1.0%. The MLP Revolver provides that we may pay all or a portion of the interest on any borrowings in kind, in which case any such amounts would be added to the principal amount of the loan. The MLP Revolver requires that we maintain a consolidated leverage ratio of either (1) during any one-year period following certain types of acquisitions (including acquisitions of additional interests in OpCo), 5.50:1.00 or less, or (2) during any other period, 4.50:1.00 or less. The MLP Revolver also contains certain other customary covenants. The repayment of borrowings under the MLP Revolver is subject to acceleration upon the occurrence of an event of default. As of December 31, 2021, the outstanding borrowings under the MLP Revolver totaled \$377.1 million. We intend to use the MLP Revolver to purchase additional limited partnership interests in OpCo in the future, in the event OpCo desires to sell such additional interests to us, for other acquisitions and for general corporate purposes.

Contractual Obligations and Commercial Commitments

The Partnership's material cash requirements for contractual obligations and commercial commitments in the near term (next 12 months) and the long-term period (2023 and thereafter) include repayment of long-term debt, interest payments and purchase obligations.

Debt Obligations and Interest Payments. As of December 31, 2021, we had \$8.5 million of debt related interest expense due within the near term, and debt obligations of \$399.7 million and related interest expense of \$2.1 million due over the long-term period, respectively. All \$399.7 million of our outstanding debt matures in 2023. See Note 8, "Long-Term Debt," in the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" for further information on our debt obligations and the expected timing of future principal and interest payments.

Purchase Obligations. Purchase obligations include agreements to purchase goods and services that are enforceable and legally binding and that specify all significant terms, including a minimum quantity and price. As of December 31, 2021, we had \$14.7 million of enforceable and legally binding purchase commitments due within the near term, and none due over the long-term period. Additionally, we are party to various agreements to purchase goods and services, including the Services and Secondment Agreement, in the ordinary course of our business, as well as various agreements related to our capital projects.

Critical Accounting Policies and Estimates

Critical accounting policies are those that are important to our financial condition and require management's most difficult, subjective or complex judgments. Different amounts would be reported under different operating conditions or under alternative assumptions. We have evaluated the accounting policies used in the preparation of the accompanying consolidated financial statements and related notes and believe those policies are reasonable and appropriate. Our significant accounting policies are summarized in Note 1 to the consolidated financial statements.

Critical accounting estimates are those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. Our more critical accounting estimates include those related to long-lived assets, fair value estimates, goodwill impairment and environmental and legal obligations. Inherent in such estimates are certain key assumptions. We periodically update the estimates used in the preparation of the financial statements based on our latest assessment of the current and projected business and general economic environment. We believe the following to be our most critical accounting estimates required for the preparation of our financial statements.

Long-Lived Assets. Key estimates related to long-lived assets include useful lives, recoverability of carrying values and existence of any retirement obligations. Such estimates could be significantly modified. The carrying values of long-lived assets could be impaired by significant changes or projected changes in supply and demand fundamentals (which would have a negative impact on operating rates or margins), new technological developments, new competitors with significant raw material or other cost advantages, adverse changes associated with the U.S. and world economies, the cyclical nature of the chemical and refining industries and uncertainties associated with governmental actions.

We evaluate long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, including when negative conditions such as significant current or projected operating losses exist. Our judgments regarding the existence of impairment indicators are based on legal factors, market conditions and the operational performance of our businesses. Actual impairment losses incurred could vary significantly from amounts estimated. Long-lived assets assessed for impairment are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Additionally, future events could cause us to conclude that impairment indicators exist and that associated long-lived assets of our businesses are impaired. Any resulting impairment loss could have a material adverse impact on our financial condition and results of operations.

The estimated useful lives of long-lived assets range from three to 40 years. Depreciation and amortization of these assets, including amortization of deferred turnaround costs, under the straight-line method over their estimated useful lives totaled \$108.8 million, \$103.2 million and \$107.3 million in 2021, 2020 and 2019, respectively. If the useful lives of the assets were found to be shorter than originally estimated, depreciation or amortization charges would be accelerated.

We defer the costs of planned major maintenance activities, or turnarounds, and amortize the costs over the period until the next planned turnaround of the affected unit. Total costs deferred on turnarounds were \$131.2 million, \$3.7 million and \$1.2 million in 2021, 2020 and 2019, respectively. Amortization in 2021, 2020 and 2019 of previously deferred turnaround costs was \$16.5 million, \$11.8 million and \$17.3 million, respectively. As of December 31, 2021, deferred turnaround costs, net of accumulated amortization, totaled \$146.9 million. Expensing turnaround costs as incurred would likely result in greater variability of our quarterly operating results and would adversely affect our financial position and results of operations.

Additional information concerning long-lived assets and related depreciation and amortization appears in Notes 5 and 7 to the audited consolidated financial statements included within this report.

Fair Value Estimates. We develop estimates of fair value to allocate the purchase price paid to acquire a business to the assets acquired and liabilities assumed in an acquisition, to assess impairment of long-lived assets and goodwill and to record derivative instruments. We use all available information to make these fair value determinations, including the engagement of third-party consultants. We record all derivative instruments at fair value. The fair value of the financial instruments is estimated using quoted market prices in active markets and observable market-based inputs or unobservable inputs that are corroborated by market data when active markets are not available or unobservable inputs that are not corroborated by market data. We settled all derivatives in 2020 and no new derivatives were entered in 2021, however, we may enter into derivative arrangements in the future.

Goodwill impairment. Goodwill is evaluated for impairment, or when events or changes in circumstances indicate the fair value of a reporting unit with goodwill has been reduced below its carrying value, and otherwise at least annually. At December 31, 2021, recorded goodwill was \$5.8 million, all of which was associated with the acquisition of the Longview Pipeline as part of the past acquisition of Westlake's Longview production facilities. We perform our annual impairment assessment in October. We may elect to perform an optional qualitative assessment to determine whether a quantitative impairment analysis is required. The qualitative assessment considers factors such as macroeconomic conditions, industry and market considerations, cost factors related to raw materials and labor, current and projected financial performance, changes in management or strategy, and market capitalization. Alternatively, we may unconditionally elect to bypass the qualitative assessment and perform a quantitative goodwill impairment assessment in any period. Significant assumptions used in the discounted cash flow projection impairment assessment for goodwill include future sales volumes based on production capacities. The future cash flows are discounted to present value using a discount rate. The significant assumptions used in determining the fair value of the reporting unit using the market value methodology include the determination of appropriate market comparables and the estimated multiples of EBITDA a willing buyer is likely to pay. We elected to perform the quantitative assessment during 2021, and such assessment did not indicate impairment of the goodwill. Under the discounted cash flow methodology, even if the fair value of OpCo decreased by 10%, the carrying value of OpCo would not exceed its fair value.

Environmental and Legal Obligations. We consult with various professionals to assist us in making estimates relating to environmental costs and legal proceedings. We accrue an expense when we determine that it is probable that a liability has been incurred and the amount is reasonably estimable. While we believe that the amounts recorded in the accompanying consolidated financial statements related to these contingencies are based on the best estimates and judgments available, the actual outcomes could differ from our estimates. Additional information about certain legal proceedings and environmental matters appears in "Item 1. Business—Environmental" and in Note 16 to the consolidated financial statements included within this report.

The Partnership has conditional asset retirement obligations for the removal and disposal of hazardous materials and the remediation of the cause of any such release from certain of the Partnership's manufacturing facilities. However, no asset retirement obligations have been recognized because the fair value of the conditional legal obligation cannot be measured due to the indeterminate settlement date of the obligation. Settlement of these conditional asset retirement obligations is not expected to have a material adverse effect on the Partnership's financial condition, results of operations or cash flows in any individual reporting period.

Recent Accounting Pronouncements

See Note 1 to the consolidated financial statements included within this report for a full description of recent accounting pronouncements, including expected dates of adoption and estimated effects on results of operations and financial condition, which is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

A substantial portion of the Partnership's products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. However, our direct exposure to commodity price risk is limited to approximately 5% of our total ethylene production, which is the portion sold to third parties. We believe we have substantially mitigated our indirect exposure to commodity price fluctuation during the term of the Ethylene Sales Agreement through the minimum commitment and the cost-plus based pricing. Additionally, we may use short-term derivative instruments to reduce price volatility risk on feedstocks and ethylene associated with the production and sales to third parties. We entered into some of these agreements in 2018 and 2019. All derivative positions were settled as of December 31, 2020 and we did not enter into any new derivative contracts during 2021.

Interest Rate Risk

We are exposed to interest rate risk with respect to our outstanding debt, all of which is variable rate debt. At December 31, 2021, we had variable rate debt of \$399.7 million outstanding, all of which was owed to wholly-owned subsidiaries of Westlake, and accrues interest at a variable rate of LIBOR plus 200 basis points. On March 19, 2020, the Partnership entered into an amendment to the MLP Revolver to extend the maturity date of the debt to March 19, 2023 and to add a phase-out provision for LIBOR, which is to be replaced by an alternate benchmark rate. The amended credit agreement bears interest at a variable rate of either (a) LIBOR plus 2.0% or, if LIBOR is no longer available, (b) Alternate Base Rate plus 1.0%. The weighted average variable interest rate of our debt as of December 31, 2021 was 2.1%. We will continue to be subject to interest rate risk with respect to our variable rate debt as well as the risk of higher interest cost if and when this debt is refinanced. A hypothetical increase in our average interest rate on variable rate debt by 100 basis points would increase our annual interest expense by approximately \$4.0 million, based on the December 31, 2021 debt balance.

LIBOR is used as a reference rate for all of our outstanding variable rate debt as of December 31, 2020. The phase-out of LIBOR commenced at the end of 2021 and is expected to conclude by June 30, 2023. We are currently reviewing how the LIBOR phase-out will affect us, but we do not expect the impact to be material.

Item 8. Financial Statements and Supplementary Data**Index to Consolidated Financial Statements**

	<u>Page</u>
Management's Report on Internal Control over Financial Reporting	44
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	45
Consolidated Financial Statements:	
Consolidated Balance Sheets as of December 31, 2021 and 2020	48
Consolidated Statements of Operations for the Years Ended December 31, 2021, 2020 and 2019	49
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2021, 2020 and 2019	50
Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2020 and 2019	51
Notes to Consolidated Financial Statements	52

Financial statement schedules not included in this Form 10-K have been omitted because they are not applicable or because the required information is shown in the consolidated financial statements or notes thereto.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Westlake Chemical Partners LP (the "Partnership") is responsible for establishing and maintaining adequate internal control over financial reporting. The Partnership's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The management of the Partnership assessed the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework* (2013). Based on its assessment, Partnership's management has concluded that the Partnership's internal control over financial reporting was effective as of December 31, 2021 based on those criteria.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report on Form 10-K, has also audited the effectiveness of internal control over financial reporting as of December 31, 2021 as stated in their report that appears on the following page.

Report of Independent Registered Public Accounting Firm

To the Partners of Westlake Chemical Partners LP and
Board of Directors of Westlake Chemical Partners GP LLC

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Westlake Chemical Partners LP and its subsidiaries (the "Partnership") as of December 31, 2021 and 2020, and the related consolidated statements of operations, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Partnership's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Partnership's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Partnership's consolidated financial statements and on the Partnership's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Critical Audit Matters

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

Revenue from the Ethylene Sales Agreement

As described in Notes 2 and 11 to the consolidated financial statements, the Partnership recognized net sales to Westlake Chemical Corporation ("Westlake") of \$1,027 million for the year ended December 31, 2021, including a buyer deficiency fee of \$51 million and a shortfall of \$59 million. The Ethylene Sales Agreement requires Westlake to purchase a minimum volume of ethylene each year equal to 95% of Westlake Chemical OpCo LP's ("OpCo") planned ethylene production per year, subject to certain exceptions and a maximum commitment of 3.8 billion pounds per year. The fee for each pound of ethylene purchased by Westlake from OpCo will equal (i) the actual price OpCo pays Westlake to purchase ethane, (ii) plus the actual price OpCo pays Westlake to purchase natural gas, (iii) plus OpCo's estimated operating costs divided by OpCo's planned ethylene production for the year, (iv) plus a five-year average of OpCo's expected future maintenance capital expenditures and other turnaround expenditures divided by OpCo's planned ethylene production capacity for the year, (v) less the proceeds received by OpCo from the sale of co-products associated with producing the ethylene purchased by Westlake, (vi) plus a \$0.10 per pound margin. The result of the fee structure is that OpCo should generally recover the portion of its total operating costs and maintenance capital expenditures and other turnaround expenditures corresponding to the portion of OpCo's aggregate production that is purchased by Westlake. Any shortfall in recovery of such costs is generally recognized during the period in which the related operating, maintenance or turnaround activities occur and is recoverable from Westlake in the subsequent year. Under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the contract year, OpCo is entitled to recover the shortfall in such production costs (proportionate to the volume sold to Westlake) in the subsequent year ("Shortfall"). As a result of force majeure events during 2021, the Partnership recognized a buyer deficiency fee and Shortfall.

The principal considerations for our determination that performing procedures relating to revenue from the Ethylene Sales Agreement is a critical audit matter are the significant audit effort in performing procedures and evaluating the calculation of the fee for each pound of ethylene, the buyer deficiency fee and Shortfall.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the accuracy of the fees used to determine revenue from the Ethylene Sales Agreement. These procedures also included, among others, testing the completeness and accuracy of underlying inputs used in the price, buyer deficiency fee and Shortfall calculation, and testing the accuracy of the minimum volume of ethylene purchased by Westlake as part of the Ethylene Sales Agreement.

/s/PricewaterhouseCoopers LLP

Houston, Texas
March 2, 2022

We have served as the Partnership's auditor since 2014.

**WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS**

	December 31, 2021	December 31, 2020
	(in thousands of dollars, except unit amounts)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 17,057	\$ 17,154
Receivable under the Investment Management Agreement—Westlake Chemical Corporation ("Westlake")	106,243	123,228
Accounts receivable, net—Westlake	142,791	108,028
Accounts receivable, net—third parties	5,825	11,029
Inventories	8,898	3,474
Prepaid expenses and other current assets	396	392
Total current assets	281,210	263,305
Property, plant and equipment, net	1,043,539	1,050,677
Goodwill	5,814	5,814
Deferred charges and other assets, net	150,135	36,692
Total assets	\$ 1,480,698	\$ 1,356,488
LIABILITIES		
Current liabilities		
Accounts payable—Westlake	\$ 10,796	\$ 7,855
Accounts payable—third parties	35,105	13,131
Accrued and other liabilities	60,895	18,768
Total current liabilities	106,796	39,754
Long-term debt payable to Westlake	399,674	399,674
Deferred income taxes	1,530	1,542
Other liabilities	—	381
Total liabilities	508,000	441,351
Commitments and contingencies (Note 16)		
EQUITY		
Common unitholders—publicly and privately held (21,092,186 and 21,076,673 units issued and outstanding at December 31, 2021 and December 31, 2020, respectively)	481,796	471,701
Common unitholder—Westlake (14,122,230 and 14,122,230 units issued and outstanding at December 31, 2021 and December 31, 2020, respectively)	54,754	48,270
General partner—Westlake	(242,572)	(242,572)
Total Westlake Chemical Partners LP partners' capital	293,978	277,399
Noncontrolling interest in Westlake Chemical OpCo LP ("OpCo")	678,720	637,738
Total equity	972,698	915,137
Total liabilities and equity	\$ 1,480,698	\$ 1,356,488

The accompanying notes are an integral part of the consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of dollars, except unit amounts and per unit data)		
Revenue			
Net sales—Westlake	\$ 1,026,586	\$ 888,245	\$ 937,625
Net co-products, ethylene and other sales—third parties	188,272	78,425	154,246
Total net sales	1,214,858	966,670	1,091,871
Cost of sales	773,152	587,787	712,443
Gross profit	441,706	378,883	379,428
Selling, general and administrative expenses	31,018	25,895	29,278
Income from operations	410,688	352,988	350,150
Other income (expense)			
Interest expense—Westlake	(8,816)	(12,038)	(19,623)
Other income, net	62	733	3,096
Income before income taxes	401,934	341,683	333,623
Provision for income taxes	549	564	728
Net income	401,385	341,119	332,895
Less: Net income attributable to noncontrolling interest in OpCo	318,838	274,952	271,914
Net income attributable to Westlake Chemical Partners LP and limited partners' interest in net income	\$ 82,547	\$ 66,167	\$ 60,981
Net income attributable to Westlake Chemical Partners LP per limited partner unit (basic and diluted)			
Common units	\$ 2.34	\$ 1.88	\$ 1.77
Weighted average limited partner units outstanding (basic and diluted)			
Common units—publicly and privately held	21,084,103	21,073,041	20,365,828
Common units—Westlake	14,122,230	14,122,230	14,122,230

The accompanying notes are an integral part of the consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<i>Partnership</i>				Total
	Common Unitholders - Public and Privately Held	Common Unitholder - Westlake	General Partner - Westlake	Noncontrolling Interest in OpCo	
	(in thousands of dollars)				
Balances at December 31, 2018	\$ 409,608	\$ 48,774	\$ (242,572)	\$ 718,271	\$ 934,081
Net income	35,978	25,003	—	271,914	332,895
Units issued for vested phantom units	146	—	—	—	146
Net proceeds from private placement of common units	62,661	—	—	—	62,661
Quarterly distribution to unitholders	(36,657)	(25,427)	—	—	(62,084)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(315,564)	(315,564)
Balances at December 31, 2019	\$ 471,736	\$ 48,350	\$ (242,572)	\$ 674,621	\$ 952,135
Net income	39,618	26,549	—	274,952	341,119
Units issued for vested phantom units	81	—	—	—	81
Quarterly distribution to unitholders	(39,734)	(26,629)	—	—	(66,363)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(311,835)	(311,835)
Balances at December 31, 2020	\$ 471,701	\$ 48,270	\$ (242,572)	\$ 637,738	\$ 915,137
Net income	49,435	33,112	—	318,838	401,385
Units issued for vested phantom units	411	—	—	—	411
Quarterly distribution to unitholders	(39,751)	(26,628)	—	—	(66,379)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(277,856)	(277,856)
Balances at December 31, 2021	<u>\$ 481,796</u>	<u>\$ 54,754</u>	<u>\$ (242,572)</u>	<u>\$ 678,720</u>	<u>\$ 972,698</u>

The accompanying notes are an integral part of the consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of dollars)		
Cash flows from operating activities			
Net income	\$ 401,385	\$ 341,119	\$ 332,895
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	108,814	103,154	107,320
Loss from disposition of property, plant and equipment	4,198	1,000	515
Other gains, net	(276)	(269)	(459)
Changes in operating assets and liabilities			
Accounts receivable—third parties	5,468	(953)	6,934
Net accounts receivable—Westlake	(31,756)	(71,975)	2,358
Inventories	(5,424)	(990)	1,126
Prepaid expenses and other current assets	(4)	78	(100)
Accounts payable	19,782	4,247	421
Accrued and other liabilities	37,574	1,672	985
Other, net	(131,322)	(3,686)	(1,188)
Net cash provided by operating activities	408,439	373,397	450,807
Cash flows from investing activities			
Additions to property, plant and equipment	(81,171)	(36,968)	(43,707)
Investments with Westlake under the Investment Management Agreement	(276,000)	(349,000)	(529,445)
Maturities of investments with Westlake under the Investment Management Agreement	293,000	388,000	515,445
Other	(130)	—	—
Net cash provided by (used for) investing activities	(64,301)	2,032	(57,707)
Cash flows from financing activities			
Net proceeds from private placement of common units	—	—	62,661
Proceeds from debt payable to Westlake	—	—	123,511
Quarterly distributions to noncontrolling interest retained in OpCo by Westlake	(277,856)	(311,835)	(315,564)
Quarterly distributions to unitholders	(66,379)	(66,363)	(62,084)
Repayment of debt payable to Westlake	—	—	(201,445)
Net cash used for financing activities	(344,235)	(378,198)	(392,921)
Net increase (decrease) in cash and cash equivalents	(97)	(2,769)	179
Cash and cash equivalents at beginning of the year	17,154	19,923	19,744
Cash and cash equivalents at end of the year	\$ 17,057	\$ 17,154	\$ 19,923

The accompanying notes are an integral part of the consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of dollars, except unit amounts and per unit data)

1. Description of Business and Significant Accounting Policies

Description of Business

Westlake Chemical Partners LP ("Westlake Chemical Partners LP" or the "Partnership") is a Delaware limited partnership formed in March 2014 to operate, acquire and develop ethylene production facilities and related assets. On August 4, 2014, the Partnership completed its initial public offering (the "IPO") of 12,937,500 common units representing limited partner interests.

In connection with the IPO, the Partnership acquired a 10.6% limited partner interest in Westlake Chemical OpCo LP ("OpCo") and a 100% interest in Westlake Chemical OpCo GP LLC ("OpCo GP"), which is the general partner of OpCo. OpCo owns three ethylene production facilities and one common carrier ethylene pipeline (collectively, the "Contributed Assets"). Since the IPO, the Partnership has periodically purchased additional limited partner interest in OpCo. Most recently, on March 29, 2019, the Partnership purchased an additional 4.5% newly-issued limited partner interest in OpCo for approximately \$201,445, resulting in an aggregate 22.8% limited partner interest in OpCo, effective January 1, 2019. The remaining 77.2% limited partner interest in OpCo is owned by Westlake Corporation. References to "Westlake" refer collectively to Westlake Corporation (formerly known as Westlake Corporation) and its subsidiaries, other than the Partnership, OpCo and OpCo GP.

OpCo and Westlake entered into an ethylene sales agreement (the "Ethylene Sales Agreement") pursuant to which the Partnership generates a substantial majority of its revenue. For more information, see Note 2.

The Partnership sells ethylene production in excess of volumes sold to Westlake, as well as all of the co-products resulting from the ethylene production, including propylene, crude butadiene, pyrolysis gasoline and hydrogen, directly to third parties on either a spot or contract basis. Co-products sold to third parties are transported by rail or truck. Net proceeds (after transportation and other costs) from the sales of ethylene co-products that result from the production of ethylene purchased by Westlake are netted against the ethylene price charged to Westlake under the Ethylene Sales Agreement, thereby reducing the Partnership's exposure to fluctuations in the market prices of these co-products.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with the accounting principles generally accepted in the United States.

The Partnership holds a 22.8% limited partner interest and the entire non-economic general partner interest in OpCo. The remaining 77.2% limited partner interest in OpCo is owned directly by Westlake, which has no rights to direct the activities that most significantly impact the economic performance of OpCo. As a result of the fact that substantially all of OpCo's activities are conducted on behalf of Westlake, and the fact that OpCo exhibits disproportionality of voting rights to economic interest, OpCo was deemed to be a variable interest entity. The Partnership, through its ownership of OpCo's general partner, has the power to direct the activities that most significantly impact the economic performance of OpCo, and it also has the obligation or right to absorb losses or receive benefits from OpCo that could potentially be significant to OpCo. As such, the Partnership was determined to be OpCo's primary beneficiary and therefore consolidates OpCo's results of operations and financial position. Westlake's retained interest of 77.2% is recorded as noncontrolling interest in the Partnership's consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash and have a maturity of three months or less at the date of acquisition.

Allowance for Credit Losses

The determination of the allowance for credit losses is based on estimation of the amount of accounts receivable that the Partnership believes are unlikely to be collected. Estimating this amount requires analysis of the financial strength of the Partnership's customers, the use of historical experience, the Partnership's accounts receivable aged trial balance, customer specific collectability analysis and an evaluation of economic conditions. The allowance for credit losses is reviewed quarterly. Past due balances over 90 days and high risk accounts, as determined by the analysis of financial strength of customers, are reviewed individually for collectability.

Inventories

Inventories primarily include product, material and supplies. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out ("FIFO") or average method.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, net of accumulated depreciation. Cost includes expenditures for improvements and betterments that extend the useful lives of the assets and interest capitalized on significant capital projects.

Interest expense is capitalized for qualifying assets under construction. Capitalized interest costs are included in property, plant and equipment and are depreciated over the useful life of the related asset. Capitalized interest was zero for the years ended December 31, 2021 and 2020 and \$175 for the year ended December 31, 2019. Repair and maintenance costs are charged to operations as incurred. Gains and losses on the disposal or retirement of property, plant and equipment are reflected in the statement of operations when the assets are sold or retired.

The accounting guidance for asset retirement obligations requires the recording of liabilities equal to the fair value of asset retirement obligations and corresponding additional asset costs, when there is a legal asset retirement obligation as a result of existing or enacted law, statute or contract. The Partnership has conditional asset retirement obligations for the removal and disposal of hazardous materials from certain of the Partnership's manufacturing facilities. However, no asset retirement obligations have been recognized because the fair value of the conditional legal obligation cannot be measured due to the indeterminate settlement date of the obligation. Settlement of these conditional asset retirement obligations is not expected to have a material adverse effect on the Partnership's financial condition, results of operations or cash flows in any individual reporting period.

Depreciation is provided by utilizing the straight-line method over the estimated useful lives of the assets as follows:

Classification	Years
Buildings and improvements	40
Plant and equipment	25
Ethylene pipeline	35
Other	3-15

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Impairment of Long-Lived Assets

The accounting guidance for the impairment or disposal of long-lived assets requires that the Partnership assess long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, including when negative conditions such as significant current or projected operating losses exist. Other factors considered by the Partnership when determining if an impairment assessment is necessary include, but are not limited to, significant changes or projected changes in supply and demand fundamentals (which would have a negative impact on operating rates or margins), new technological developments, new competitors with significant raw material or other cost advantages, adverse changes associated with the United States and world economies and uncertainties associated with governmental actions. Long-lived assets assessed for impairment are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. Assets are considered to be impaired if the carrying amount of an asset exceeds the future undiscounted cash flows. The impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or estimated fair value less costs to sell.

Impairment of Goodwill

The accounting guidance requires that goodwill be tested for impairment at least annually, or when events or changes in circumstances indicate the fair value of a reporting unit with goodwill has been reduced below its carrying value. The impairment test for the recorded goodwill was performed in October 2021 and did not indicate impairment of the goodwill. As of December 31, 2021, the Partnership's recorded goodwill was \$5,814. See Note 6 for more information on the Partnership's annual goodwill impairment test.

Turnaround Costs

The Partnership accounts for turnaround costs under the deferral method. Turnarounds are the scheduled and required shutdowns of specific operating units in order to perform planned major maintenance activities. The costs related to the significant overhaul and refurbishment activities include maintenance materials, parts and direct labor costs. The costs of the turnaround are deferred when incurred at the time of the turnaround and amortized (within depreciation and amortization) on a straight-line basis until the next planned turnaround, which ranges from five to six years. Deferred turnaround costs are presented as a component of other assets, net. The cash outflows related to these costs are included in operating activities in the consolidated statement of cash flows.

Concentration of Credit Risk

Financial instruments which potentially subject the Partnership to concentration of risk consist principally of trade receivables from third-party customers who purchase ethylene and ethylene co-products. The Partnership performs periodic credit evaluations, as applicable, of the customers' financial condition and generally does not require collateral. The Partnership maintains allowances for potential losses, as applicable.

Revenue Recognition

Revenue is recognized when OpCo transfers control of inventories to customers. Amounts recognized as revenues reflect the consideration to which OpCo expects to be entitled in exchange for those inventories. The Partnership and OpCo incorporate production volume and production cost forecasts in the estimated transaction prices from sales to Westlake under the Ethylene Sales Agreement.

The Partnership recognizes revenue and accounts receivable upon transferring control of inventories to its customers. Ethylene sold to Westlake under the Ethylene Sales Agreement is transferred to Westlake immediately after production and recognized in sales. Control of inventories sold to third parties generally transfers upon shipment to the customer. The Partnership excludes taxes collected on behalf of customers from the estimated contract price. Provisions for discounts, rebates and returns are incorporated in the estimate of variable consideration and reflected as reduction to revenue in the same period as the related sales.

The Partnership does not disclose the value of unsatisfied performance obligations because its contracts with customers (1) have an original expected duration of one year or less or (2) have only variable consideration which is allocated to wholly unsatisfied performance obligations that is calculated based on market prices at a specified date and is allocated to wholly unsatisfied performance obligations.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

The Partnership generates a substantial majority of its revenue from sales to Westlake under the Ethylene Sales Agreement. The Ethylene Sales Agreement is intended to generate a long-term, fixed cash margin per pound. See Note 2 for a description of the terms of the Ethylene Sales Agreement. Partnership's direct commodity price risk is limited to the sales to third parties. See the Partnership's consolidated statement of operations for the disaggregation of net sales to Westlake and net sales to third parties.

Transportation and Freight

Amounts billed to customers for freight and handling costs on outbound shipments are included in net sales in the consolidated statements of operations. Transportation and freight costs incurred by the Partnership on outbound shipments are included in cost of sales in the consolidated statements of operations.

Derivative Instruments

The accounting guidance for derivative instruments and hedging activities requires that the Partnership recognize all derivative instruments on the balance sheet at fair value, and changes in the derivative's fair value must be currently recognized in earnings or comprehensive income, depending on the designation of the derivative. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portion of the change in the fair value of the derivative is recorded in comprehensive income and is recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings currently.

Environmental Costs

Environmental costs relating to current operations are expensed or capitalized, as appropriate, depending on whether such costs provide future economic benefits. Remediation liabilities are recognized when the costs are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology and undiscounted site-specific costs. Environmental liabilities in connection with properties that are sold or closed are realized upon such sale or closure, to the extent they are probable and estimable and not previously reserved. Recognition of any joint and several liabilities is based upon the Partnership's best estimate of its final pro rata share of the liability.

Income Taxes

The Partnership is a limited partnership and is treated as a partnership for U.S. federal income tax purposes and, therefore, is not liable for entity-level federal income taxes. The Partnership is, however, subject to state and local income taxes. Deferred tax expense or benefit is the result of changes in the deferred tax assets and liabilities during the period. Valuation allowances are recorded against deferred tax assets when it is considered more likely than not that the deferred tax assets will not be realized on a separate tax return basis.

Segment Reporting

The Partnership only operates one segment (ethylene production) and all of its operations are located in the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The COVID pandemic resulted in widespread adverse impacts on the global economy in 2020. The Partnership has not experienced significant disruptions to its business operations for the fiscal years ended December 31, 2020 and 2021 and does not expect significant disruptions to its business operations resulting from COVID-19. However, the impact that COVID-19 will have on the Partnership's financial condition, results of operations and cash flows cannot be estimated with certainty at this time as it will depend on future developments, including, among others, the timing and logistics with respect to the distribution of vaccines (including with respect to the more recent variants of COVID-19) and other treatments, the ultimate duration of the pandemic, geographic spread and severity of the virus, the consequences of governmental and other measures designed to prevent the spread of the virus, the impact on the operation of OpCo's facilities, Westlake, customers, suppliers and other third parties and the timing and extent to which normal economic and operating conditions resume.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Other Comprehensive Income

The Partnership has not reported consolidated statements of comprehensive income for the years ended December 31, 2021, 2020 and 2019 due to immateriality of the components of other comprehensive income.

Recently Adopted Accounting Standards*Reference Rate Reform (ASU No. 2020-04)*

In March 2020, the FASB issued an accounting standards update to provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform, if certain criteria are met. The amendments in this update are effective for all entities from March 12, 2020 through December 31, 2022. The Partnership adopted this accounting standard effective October 1, 2021, and the adoption did not have a material impact on the Partnership's consolidated financial position, results of operations and cash flows.

2. Agreements with Westlake and Related Parties**Ethylene Sales Agreement**

OpCo has entered into a 12-year ethylene sales agreement with Westlake (the "Ethylene Sales Agreement"). The Ethylene Sales Agreement requires Westlake to purchase a minimum volume of ethylene each year equal to 95% of OpCo's planned ethylene production per year (the "Minimum Commitment"), subject to certain exceptions and a maximum commitment of 3.8 billion pounds per year. So long as Westlake is not in default under the Ethylene Sales Agreement, if OpCo's actual production exceeds planned production, Westlake has the option to purchase up to 95% of the excess production (the "Excess Production Option").

The fee for each pound of ethylene purchased by Westlake from OpCo up to the Minimum Commitment in any calendar year will equal:

- the actual price OpCo pays Westlake to purchase ethane (or other feedstock, such as propane, if applicable) to produce each pound of ethylene, subject to a specified cap and a floor on the amount of feedstock that should be needed to produce each pound of ethylene; plus
- the actual price OpCo pays Westlake to purchase natural gas to produce each pound of ethylene, subject to a specified cap and a floor on the amount of natural gas that should be needed to produce each pound of ethylene; plus
- OpCo's estimated operating costs (including selling, general and administrative expenses), divided by OpCo's planned ethylene production for the year (in pounds); plus
- a five-year average of OpCo's expected future maintenance capital expenditures and other turnaround expenditures, divided by OpCo's planned ethylene production capacity for the year (in pounds); less
- the proceeds (on a per pound of ethylene basis) received by OpCo from the sale of co-products (including, but not limited to, propylene, crude butadiene, pyrolysis gasoline and hydrogen) associated with producing the ethylene purchased by Westlake; plus
- a \$0.10 per pound margin.

The fee for the Excess Production Option, if exercised, equals OpCo's estimated variable operating costs of producing the incremental ethylene, net of revenues from co-products sales plus a \$0.10 per pound margin.

The estimated operating costs and the expected future maintenance capital expenditures and other turnaround expenditures will be adjusted at the end of each year, to be applicable for the fee for the next calendar year, to reflect certain changes in forecasted costs.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Under the Ethylene Sales Agreement OpCo has the option to curtail up to approximately 5% of its ethylene production annually in the event OpCo reasonably determines that its sales of such ethylene to third parties during the relevant period would be uneconomic.

Pursuant to the Ethylene Sales Agreement, Westlake's obligation to pay for the annual minimum commitment (95% of OpCo's budgeted ethylene production), which is measured on an annual basis, is not reduced for a force majeure event lasting fewer than 45 consecutive days. In the event of a force majeure event, the Partnership recognizes buyer deficiency fees representing fixed margin and unavaoided operating and maintenance capital expenditures and maintenance expenses per pound of volume committed by Westlake during the force majeure event.

The result of the fee structure is that OpCo should generally recover the portion of its total operating costs and maintenance capital expenditures and other turnaround expenditures corresponding to the portion of OpCo's aggregate production that is purchased by Westlake. Any shortfall in recovery of such costs is generally recognized during the period in which the related operating, maintenance or turnaround activities occur and is recoverable from Westlake in the subsequent year. Under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the contract year, OpCo is entitled to recover the shortfall in such production costs (proportionate to the volume sold to Westlake) in the subsequent year ("Shortfall").

The Ethylene Sales Agreement provides that, if compliance with any law adopted or modified following our IPO results in OpCo incurring additional costs in excess of \$500,000 in any contract year, OpCo is entitled to charge Westlake a monthly surcharge following efforts to mitigate the effects of such matter.

The Ethylene Sales Agreement has an initial term extending until December 31, 2026 and automatically renews thereafter for successive 12-month terms unless terminated.

Feedstock Supply Agreement

OpCo has entered into a feedstock supply agreement with Westlake, pursuant to which Westlake sells to OpCo ethane and other feedstock in amounts sufficient for OpCo to produce the ethylene to be sold under the Ethylene Sales Agreement (the "Feedstock Supply Agreement"). The Feedstock Supply Agreement provides that OpCo may obtain feedstock from Westlake based on Westlake's total cost of purchasing and delivering the feedstock, including applicable transportation, storage and other costs. Title and risk of loss for all feedstock purchased by OpCo through the Feedstock Supply Agreement passes to OpCo upon delivery to one of three delivery points described in the Feedstock Supply Agreement.

The Feedstock Supply Agreement has an initial term extending until December 31, 2026 and automatically renews thereafter for successive 12-month terms unless terminated by either party; provided, however, that such agreement can only be renewed in the event the Ethylene Sales Agreement is renewed simultaneously. The Feedstock Supply Agreement may, in certain circumstances, terminate concurrently with the termination of the Ethylene Sales Agreement.

Services and Secondment Agreement

OpCo has entered into a Services and Secondment Agreement with Westlake, pursuant to which OpCo provides Westlake with certain services required for the operation of Westlake's facilities; and Westlake provides OpCo with comprehensive operating services for OpCo's facilities, ranging from services relating to the maintenance and operations of the common facilities necessary for the operation of OpCo's units, to making available certain shared utilities such as electricity and natural gas that are necessary for the operation of OpCo's units. Westlake also secondes employees to OpCo to allow OpCo to operate its facilities. Such seconded employees are under the control of OpCo while they work on OpCo's facilities.

The Services and Secondment Agreement has an initial 12-year term. The Services and Secondment Agreement may be renewed thereafter upon agreement of the parties and shall automatically terminate if the Ethylene Sales Agreement terminates under certain circumstances. Westlake and OpCo each can terminate the Services and Secondment Agreement under certain circumstances, including if the other party materially defaults on the performance of its obligations and such default continues for a 30-day period.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Site Lease Agreements

OpCo has entered into two site lease agreements with Westlake pursuant to which Westlake leases to OpCo the real property underlying Lake Charles Olefins and Calvert City Olefins, respectively, and grants OpCo rights to access and use certain other portions of Westlake's ethylene production facilities that are necessary to operate OpCo's production facilities. OpCo owes Westlake one dollar per site per year. The site lease agreements each have a term of 50 years. Each of the site lease agreements may be renewed if agreed by the parties.

Omnibus Agreement

The Partnership has entered into an Omnibus Agreement with Westlake that addresses (1) Westlake's indemnification of the Partnership for certain matters, including environmental and tax matters, (2) the provision by Westlake of certain management and other general and administrative services to the Partnership and its general partner and (3) the Partnership's reimbursement to Westlake for such services. The Omnibus Agreement also addresses Westlake's right of first refusal on any proposed transfer of the ethylene production facilities that serve Westlake's other facilities and Westlake's right of first refusal on any proposed transfer of the Partnership's equity interests in OpCo.

Exchange Agreement

OpCo and Westlake are parties to an exchange agreement, which continues on an annual basis, unless and until terminated by either party. Under the exchange agreement, OpCo may require Westlake to deliver up to 200 million pounds of ethylene for OpCo per year from the Site Leases to an ethylene hub in Mt. Belvieu, Texas, for which OpCo would be required to pay an exchange fee of \$0.006 per pound.

OpCo Partnership Agreement

The Partnership, OpCo GP and Westlake are parties to an agreement of limited partnership for OpCo (the "OpCo LP Agreement"). The OpCo LP Agreement governs the ownership and management of OpCo and designates OpCo GP as the general partner of OpCo. OpCo GP generally has complete authority to manage OpCo's business and affairs. The Partnership controls OpCo GP, as its sole member, subject to certain approval rights held by Westlake.

Investment Management Agreement

The Partnership, OpCo and Westlake are parties to an Investment Management Agreement that authorizes Westlake to invest the Partnership and OpCo's excess cash with Westlake for a term of up to a maximum of nine months. Per the terms of the Investment Management Agreement, the Partnership earns a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of the Partnership or OpCo. The Partnership had \$106,243 of invested cash under the Investment Management Agreement at December 31, 2021.

3. Accounts Receivable—Third Parties

Accounts receivable—third parties consist of the following:

	December 31,	
	2021	2020
Trade customers	\$ 5,875	\$ 11,344
Allowance for credit losses	(50)	(315)
Other receivables	—	—
Accounts receivable, net—third parties	<u>\$ 5,825</u>	<u>\$ 11,029</u>

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

4. Inventories

Inventories consist of the following:

	December 31,	
	2021	2020
Finished products	\$ 5,458	\$ 3,157
Feedstock, additives and chemicals	3,440	317
Inventories	<u>\$ 8,898</u>	<u>\$ 3,474</u>

5. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	December 31,	
	2021	2020
Building and improvements	\$ 18,361	\$ 17,994
Plant and equipment	1,909,519	1,855,833
Other	107,656	106,078
	2,035,536	1,979,905
Less: Accumulated depreciation	<u>(1,022,750)</u>	<u>(971,476)</u>
	1,012,786	1,008,429
Construction in progress	30,753	42,248
Property, plant and equipment, net	<u>\$ 1,043,539</u>	<u>\$ 1,050,677</u>

Depreciation expense on property, plant and equipment of \$91,852, \$90,768 and \$89,454 is included in cost of sales in the consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019, respectively.

6. Goodwill

The Partnership's goodwill balance was \$5,814 at December 31, 2021 and 2020. The impairment assessment for the recorded goodwill was performed in October 2021 and did not indicate impairment of the goodwill. The fair value of the goodwill was calculated using both a discounted cash flow methodology and a market value methodology. The discounted cash flow projections were based on a long-term forecast to reflect the cyclicity of the Partnership's business. The forecast was based on prices and spreads projected by IHS Markit, a chemical industry organization offering market and business advisory services for the chemical market, for the same period, and estimates by management, including their strategic and operational plans. Other significant assumptions used in the discounted cash flow projection included sales volumes based on production capacities. The future cash flows were discounted to present value using a discount rate of 8.8%. The significant assumptions used in determining the fair value of the reporting unit using the market value methodology include the determination of appropriate market comparables and the estimated multiples of EBITDA a willing buyer is likely to pay.

7. Deferred Charges and Other Assets

Deferred charges and other assets, net consist of the following:

	Year Ended December 31,	
	2021	2020
Turnaround costs, net	\$ 146,942	\$ 32,273
Other	3,193	4,419
Total deferred charges and other assets	<u>\$ 150,135</u>	<u>\$ 36,692</u>

Amortization expense on other assets of \$16,962, \$12,386 and \$17,866 is included in the consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019, respectively. Certain other assets are amortized over periods ranging from five to fifteen years using the straight-line method.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

8. Long-Term Debt

Long-term debt payable to Westlake consists of the following:

	December 31,	
	2021	2020
OpCo Revolver (variable interest rate of London Interbank Offered Rate ("LIBOR") plus 2.0%, scheduled maturity of September 25, 2023)	\$ 22,619	\$ 22,619
MLP Revolver (variable interest rate of LIBOR plus 2.0%, scheduled maturity of March 19, 2023)	377,055	377,055
Long-term debt payable to Westlake	<u>\$ 399,674</u>	<u>\$ 399,674</u>

On August 4, 2014, OpCo entered into a \$600,000 senior unsecured revolving credit facility agreement with Westlake (as subsequently amended, the "OpCo Revolver"). The OpCo Revolver is scheduled to mature on September 25, 2023 and bears interest at a rate of LIBOR plus 2.0%, which may be paid-in-kind as an addition to the principal at OpCo's option. On April 30, 2019, the Partnership repaid \$201,445 of borrowings under the OpCo Revolver.

On April 29, 2015, the Partnership entered into a \$300,000 revolving credit facility agreement with an affiliate of Westlake (as subsequently amended, the "MLP Revolver") to fund the Partnership's purchase of an additional 2.7% newly-issued, limited partner interest in OpCo for \$135,341. In 2017, the Partnership entered into an amendment to the MLP Revolver credit agreement, increasing borrowing capacity from \$300,000 to \$600,000. On March 19, 2020, the Partnership entered into an amendment to the MLP Revolver, to extend the maturity date to March 19, 2023 and add a phase-out provision for LIBOR, which is to be replaced by an alternate benchmark rate. Pursuant to the amended credit agreement, borrowings under the MLP Revolver bear interest at a variable rate of either (a) LIBOR plus 2.0% or, if LIBOR is no longer available, (b) Alternate Base Rate plus 1.0%. The MLP Revolver bears interest at LIBOR plus a spread ranging from 2.0% to 3.0% (depending on the Partnership's consolidated leverage ratio), payable quarterly. The MLP Revolver provides that the Partnership may pay all or a portion of the interest on any borrowings in kind, in which case any such amounts would be added to the principal amount of the loan. The MLP Revolver requires that the Partnership maintain a consolidated leverage ratio of either (1) during any one-year period following certain types of acquisitions (including acquisitions of additional interests in OpCo), 5.50:1.00 or less, or (2) during any other period, 4.50:1.00 or less. The MLP Revolver also contains certain other customary covenants. The repayment of borrowings under the MLP Revolver is subject to acceleration upon the occurrence of an event of default. On March 29, 2019, the Partnership borrowed \$123,511 under the MLP Revolver to partially fund the purchase of the additional 4.5% interest in OpCo.

As of December 31, 2021, the Partnership was in compliance with all of the covenants under the OpCo Revolver and the MLP Revolver.

The weighted average interest rate on all long-term debt was 2.13% and 2.23% at December 31, 2021 and 2020, respectively.

As of December 31, 2021, the Partnership had no scheduled maturities of long-term debt until 2023. The OpCo Revolver is scheduled to mature on September 25, 2023, and the MLP Revolver is scheduled to mature on March 19, 2023.

9. Distributions and Net Income Per Limited Partner Unit

On January 24, 2022, the board of directors of Westlake Chemical Partners GP LLC ("Westlake GP"), the Partnership's general partner, declared a quarterly cash distribution for the period from October 1, 2021 to December 31, 2021 of \$0.4714 per common unit. This distribution was paid on February 17, 2022 to unitholders of record on February 3, 2022.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Distributions are declared subsequent to quarter end; therefore, the table below represents total cash distributions declared from earnings of the related periods pertaining to such distributions.

	Year Ended December 31		
	2021	2020	2019
Net income attributable to the Partnership	\$ 82,547	\$ 66,167	\$ 60,981
Less:			
Limited partners' distribution declared on common units	66,388	66,365	64,718
Distributions declared with respect to the incentive distribution rights	—	—	—
Net income in excess of distribution (Distribution in excess of net income)	<u>\$ 16,159</u>	<u>\$ (198)</u>	<u>\$ (3,737)</u>

Net income per unit applicable to common limited partner units and to subordinated limited partner units is computed by dividing the respective limited partners' interest in net income by the weighted-average number of common units and subordinated units outstanding for the period. Because the Partnership has more than one class of participating securities, it uses the two-class method when calculating the net income per unit applicable to limited partners. The classes of participating securities include common units, subordinated units and incentive distribution rights. Net income attributable to the Partnership is allocated to the unitholders in accordance with their respective ownership percentages in preparation of the consolidated statements of changes in equity. However, when distributions related to the incentive distribution rights are made, net income equal to the amount of those distributions is first allocated to the general partner before the remaining net income is allocated to the unitholders based on their respective ownership percentages. Basic and diluted net income per unit is the same because the Partnership does not have any potentially dilutive units outstanding for the periods presented.

All of the subordinated units, which were owned by Westlake, were converted into common units in 2017.

	Year Ended December 31, 2021		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 66,388	\$ —	\$ 66,388
Net income in excess of distribution	16,159	—	16,159
Net income	<u>\$ 82,547</u>	<u>\$ —</u>	<u>\$ 82,547</u>
Weighted average units outstanding:			
Basic and diluted	<u>35,206,333</u>		<u>35,206,333</u>
Net income per limited partner unit:			
Basic and diluted	<u>\$ 2.34</u>		

	Year Ended December 31, 2020		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 66,365	\$ —	\$ 66,365
Distribution in excess of net income	(198)	—	(198)
Net income	<u>\$ 66,167</u>	<u>\$ —</u>	<u>\$ 66,167</u>
Weighted average units outstanding:			
Basic and diluted	<u>35,195,271</u>		<u>35,195,271</u>
Net income per limited partner unit:			
Basic and diluted	<u>\$ 1.88</u>		

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

	Year Ended December 31, 2019		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 64,718	\$ —	\$ 64,718
Distribution in excess of net income	(3,737)	—	(3,737)
Net income	\$ 60,981	\$ —	\$ 60,981
Weighted average units outstanding:			
Basic and diluted	34,488,058		34,488,058
Net income per limited partner unit:			
Basic and diluted	\$ 1.77		

The amended Partnership Agreement provides that the Partnership will distribute cash each quarter to all the unitholders, pro rata, until each unit has received a distribution of \$1.2938. If cash distributions to the Partnership's unitholders exceed \$1.2938 per common unit in any quarter, the Partnership's unitholders and Westlake, as the holder of the Partnership's incentive distribution rights, will receive distributions according to the following percentage allocations:

Total Quarterly Distribution Per Unit	Marginal Percentage Interest in Distributions	
	Unitholders	IDR Holders
Above \$1.2938 up to \$1.4063	85.0 %	15.0 %
Above \$1.4063 up to \$1.6875	75.0 %	25.0 %
Above \$1.6875	50.0 %	50.0 %

The Partnership's distribution for the three months ended December 31, 2021 did not exceed the \$1.2938 per unit threshold, and, as a result, no distribution was made with respect to the Partnership's incentive distribution rights to Westlake, as the holder of the Partnership' incentive distribution rights.

Distribution Per Common Unit

Distributions per common unit for the years ended December 31, 2021, 2020 and 2019 were as follows:

	Year Ended December 31,		
	2021	2020	2019
Distributions per common unit	\$ 1.8856	\$ 1.8856	\$ 1.8005

10. Partners' Equity

On October 4, 2018, the Partnership and Westlake Chemical Partners GP LLC, the general partner of the Partnership, entered into an Equity Distribution Agreement with UBS Securities LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., RBC Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC to offer and sell the Partnership's common units, from time to time, up to an aggregate offering amount of \$50,000. The Equity Distribution Agreement was amended on February 28, 2020 to reference a new shelf registration for utilization under this agreement. No common units were issued under this program as of December 31, 2021.

On March 29, 2019, the Partnership completed the issuance and sale of 2,940,818 common units at a price of \$21.40 per unit through a private placement. TTWF LP, Westlake's principal stockholder and a related party, acquired 1,401,869 common units out of 2,940,818 common units issued in the private placement.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

11. Related Party Transactions

The Partnership and OpCo regularly enter into related party transactions with Westlake. See below for a description of transactions with related parties.

Sales to Related Parties

OpCo sells ethylene to Westlake under the Ethylene Sales Agreement. Additionally, the Partnership and OpCo from time to time provide other services or products for which it charges Westlake a fee.

Sales to related parties were as follows:

	Year Ended December 31,		
	2021	2020	2019
Net sales—Westlake	\$ 1,026,586	\$ 888,245	\$ 937,625

Under the Services and Secondment Agreement, OpCo uses a portion of its production capacity to process purge gas for Westlake. On August 4, 2016, OpCo and Westlake entered into an amendment to the Ethylene Sales Agreement in order to provide that certain of the pricing components that make up the price for ethylene sold thereunder would be modified to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene and to clarify that costs specific to the processing of Westlake's purge gas would be recovered under the Services and Secondment Agreement, and not the Ethylene Sales Agreement.

OpCo declared force majeure events in 2021 related to the flash fire at the Petro 2 facility, OpCo's Petro 1 facility outage, and due to the severe winter storm. As a result of these events, the Partnership recognized revenue for a buyer deficiency fee and Shortfall in 2021. The buyer deficiency fee is measured periodically based upon the lower of the actual production deficiency at period end or the estimated annual production deficiency based upon OpCo's annual anticipated production. These periodic estimates are updated at the end of the year based on actual annual production. Based upon OpCo's 2021 production, the Partnership recognized buyer deficiency fees of \$51,395 and Shortfall of \$58,906 during 2021. The buyer deficiency fees and Shortfall are classified as a component of net sales. The buyer deficiency fee was collected from Westlake in January 2022 and Shortfall recognized in 2021 is recoverable during 2022 per the Ethylene Sales Agreement.

During 2020, the Lake Charles Petro 1 and Petro 2 facilities were impacted by Hurricanes Laura and Delta, which resulted in force majeure events under the Ethylene Sales Agreement. As a result of the force majeure events, the Partnership recognized a buyer deficiency fee of \$69,555 as a component of net sales in 2020. Payment for the buyer deficiency fee was received by the Partnership in January 2021.

Cost of Sales from Related Parties

Charges for goods and services purchased by the Partnership and OpCo from Westlake and included in cost of sales relate primarily to feedstock purchased under the Feedstock Supply Agreement and services provided under the Services and Secondment Agreement.

Charges from related parties in cost of sales were as follows:

	Year Ended December 31,		
	2021	2020	2019
Feedstock purchased from Westlake and included in cost of sales	\$ 404,359	\$ 255,910	\$ 366,031
Other charges from Westlake and included in cost of sales	130,541	103,273	106,564
Total	\$ 534,900	\$ 359,183	\$ 472,595

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Services from Related Parties Included in Selling, General and Administrative Expenses

Charges for services purchased by the Partnership from Westlake and included in selling, general and administrative expenses primarily relate to services Westlake performs on behalf of the Partnership under the Omnibus Agreement, including the Partnership's finance, legal, information technology, human resources, communication, ethics and compliance and other administrative functions.

Charges from related parties included within selling, general and administrative expenses were as follows:

	Year Ended December 31,		
	2021	2020	2019
Services received from Westlake and included in selling, general and administrative expenses	\$ 28,577	\$ 22,162	\$ 26,946

Goods and Services from Related Parties Capitalized as Assets

Charges for goods and services purchased by the Partnership and OpCo from Westlake which were capitalized as assets relate primarily to the services of Westlake employees under the Services and Secondment Agreement.

Charges from related parties for goods and services capitalized as assets were as follows:

	Year Ended December 31,		
	2021	2020	2019
Goods and services purchased from Westlake and capitalized as assets	\$ 16,318	\$ 1,736	\$ 2,503

Receivable under the Investment Management Agreement

On August 1, 2017, the Partnership, OpCo and Westlake executed an investment management agreement (the "Investment Management Agreement") that authorized Westlake to invest the Partnership's and OpCo's excess cash with Westlake for a term of up to a maximum of nine months. Per the terms of the Investment Management Agreement, the Partnership earns a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of the Partnership or OpCo. Accrued interest of \$71 and \$56 was included in the receivable under the Investment Management Agreement balance at December 31, 2021 and 2020, respectively. Total interest earned related to the Investment Management Agreement was \$296, \$932 and \$3,289 for the years ended December 31, 2021, 2020 and 2019, respectively.

The Partnership's receivable under the Investment Management Agreement was as follows:

	December 31,	
	2021	2020
Receivable under the Investment Management Agreement	\$ 106,243	\$ 123,228

Accounts Receivable from Related Parties

The Partnership's accounts receivable from Westlake result primarily from ethylene sales to Westlake and any buyer deficiency fee and Shortfall recognized under the Ethylene Sales Agreement. As discussed above under "Sales to Related Parties", the buyer deficiency fee for the year ended December 31, 2021 was received by the Partnership in January 2022 and the Shortfall recognized in 2021 is recoverable during 2022 per the Ethylene Sales Agreement. Payment for the buyer deficiency fee recognized during 2020 was received by the Partnership in January 2021.

The Partnership's accounts receivable from Westlake were as follows:

	December 31,	
	2021	2020
Accounts receivable—Westlake	\$ 142,791	\$ 108,028

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Accounts Payable to Related Parties

The Partnership's accounts payable to Westlake result primarily from feedstock purchases under the Feedstock Supply Agreement and services provided under the Services and Secondment Agreement and the Omnibus Agreement. The Partnership's accounts payable to Westlake were as follows:

	December 31,	
	2021	2020
Accounts payable—Westlake	\$ 10,796	\$ 7,855

Debt Payable to Related Parties

See Note 8 for a description of related party debt payable balances.

Interest on related party debt payable balances, net of capitalized interest, for the years ended December 31, 2021, 2020 and 2019 was \$8,816, \$12,038 and \$19,623, respectively, and is reflected as a component of other income (expense) in the consolidated and statements of operations. At December 31, 2021, 2020 and 2019, accrued interest on related party debt was \$2,176, \$2,336 and \$4,187, and is reflected as a component of accrued liabilities in the consolidated balance sheets.

Debt payable to related parties was as follows:

	December 31,	
	2021	2020
Long-term debt payable to Westlake	\$ 399,674	\$ 399,674

Related Party Leases

OpCo is obligated to Westlake under various long-term and short-term noncancelable operating leases, primarily related to rail car leases and land. Operating lease rentals paid to Westlake for such leases were \$3,037, \$3,038 and \$2,343 for the years ended December 31, 2021, 2020 and 2019, respectively, and reflected in other charges from Westlake that are included in cost of sales.

OpCo has two site lease agreements with Westlake, each of which has a term of 50 years. Pursuant to the site lease agreements, OpCo pays Westlake one dollar per site per year.

Major Customer and Concentration of Credit Risk

During the years ended December 31, 2021, 2020 and 2019, Westlake accounted for approximately 84.5%, 91.9% and 85.9%, respectively, of the Partnership's net sales.

General

During the years ended December 31, 2021, 2020 and 2019, the Partnership reimbursed \$186, \$279 and \$293, respectively, to Westlake for certain state tax payments.

Other

See Note 10 above for an additional related party transaction.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

12. Unit-based Compensation

The Westlake Chemical Partners LP Long-Term Incentive Plan (the "Plan") was adopted on July 15, 2014 and provides for grants of unit options, restricted units, phantom units, unit awards, distribution equivalent rights ("DERs") and other unit-based awards. The purpose of the Plan is to attract and retain the services of individuals who are essential for the growth and profitability of the Partnership and to encourage such individuals to devote their best efforts to advancing the business of the Partnership and its affiliates. Awards under the Plan are determined by the board of directors of the Partnership's general partner or a committee thereof (the "Committee"). Under the Plan, DERs may be granted, which represent a contingent right to receive an amount in cash, units, restricted units and/or phantom units, as determined by the Committee at its sole discretion, equal in value to the cash distributions made by the Partnership with respect to a common unit during the period such award is outstanding. The terms and conditions of each award are determined by the Committee. The maximum number of common units of the Partnership that may be delivered with respect to awards under the Plan is 1,270,000. The phantom units along with a corresponding number of DERs were granted to certain non-employee directors of the general partner of the Partnership during the years ended December 31, 2021, 2020 and 2019. These phantom units vest on the first anniversary of the grant date. There were no forfeitures under the Plan during 2021, 2020 and 2019. During each of the years 2020 and 2019, the vesting of 4,638 phantom units were accelerated in connection with the retirement of one of the Partnership's non-employee directors. The total fair value of phantom units that vested during the year ended December 31, 2021 was \$542.

Non-vested phantom unit awards as of December 31, 2021 and 2020 and awards granted during the respective periods were as follows:

	Number of Units	Weighted Average Fair Value
Non-vested balance at December 31, 2019	13,634	\$ 23.24
Granted	20,439	20.17
Vested	(13,634)	19.08
Non-vested balance at December 31, 2020	20,439	22.33
Granted	11,178	26.97
Vested	(20,439)	26.54
Non-vested balance at December 31, 2021	11,178	22.90

Each phantom unit represents the right to receive, upon vesting, either a cash payment equal to the fair market value of one Partnership common unit or a Partnership common unit. Each DER has distribution rights only so long as the phantom units to which it relates to has not vested or been settled.

The awards, which are classified as liability awards for financial accounting purposes, are re-measured at each reporting date until they vest. The total units available for grant at December 31, 2021 were 1,219,956. The total compensation cost recognized during the years ended December 31, 2021, 2020 and 2019 was \$436, \$375 and \$387, respectively, and is included in selling, general and administrative expenses and the related liability is classified as accrued and other liability in the consolidated financial statements of the Partnership. The unrecognized compensation cost associated with all grants under the Plan at December 31, 2021 was \$182 and the weighted average remaining term of the units at December 31, 2021 was 0.62 years.

13. Fair Value Measurements

The Partnership reports certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Under the accounting guidance for fair value measurements, inputs used to measure fair value are classified in one of three levels:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

The Partnership has financial assets and liabilities subject to fair value measures. These financial assets and liabilities include cash and cash equivalents, accounts receivable, net, accounts payable and long-term debt payable to Westlake, all of which are recorded at carrying value. The amounts reported in the consolidated balance sheets for accounts receivable, net and accounts payable approximate their fair value due to the short maturities of these instruments. The carrying and fair values of the Partnership's long-term debt at December 31, 2021 and December 31, 2020 are summarized in the table below. The fair value of debt is determined based on the present value of expected future cash flows using a discounted cash flow methodology. Because the Partnership's valuation methodology used for long-term debt requires the use of significant unobservable inputs, the inputs used to measure the fair value of the Partnership's long-term debt are classified as Level 3 within the fair value hierarchy. Inputs used to estimate the fair values of the Partnership's long-term debt include the selection of an appropriate discount rate.

	December 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
OpCo Revolver	\$ 22,619	\$ 23,276	\$ 22,619	\$ 23,301
MLP Revolver	377,055	383,574	377,055	383,284

14. Income Taxes

The Partnership is a limited partnership and is treated as a partnership for U.S. federal income tax purposes and, therefore, is not liable for entity-level federal income taxes. The Partnership is, however, subject to state and local income taxes.

The components of income tax of the Partnership are as follows:

	Year Ended December 31,		
	2021	2020	2019
Current			
State and local	\$ 561	\$ 671	\$ 743
Deferred			
State and local	(12)	(107)	(15)
Total provision	<u>\$ 549</u>	<u>\$ 564</u>	<u>\$ 728</u>

The reconciliation of income tax expense at the U.S. statutory rate to the income tax expense is as follows:

	Year Ended December 31,		
	2021	2020	2019
Provision for federal income tax, at statutory rate	\$ 84,406	\$ 71,755	\$ 70,062
State income tax provision, net of federal income tax effect	549	564	728
Partnership income not subject to entity-level federal income tax	(84,406)	(71,755)	(70,062)
Total provision	<u>\$ 549</u>	<u>\$ 564</u>	<u>\$ 728</u>

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

The tax effects of the principal temporary differences between financial reporting and income tax reporting are as follows:

	December 31,	
	2021	2020
Property, plant and equipment	\$ (1,335)	\$ (1,487)
Turnaround costs	(195)	(55)
Total deferred tax liabilities	<u>\$ (1,530)</u>	<u>\$ (1,542)</u>
Balance sheet classifications		
Noncurrent deferred tax liability	\$ (1,530)	\$ (1,542)
Total deferred tax liabilities	<u>\$ (1,530)</u>	<u>\$ (1,542)</u>

15. Supplemental Information

Accrued and Other Liabilities

Accrued and Other liabilities were \$60,895 and \$18,768 at December 31, 2021 and 2020, respectively. Accruals related to maintenance expenses, turnaround costs, and capital expenditures, which are components of accrued liabilities, were \$5,597, \$40,250 and \$7,491 at December 31, 2021, respectively, and were \$3,905, \$0 and \$2,286 at December 31, 2020, respectively. No other component of accrued liabilities was more than five percent of total current liabilities.

Cash Flow Information

Non-cash Investing Activity

Capital expenditure related liabilities, included in accounts payable—third parties and accrued and other liabilities, were \$14,415, \$6,854, and \$4,364 at December 31, 2021, 2020, and 2019, respectively.

Interest and Income Taxes

Interest paid by the Partnership, net of interest capitalized, was \$8,976, \$13,887 and \$20,837 for the years ended December 31, 2021, 2020 and 2019, respectively. Income tax paid by the Partnership was \$676, \$709 and \$655 for the years ended December 31, 2021, 2020 and 2019, respectively, of which \$490, \$430 and \$362 was paid directly to the tax authorities for the years ended December 31, 2021, 2020 and 2019, and \$186, \$279 and \$293 was paid to Westlake as reimbursements for the years ended December 31, 2021, 2020 and 2019.

16. Commitments and Contingencies

The Partnership is subject to environmental laws and regulations that can impose civil and criminal sanctions and that may require the Partnership to mitigate the effects of contamination caused by the release or disposal of hazardous substances into the environment. These laws include the federal Clean Air Act, the federal Water Pollution Control Act, the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Toxic Substances Control Act and various other federal, state and local laws and regulations. Under CERCLA, an owner or operator of property may be held strictly liable for remediating contamination without regard to whether that person caused the contamination, and without regard to whether the practices that resulted in the contamination were legal at the time they occurred. Because the Partnership's production sites have a history of industrial use, it is impossible to predict precisely what effect these legal requirements will have on the Partnership. Westlake will indemnify the Partnership for liabilities that occurred or existed prior to August 4, 2014.

On September 27, 2021, shortly after the turnaround on Petro 2 commenced, there was a flash fire at the quench tower of the Petro 2 facility. Several contractors working on the quench tower were injured. There are lawsuits pending in connection with the flash fire. We expect insurance to cover most of the costs associated with these lawsuits.

The Partnership is also involved in other legal proceedings incidental to the conduct of its business. The Partnership does not believe that any of these legal proceedings will have a material adverse effect on its financial condition, results of operations or cash flows.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(in thousands of dollars, except unit amounts and per unit data)

Other Commitments

The Partnership has various purchase commitments for its capital projects and for materials, supplies and services incident to the ordinary conduct of business.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Senior Vice President and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 or 15d-15 under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, our President and Chief Executive Officer and our Senior Vice President and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2021 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Management's report on internal control over financial reporting appears on page 44 of this Annual Report on Form 10-K. In addition, PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report on Form 10-K, has also audited the effectiveness of internal control over financial reporting as of December 31, 2021, as stated in their report that appears on page 45 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

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

Not Applicable.

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, Westlake Chemical Partners GP LLC, a wholly-owned subsidiary of Westlake. As a result of owning our general partner, Westlake has the right to appoint all members of the board of directors, including at least three directors meeting the independence standards established by the NYSE and the Exchange Act. Our unitholders are not entitled to elect our general partner or its directors or otherwise directly participate in our management or operations. Our general partner owes certain contractual duties to our unitholders as well as a fiduciary duty to its owner, Westlake.

Our general partner has seven directors, three of whom are independent as defined under the standards established by the NYSE and the Exchange Act. The NYSE does not require a listed, publicly-traded partnership, such as ours, to have a majority of independent directors on the board of directors 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.

All of the executive officers of our general partner listed below allocate their time between managing our business and affairs and the business and affairs of Westlake. The amount of time that our executive officers devote to our business and the business of Westlake varies in any given period based on a variety of factors. We expect our general partner's executive officers to devote as much time as is necessary for the proper conduct of our business and affairs. However, their fiduciary duties to Westlake and other obligations may prevent them from devoting sufficient time to our business and affairs.

We reimburse our general partner and its affiliates, including Westlake, for all expenses they incur and payments they make on our behalf. The Partnership Agreement does not set a limit on the amount of expenses for which our general partner and its affiliates may be reimbursed. For the year ended December 31, 2021, we paid approximately \$185.4 million for such expenses. These expenses include those we and OpCo incur under the Services and Secondment Agreement and the Omnibus Agreement, including 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 Westlake.

In evaluating director candidates for our general partner, Westlake will assess whether a candidate possesses the integrity, judgment, knowledge, experience, skill and expertise that are likely to enhance the board's ability to manage and direct our affairs and business, including, when applicable, to enhance the ability of committees of the board to fulfill their duties.

Executive Officers and Directors of Our General Partner

The following table shows information for the executive officers and directors of our general partner as of March 1, 2022. Directors hold office until their successors have been elected or qualified or until the earlier of their death, resignation, removal or disqualification. Executive officers serve at the discretion of the board. The President, Chief Executive Officer and Director and the Chairman of the Board of Directors are brothers. Otherwise, there are no familial relationships among any of our general partner's directors or executive officers. Some of the directors and most of the executive officers of our general partner also serve as executive officers of Westlake. The directors and executive officers of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to Westlake. Please read "Item 1A. Risk Factors—Risks Relating to Our Partnership Structure." Each director and executive officer of our general partner will be fully indemnified by us for actions associated with being a director or executive officer to the fullest extent permitted under Delaware law pursuant to the Partnership Agreement.

Name	Age (as of March 1, 2022)	Position With Our General Partner
Albert Y. Chao	72	President, Chief Executive Officer and Director
James Y. Chao	74	Chairman of the Board of Directors
M. Steven Bender	65	Executive Vice President, Chief Financial Officer and Director
L. Benjamin Ederington	51	Executive Vice President, General Counsel, Chief Administrative Officer, Corporate Secretary and Director
G. Stephen Finley	71	Director
Andrew F. Kenner	57	Senior Vice President, Olefin Materials & Corporate Procurement
Angela A. Minas	57	Director
Randy G. Woelfel	66	Director
Johnathan S. Zoeller	46	Vice President and Chief Accounting Officer

Albert Y. Chao. Mr. Chao has been our general partner's President and Chief Executive Officer and a director since our general partner's formation in March 2014. Additionally, Mr. Chao has been Westlake's President since May 1996 and a director since June 2003. Mr. Chao became Westlake's Chief Executive Officer in July 2004. Mr. Chao has over 40 years of global experience in the chemical industry. In 1985, Mr. Chao assisted his father, T.T. Chao, and his brother, James Chao, in founding Westlake, where he served as Executive Vice President until he succeeded James Chao as President. He has held positions in the Controller's Group of Mobil Oil Corporation, in the Technical Department of Hercules Incorporated, in the Plastics Group of Gulf Oil Corporation and has served as Assistant to the Chairman of China General Plastics Group and Deputy Managing Director of a plastics fabrication business in Singapore. Mr. Chao is a trustee emeritus of Rice University. Mr. Chao received a bachelor's degree from Brandeis University and an M.B.A. from Columbia University.

James Y. Chao. Mr. Chao has been a director since our general partner's formation in March 2014 and Chairman of the Board since July 2014. Mr. Chao has also been Westlake's Chairman of the Board since July 2004 and became a director in June 2003. From May 1996 to July 2004, he served as Westlake's Vice Chairman. Mr. Chao has over 45 years of global experience in the chemical industry. From June 2003 until November 2010, Mr. Chao was the executive chairman of Titan Chemicals Corp. Bhd. He has served as a Special Assistant to the Chairman of China General Plastics Group and worked in various financial, managerial and technical positions at Mattel Incorporated, Developmental Bank of Singapore, Singapore Gulf Plastics Pte. Ltd. and Gulf Oil Corporation. Mr. Chao, along with his brother, Albert Chao, assisted their father, T.T. Chao, in founding Westlake. Mr. Chao received his B.S. degree from the Massachusetts Institute of Technology and an M.B.A. from Columbia University.

M. Steven Bender. Mr. Bender has been our general partner's Executive Vice President and Chief Financial Officer since February 2021 and a director since our general partner's formation in March 2014. Mr. Bender served as our general partner's Senior Vice President and Chief Financial Officer from March 2014 to February 2021 and as Treasurer from April 2015 to February 2019. Mr. Bender has also been Westlake's Executive Vice President and Chief Financial Officer since July 2017. From February 2008 to July 2017, Mr. Bender served as Westlake's Senior Vice President and Chief Financial Officer. In addition, Mr. Bender served as Westlake's Treasurer from July 2011 to April 2017, a position he also held from February 2008 until December 2010. From February 2007 to February 2008, Mr. Bender served as Westlake's Vice President, Chief Financial Officer and Treasurer and, from June 2005 to February 2007, he was its Vice President and Treasurer. Prior to joining Westlake, from June 2002 until June 2005, Mr. Bender served as Vice President and Treasurer of KBR, Inc. and from 1996 to 2002 he held the position of Assistant Treasurer for Halliburton Company. Prior to that, he held various financial positions within that company. Additionally, he was employed by Texas Eastern Corporation for over a decade in a variety of increasingly responsible audit, finance and treasury positions. Mr. Bender received a Bachelor of Business Administration from Texas A&M University and an M.B.A. from Southern Methodist University. Mr. Bender is also a Certified Public Accountant.

L. Benjamin Ederington. Mr. Ederington has been our general partner's Executive Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary since March 2022 and a director since our general partner's formation in March 2014. Mr. Ederington served as our general partner's Senior Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary from February 2021 to March 2022 and as Vice President, General Counsel and Secretary from March 2014 to February 2021. Mr. Ederington has also been Westlake's Executive Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary since March 2022. From July 2017 to March 2022, Mr. Ederington served as Westlake's Senior Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary, from December 2015 to July 2017, he was Westlake's Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary and, from October 2013 to December 2015, he was its Vice President, General Counsel and Corporate Secretary. Prior to joining Westlake, he held a variety of senior legal positions at LyondellBasell Industries, N.V. and its predecessor companies, LyondellBasell Industries AF SCA and Lyondell Chemical Company, including most recently as Associate General Counsel, Commercial & Strategic Transactions. He began his legal career more than 25 years ago at the law firm of Steptoe & Johnson, LLP. Mr. Ederington holds a B.A. from Yale University and received his J.D. from Harvard University.

G. Stephen Finley. Mr. Finley has been a director of our general partner since March 2020 and serves on the audit and conflicts committees. Mr. Finley was the Senior Vice President, Finance & Administration and Chief Financial Officer of Baker Hughes Incorporated from April 1999 until his retirement in April 2006. Prior to that, from February 1982 to April 1999, Mr. Finley held various financial and administrative management positions with Baker Hughes. Mr. Finley has served on the Board of Directors of Newpark Resources, Inc. since June 2007. From November 2006 to April 2018, he served on the Board of Directors of Archrock GP, LLC (previously known as Exterran GP, LLC), the general partner of Archrock Partners, L.P. He also served on the Board of Directors of Columbia Pipeline Partners LP from March 2015 to February 2017, Microseismic, Inc. from April 2012 to December 2014, Total Safety U.S., Inc. from December 2006 until November 2011, and Ocean Rig ASA from June 2006 to June 2008. Mr. Finley received a Bachelor of Science degree in Accounting from Indiana State University.

Andrew F. Kenner. Mr. Kenner has been our general partner's Senior Vice President, Olefin Materials & Corporate Procurement since March 2022. Mr. Kenner has also been Westlake's Senior Vice President, Olefin Materials & Corporate Procurement since March 2022. From January 2021 to March 2022, Mr. Kenner served as Westlake's Senior Vice President, Operations, from July 2017 to December 2020, he was its Senior Vice President, Chemical Manufacturing and, from July 2008 to July 2017, he was its Westlake's Vice President, Manufacturing. Mr. Kenner joined Westlake after a 19-year career at Valero Energy Corporation where he served as Vice President and General Manager of Valero's Delaware City Refinery and its Houston Refinery, as well as other leadership positions in Valero's refining system. Mr. Kenner received a B.S. in Aerospace Engineering from Texas A&M University and a M.S. in Chemical Engineering from the University of Texas at Austin.

Angela A. Minas. Ms. Minas has been a director of our general partner since October 2016 and serves on the audit and conflicts committees. Since July 2021, Ms. Minas has served on the board of directors and as chair of the audit committee of Vallourec S.A. and, since January 2022, she has served on the board of directors and as chair of the audit committee of the general partner of Crestwood Equity Partners LP. From September 2014 to March 2020, she served on the board of directors and as the chair of the audit committee of the general partner of CNX Midstream Partners LP. From March 2018 to December 2019, she served on the board of directors of Weatherford International plc, and, from December 2013 to March 2018, she served on the board of directors of the general partner of Ciner Resources LP. Ms. Minas served as Vice President and Chief Financial Officer for DCP Midstream Partners from September 2008 to May 2012. She served as Chief Financial Officer, Chief Accounting Officer and Treasurer of Constellation Energy Partners from September 2006 to March 2008. Prior to her experience in the MLP sector, Ms. Minas served as Senior Vice President, Global Consulting and Vice President, US Consulting for Science Applications International Corp. She was a Partner with Arthur Andersen LLP from 1997 through 2002. Ms. Minas is a graduate of Rice University, where she earned a Bachelor of Arts in Managerial Studies and a Master of Business Administration with a concentration in Finance and Accounting. Ms. Minas currently serves as a member of the Council of Overseers of the Rice University Graduate Business School and is an NACD (National Association of Corporate Directors) Leadership Fellow.

Randy G. Woelfel. Mr. Woelfel has been a director of our general partner since November 2019 and serves on the audit and conflicts committees. Since March 2013, Mr. Woelfel has served as a director of Black & Veatch Holding Company. Mr. Woelfel was Chief Executive Officer and a director of NOVA Chemicals Corporation from November 2009 until May 2014. Prior to joining NOVA, Mr. Woelfel was Managing Director of Energy for the Houston Technology Center and President of Cereplast, Inc. He began his career with Shell Oil Company in 1977. While at Shell Oil and affiliated companies, he served in a variety of senior positions, including President of Basell International, President of Basell North America and as a board member of numerous Basell International petrochemical ventures. Since 2014, Mr. Woelfel has provided services as a business consultant through Woelfel Associates Inc., a company that provides strategic advice to boards of directors and businesses. Mr. Woelfel received a Bachelor of Science degree in Chemical Engineering from Rice University and a Master's degree in Management from the Massachusetts Institute of Technology.

Johnathan S. Zoeller. Mr. Zoeller has been our general partner's Vice President and Chief Accounting Officer since March 2020. Mr. Zoeller has also been Westlake's Vice President and Chief Accounting Officer since March 2020. From August 2018 to March 2020, he served as Westlake's Vice President and Corporate Controller. Mr. Zoeller joined Westlake with over 19 years of public accounting experience, the majority of which was spent at KPMG LLP, where he was responsible for clients in the chemicals, oilfield services and oil/gas exploration and production industries. Mr. Zoeller held a variety of senior accounting positions at KPMG, including most recently as Partner, Audit from October 2011 to August 2018. He began his career with Arthur Andersen LLP in 1998. Mr. Zoeller holds a Bachelor of Accounting degree and a Master of Accounting degree from the University of Mississippi. He is a Certified Public Accountant.

Director Independence

In accordance with the rules of the NYSE, the board of directors of our general partner currently has three independent directors. The board of directors of our general partner has determined that each of Messrs. Finley and Woelfel and Ms. Minas is independent as defined under the independence standards established by the NYSE and the Exchange Act.

Committees of the Board of Directors of our General Partner

The board of directors of our general partner has one standing committee: the audit committee. The board of directors of our general partner may also form a conflicts committee from time to time.

Audit Committee

The audit committee of our general partner's board of directors has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, and consists of Messrs. Finley and Woelfel and Ms. Minas, all of whom are independent. Mr. Finley is the current chairman of the audit committee. The board of directors of our general partner has determined that each of Messrs. Finley and Woelfel and Ms. Minas is an "audit committee financial expert" within the meaning of the SEC rules and "financially literate" within the meaning of the NYSE regulations. The audit committee operates pursuant to a written charter, an electronic copy of which is available on our website at www.wlkpartners.com.

The audit committee assists the board of directors of our general partner in its oversight of the integrity of our consolidated and combined 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 is given unrestricted access to the audit committee and our management, as necessary.

Conflicts Committee

As set forth in the limited liability company agreement of our general partner, our general partner's board of directors may, from time to time, form a conflicts committee to which the board of directors of our general partner will appoint independent directors and which may be asked to review specific matters that the board believes may involve conflicts of interest between us, our limited partners and Westlake. The conflicts committee will determine the resolution of the conflict of interest in any manner referred to it in good faith. 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 Westlake, 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 the Partnership Agreement. Messrs. Finley and Woelfel and Ms. Minas serve on the conflicts committee. Ms. Minas currently serves as chair of the conflicts committee. Any matters approved by the conflicts committee in good faith will be conclusively deemed to be fair and reasonable to us, approved by all of our partners and not a breach by our general partner of any duties it may owe us or our unitholders.

Meetings of the Board

During the last fiscal year, our general partner's board of directors held nine meetings and our general partner's audit committee held seven meetings. Our general partner did not hold any meetings of the conflicts committee in 2021. None of the directors attended fewer than 75% of the aggregate number of meetings of the board of directors and committees of the board on which the director served.

The board of directors holds regular executive sessions in which the independent directors meet without any non-independent directors or members of management. The purpose of these executive sessions is to promote open and candid discussion among the independent directors. The rules of the NYSE require that one of the independent directors must preside over each executive session, and the role of presiding director is rotated among each of the independent directors.

Communication with the Board of Directors

A holder of our units or other interested party who wishes to communicate with the non-management directors may do so by contacting our corporate secretary at the address or phone number appearing on the front page of this report. Communications will be relayed to the intended recipient of the board of directors except in instances where it is deemed unnecessary or inappropriate to do so pursuant to the procedures established by the audit committee. Any communications withheld under those guidelines will nonetheless be recorded and available for any director who wishes to review them.

Corporate Governance Guideline and Code of Ethics

We have a Code of Ethics for the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer (the "Code of Ethics") that applies to each of the Principal Executive, Financial and Accounting Officers of our general partner, as required by Section 406 of the Sarbanes-Oxley Act of 2002. Furthermore, we have Principles of Corporate Governance and a charter for our audit committee. Each of the foregoing is available on our website at www.wlkpartners.com in the "Corporate Governance" section of our Investor Relations tab. We provide copies, free of charge, of any of the foregoing upon receipt of a written request. We disclose amendments and director and executive officer waivers with regard to the Code of Ethics, if any, on our website or by filing a Current Report on Form 8-K to the extent required. Furthermore, the certifications of our general partner's Chief Executive Officer and Chief Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act, have been included as exhibits to this report.

NYSE Corporate Governance Listing Standards

The NYSE requires the chief executive officer of each listed company to certify annually that he is not aware of any violation by the company of the NYSE corporate governance listing standards as of the date of the certification, qualifying the certification to the extent necessary. The Chief Executive Officer of our general partner provided such certification to the NYSE in 2021 without qualification. You can also find information about us at the offices of the NYSE, 20 Broad Street, New York, New York 10005 or at the NYSE's Internet site (www.nyse.com).

Item 11. Executive Compensation

Compensation Discussion and Analysis

Overview

Neither we nor our general partner directly employ any of the persons responsible for managing our business. All of our general partner's executive officers are employees of Westlake. In accordance with the terms of the Omnibus Agreement, we reimburse Westlake for compensation-related expenses attributable to the portion of our executive officers' time dedicated to providing services to us. During 2021, Mr. Albert Chao devoted approximately 10% of his total business time to our general partner, our consolidated subsidiaries (including OpCo) and us and Mr. Steve Bender devoted approximately 10% of his total business time to our general partner, our consolidated subsidiaries (including OpCo) and us. The allocation of the executive officers' time in future years and, in turn, future compensation allocations may differ from the time and compensation allocated for each executive officer in 2021.

Westlake has determined that only the base salary of each of the Westlake executive officers shall be allocated to us based on the percentages of business time set forth above. This is because Westlake's other compensation components such as Westlake equity awards and annual and quarterly cash incentive plans are geared toward specific performance goals of Westlake's business, and not our business. Westlake has significant assets and holdings outside of us and our general partner.

Named Executive Officers

For 2021, our named executive officers ("NEOs") consisted of our principal executive officer, Mr. Albert Chao, and our principal financial officer, Mr. Bender. The compensation allocated to us in 2021 for each of the other executive officers of our general partner did not exceed \$100,000. Therefore, none of the other executive officers are considered NEOs for 2021.

Compensation Decisions

Westlake has ultimate decision-making authority with respect to the total compensation of our NEOs that are employed by Westlake. Any such compensation decisions will not be subject to any approvals by the board of directors of our general partner; provided, however, that any awards under the Westlake Chemical Partners LP Long-Term Incentive Plan (the "LTIP") must be approved by the board of directors of our general partner.

Westlake Compensation Committee Oversight

The board of directors of Westlake has established a compensation committee (the "Westlake Compensation Committee") to review and provide oversight of the compensation programs of Westlake and the compensation of the principal executive officer of Westlake (the "Westlake PEO"), the other named executive officers of Westlake (together with the Westlake PEO, the "Westlake NEOs") and other employees designated as executive officers of Westlake (collectively, the "Westlake Executives").

External Advisors

To assist the Westlake Compensation Committee in respect of its oversight responsibilities, the Westlake Compensation Committee periodically utilizes the services of independent third-party compensation consultants to conduct compensation surveys and determine compensation trends, analyze and assess Westlake's compensation systems and programs (which includes the compensation of the Westlake Executives), review current legal, accounting and administrative matters associated with executive compensation and offer opinions as to the effectiveness and competitiveness of the program. For 2021, the Westlake Compensation Committee directly engaged the services of Willis Towers Watson as a compensation consultant to advise the Westlake Compensation Committee on executive compensation matters. Willis Towers Watson assists the Westlake Compensation Committee by providing comparative market data on compensation programs and practices of peer competitors, the broader-based chemical industry and general industry. Willis Towers Watson also assists Westlake with general compensation consultation regarding employees other than the Westlake NEOs. In 2021, Westlake paid Willis Towers Watson approximately \$160,000 for executive compensation advisory services and approximately \$2.85 million for other services (primarily related to due diligence and integration support for Westlake's four acquisitions that were executed in 2021 and the administration of Westlake's legacy defined benefit retirement plans). The decision to engage Willis Towers Watson for the non-executive-compensation services was made by Westlake management and approved or ratified by the Westlake Compensation Committee. In February 2022, the Westlake Compensation Committee assessed whether the work of Willis Towers Watson for Westlake during 2021 raised any conflict of interest and concluded that no conflict of interest exists.

The Deliberative Process

In establishing targeted levels of executive compensation, the Westlake Compensation Committee has selected a set of peer group companies (the "Peer Group") from among companies of relative comparable size to Westlake, with executive positions of similar scope and responsibility, and from among companies with which Westlake may compete for executive talent. With the assistance of Willis Towers Watson, the Westlake Compensation Committee reviews the Peer Group on a regular basis. To validate current peers and identify potential new peer companies, Willis Towers Watson conducts a comprehensive review using criteria that the Westlake Compensation Committee deems to be appropriate, including recent developments with current peer companies (e.g., merger and acquisition activity and changes in financial performance), revenues (typically using a market competitive range of 0.5x to 2x of Westlake's revenue in determining size-relevant peers), industry classification, market capitalization and other financial data, peers of peers analysis, business and product portfolios, peers as identified by proxy advisory firms such as ISS and Glass Lewis, and business and labor market competitors.

Traditionally, peer companies have been selected from the chemical industry, but as Westlake has continued to grow, it has become increasingly difficult for Willis Towers Watson to find a sufficient number of chemical companies of a comparable size to Westlake to recommend what it considers a statistically-appropriate set of peer companies. For example, since 2013, Westlake's revenues have more than tripled from \$3,759 million in 2013 to \$11,778 million in 2021. Furthermore, due to recent acquisitions and organic growth, Westlake's building and infrastructure products have grown as a proportion of its overall revenues. For example, in 2021, the businesses in Westlake's Housing and Infrastructure Products segment generated more than a quarter of Westlake's total revenues. As a result, in 2021, Willis Towers Watson recommended, and the Westlake Compensation Committee agreed, to select peer companies from both the chemical and building products industries. The following companies make up the Peer Group as adopted by the Westlake Compensation Committee in 2021:

Builders FirstSource, Inc.	Huntsman Corporation
Celanese Corporation	Masco Corporation
Corteva Inc.	The Mosaic Company
The Chemours Company	Olin Corporation
DuPont de Nemours, Inc.	Owens Corning
Eastman Chemical Company	PPG Industries, Inc.
Fortune Brands Home & Security, Inc.	RPM International Inc.

The Westlake Compensation Committee will continue to make changes in the Peer Group as warranted to reflect changes in the size, business profile and publicly-listed status of the companies to help ensure that companies more comparable in size and business profile to Westlake are included and continue to be appropriate for the compensation decision-making process.

In addition to referring to the Peer Group, Willis Towers Watson utilizes survey data from its proprietary compensation databases, including, but not limited to, the Willis Towers Watson CDB Executive Survey as well as the Korn Ferry Hay Group Chemicals Industry survey and other relevant market information. These surveys compare the compensation of executives at numerous companies to similar positions as the Westlake NEOs (the "Market Survey"). The Market Survey is used in conjunction with the Peer Group data (collectively, the "Reference Points") to help validate the market findings and more specifically establish market compensation rates for positions with limited Peer Group data and/or for positions that are not industry-specific and for which Westlake would need to recruit on a broader basis (for instance, Chief Financial Officer). Finally, in establishing the target executive compensation, the Westlake Compensation Committee takes a total compensation view to include base pay, cash bonuses and long-term incentives, so that as long as the composite total compensation of a Westlake NEO is competitive with the Reference Points, individual components may fall below or above the median of the Reference Points. In conducting its surveys for the Reference Points, Willis Towers Watson reports directly to the Westlake Compensation Committee on each component and on a composite total compensation basis.

The Westlake Compensation Committee meets annually in February to address the compensation of the Westlake NEOs and other Westlake Executives. During this meeting, the Westlake Compensation Committee reviews the achievement of Westlake's goals and objectives, including Westlake's Economic Value Added (defined as the net operating profit after taxes in relation to capital employed) and performance relative to its competitors within the chemical and building products industries, including those direct competitors within the Peer Group, the Reference Points and other relevant factors established by the Westlake Compensation Committee. During this deliberation, the Westlake PEO is excused from the meeting to allow the other members of the Westlake Compensation Committee to deliberate independently regarding the Westlake PEO's compensation. During this annual review meeting, the Westlake PEO also presents his recommendations to the Westlake Compensation Committee regarding the compensation to be provided to the other Westlake NEOs and other Westlake Executives. The Westlake PEO and the Westlake Compensation Committee, after considering data from the Reference Points and other relevant factors, set the compensation for these Westlake Executives.

Compensation Philosophy and Program Objectives of Westlake

Westlake has designed and maintains a comprehensive executive compensation program as a means of:

- attracting, rewarding and retaining top executive talent in support of Westlake's vision, mission and objectives;
- maintaining market competitiveness with Westlake's peer group compensation programs and practices;
- encouraging and rewarding the achievement of specific individual, business segment and corporate goals and objectives;
- placing a significant portion of total compensation at risk through variable pay components, including upside potential where targeted objectives are exceeded, to promote management action to create added stockholder value;
- aligning management interests with the interests of Westlake's stockholders; and
- balancing short-term objectives with long-term strategic initiatives.

Establishing Compensation Levels

On an annual basis as the Westlake Compensation Committee meets to set the target compensation for the Westlake PEO, other Westlake NEOs and other Westlake Executives, the Westlake Compensation Committee considers the responsibility and scope of the individual job assignments as well as the Westlake Executive's job performance and achievements measured against a variety of goals and objectives. As a first step, the Westlake PEO provides his evaluation of each Westlake Executive based upon the achievement of goals and objectives unique to a business segment or a corporate assignment and an assessment of the Westlake Executive's individual contribution and effort and a variety of managerial success factors. Next, the Westlake Compensation Committee may make its own assessment of each Westlake Executive based upon the interaction Westlake Compensation Committee members have had with the Westlake Executive throughout the year. Lastly, once the Westlake Compensation Committee considers all of these factors in tandem with the Reference Points, the Westlake Compensation Committee establishes the compensation target for each element of the total compensation program.

Base Pay—This element is the principal cash compensation component of Westlake's program and is designed to provide the Westlake Executive with a market-competitive minimum level of compensation. In setting base pay rates for 2021, the Westlake Compensation Committee considered the Reference Points, the scope and range of responsibility, accountability and business impact of the position as well as current economic conditions to aid it in evaluating and matching the positions with the market and setting fair-market competitive base pay targets. In setting base pay rates for Westlake Executives, the Westlake Compensation Committee has determined that, based on advice of its independent consultant, Willis Towers Watson, the base pay of the Westlake Executives can generally be considered as competitive if targeted to be within 90% to 110% of the 50th percentile of the market depending on the performance of the individual Westlake Executive, the magnitude of adjustments deemed necessary by the Westlake Compensation Committee to ensure retention of the Westlake Executive and the performance of Westlake. The Westlake Compensation Committee also recognizes that market pricing is an inexact science and that base pay above or below that range may be required to meet market demand or to recognize individual performance or experience levels. The Westlake Compensation Committee does not set a specific fixed target percentage for any of the Westlake NEOs but generally works to set the base pay of each Westlake NEO to be within the range at its discretion based upon market and performance factors. Base pay is evaluated on an annual basis using then current market information, and the Westlake Compensation Committee may authorize an adjustment to:

- ensure that the Westlake Executive's current base pay is within the acceptable target level as determined by the Westlake Compensation Committee;
- ensure internal equity;
- recognize individual performance and contributions; or
- recognize changes in responsibility or the scope of the Westlake Executive's position.

For further information regarding compensation decisions made by the Westlake Compensation Committee during 2021, see the proxy statement that is expected to be filed by Westlake in connection with its 2022 annual meeting of stockholders. In February 2022, the Westlake Compensation Committee elected to increase the base salary for Mr. Albert Chao to \$1,219,500 from \$1,167,000 and for Mr. Bender to \$700,000 from \$641,000.

Employment Agreements; Severance and Change-in-Control Arrangements—Westlake does not have employment agreements with any of the Westlake NEOs; however, each Westlake Executive, including each of the Westlake NEOs, is typically provided an offer letter of employment containing the principal elements of the employment arrangement, including compensation. None of these offer letters currently contains a provision for payments upon a change in control.

Deferred Compensation Programs—Westlake has no deferred compensation programs for which its executives are eligible to participate except for the standard provisions of Westlake's 401(k) plan and provisions of Section 125 of the Internal Revenue Code whereby salary is reduced for taxation since the 401(k) contributions are made by employees on a pre-tax basis, thereby reducing their salary and taxable income.

COMPENSATION COMMITTEE REPORT

Neither we nor our general partner has a compensation committee. The board of directors has reviewed and discussed the Company's Compensation Discussion and Analysis with management and, based upon this review, has approved it for inclusion in this report.

The information contained in this report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act or the Exchange Act.

THE BOARD OF DIRECTORS OF WESTLAKE CHEMICAL PARTNERS GP LLC

Albert Y. Chao

James Y. Chao

M. Steven Bender

L. Benjamin Ederington

G. Stephen Finley

Angela A. Minas

Randy G. Woelfel

Executive Compensation

The following table provides information regarding the compensation awarded to or earned during 2021 and prior years, as applicable by the NEOs.

Summary Compensation Table

Name and Principal Position	Year	Base Salary ⁽¹⁾	Portion Allocation ⁽²⁾	Total ⁽³⁾
Albert Y. Chao President and Chief Executive Officer	2021	\$ 1,163,167	10.0 %	\$ 116,317
	2020	1,144,000	10.0 %	114,400
	2019	1,144,000	10.0 %	114,400
M. Steven Bender Executive Vice President and Chief Financial Officer	2021	638,833	10.0 %	63,883
	2020	628,000	12.5 %	78,500
	2019	628,000	10.0 %	62,800

(1) See "Compensation Discussion and Analysis—Establishing Compensation Levels—Base Pay" for more information on base salary.

(2) See "Compensation Discussion and Analysis—Overview" for more information on the portion of base salary allocated to us by Westlake.

(3) Reflects the portion of base salary allocated to us by Westlake for the periods from January 1, 2021 through December 31, 2021, from January 1, 2020 through December 31, 2020 and from January 1, 2019 through December 31, 2019.

Director Compensation

Officers or employees of Westlake or its affiliates who also serve as directors do not receive additional compensation for such service. The directors who are not also officers or employees of Westlake or its affiliates (i.e., Ms. Minas and Messrs. Finley and Woelfel) receive compensation from our general partner for their service. In 2021, Messrs. Finley and Woelfel and Ms. Minas each received an annual retainer valued at approximately \$180,000, of which \$80,000 was paid in the form of a cash retainer and the remaining \$100,000 was paid in the form of a grant of phantom unit awards under the LTIP. All phantom unit awards vest on the first anniversary of their grant date. Mr. Finley, as the audit committee chairman, received an additional cash retainer of \$15,000.

In addition, each non-employee director is reimbursed for out-of-pocket expenses in connection with attending board and committee meetings. Each director is fully indemnified by us for actions associated with being a director to the fullest extent permitted under Delaware law pursuant to the Partnership Agreement.

The following table sets forth a summary of the compensation paid to non-employee directors in 2021:

Name	Fees Earned or Paid in Cash	Phantom Unit Awards	All Other Compensation ⁽²⁾	Total
G. Stephen Finley	\$ 95,000	\$ 100,000	\$ 15,815	\$ 210,815
Angela A. Minas	80,000	100,000	10,481	190,481
Randy G. Woelfel	80,000	100,000	9,319	189,319

- (1) The amounts reflected in this column represent the grant date fair value of phantom unit awards granted to the non-employee directors, computed in accordance with FASB ASC Topic 718, as the product of (i) the number of phantom units granted and (ii) the average of the high and low prices of our common units reported on the New York Stock Exchange on the grant date. As of December 31, 2021, Ms. Minas, Mr. Finley and Mr. Woelfel each held 3,726 phantom units, which will become fully vested on August 11, 2022.
- (2) The amounts reflected in this column represent the amount of cash paid with respect to distribution equivalent rights granted in tandem with the phantom unit awards.

CEO Pay Ratio Analysis

The table below sets forth comparative information regarding: (1) the annual total compensation of our Chief Executive Officer, Mr. Albert Chao, for the year ended December 31, 2021, determined on the basis set forth in the Summary Compensation Table; (2) the median of the annual total compensation of all seconded employees of Westlake that provide services to OpCo under the Services and Secondment Agreement, which excludes our Chief Executive Officer, for the year ended December 31, 2021, determined on the basis described below; and (3) a ratio comparison of those two amounts. These amounts were determined in accordance with rules prescribed by the SEC.

Neither we nor OpCo have any employees. However, for purposes of this disclosure, we have included the employees of Westlake and its other affiliates who are seconded to OpCo under the Services and Secondment Agreement for the production of ethylene (the "Seconded Employees"). For purposes of determining the median of the annual total compensation of such Seconded Employees for the year ended December 31, 2021, the applicable SEC rules require us to identify the median employee, by using either annual total compensation for all such employees or another consistently applied compensation measure. For these purposes, we used total taxable earnings, plus certain non-taxable items, including retirement plan contributions and perquisites, as determined from the payroll records of Westlake and its affiliates providing the services of the Seconded Employees to OpCo for the period from January 1, 2020 through December 31, 2020 (the "Measurement Date"), as our consistently applied compensation measure. We included all Seconded Employees of Westlake who provided services to OpCo as of the Measurement Date whether employed on a full-time, part-time or seasonal basis. We did not use statistical sampling or include any cost-of-living adjustments for purposes of this determination. After identifying the median employee, based on the process described above, we calculated annual total compensation for that employee using the same methodology we used for determining total compensation for 2021 for our named executive officers as set forth in the Summary Compensation Table.

Chief Executive Officer annual total compensation (A)	\$	116,317
Median annual total compensation of all employees (excluding Chief Executive Officer) (B)	\$	147,922
Ratio of (A) to (B)		.79

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of February 18, 2022, the beneficial ownership of our outstanding common units and subordinated units held by:

- our general partner;
- Westlake;
- each director and named executive officer of our general partner; and
- all of the directors and executive officers of our general partner as a group.

We report the amounts and percentage of units beneficially owned on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. The rules of the SEC deem a person a "beneficial owner" of a security if that person has or shares "voting power" that includes the power to vote or to direct the voting of the security, or "investment power" that includes the power to dispose of or to direct the disposition of the security. In computing the number of common units beneficially owned by a person and the percentage ownership of that person, common units subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of February 18, 2022, if any, are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise noted, the address for each beneficial owner listed below is 2801 Post Oak Boulevard, Suite 600, Houston, Texas 77056. None of the units beneficially owned as set forth below is pledged as security.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Units		
	Direct	Other	Percentage of Common Units Beneficially Owned
Westlake Corporation	14,122,230	—	40.1 %
Westlake Chemical Partners GP LLC	—	—	—
Albert Y. Chao	166,435	15,533,192 ⁽¹⁾⁽²⁾	44.6 %
James Y. Chao	55,000	15,524,099 ⁽²⁾	44.2 %
M. Steven Bender	14,000	—	*
L. Benjamin Ederington	12,000	—	*
G. Stephen Finley	14,585	—	*
Angela A. Minas	17,564	—	*
Randy G. Woelfel	18,822	—	*
All directors and executive officers as a group (9 persons)	320,406	15,533,192 ⁽¹⁾⁽²⁾	45.0 %

* Less than 1% of the outstanding common units.

- (1) The amount includes 9,093 common units held in a family trust for the benefit of Mr. Albert Chao and his family members with respect to which Mr. Albert Chao serves as trustee.
- (2) The amount includes 14,122,230 common units held by WPT, LLC, a wholly-owned subsidiary of Westlake Corporation, and 1,401,869 common units held by TTWFGP LLC. Two trusts for the benefit of members of the Chao family, including Messrs. James and Albert Chao, are the managers of TTWFGP LLC, a Delaware limited liability company. As of February 18, 2022, James Chao had sole voting power and sole dispositive power over 55,000 units and shared voting power and shared dispositive power over 15,524,099 units; and Albert Chao had sole voting power and sole dispositive power over 166,435 units and shared voting power and shared dispositive power over 15,533,192 units. Messrs. James and Albert Chao disclaim beneficial ownership of the 15,524,099 units held by WPT, LLC and TTWFGP LLC except to the extent of their respective pecuniary interest therein.

The following table sets forth, as of February 18, 2022, the number of shares of common stock of Westlake Corporation beneficially owned by each director and named executive officer of our general partner and by all directors and executive officers of our general partner as a group:

Directors and Named Executive Officers of Our General Partner	Amount and Nature of Beneficial Ownership of Common Stock of Westlake ⁽¹⁾		
	Direct	Other	Percent of Class
Albert Y. Chao	977,243	93,405,554 ⁽²⁾	73.1 %
James Y. Chao	430,131	93,405,554 ⁽²⁾	72.7 %
M. Steven Bender	89,893	—	*
L. Benjamin Ederington	110,174	—	*
G. Stephen Finley	—	—	—
Angela A. Minas	—	—	—
Randy G. Woelfel	—	—	—
All directors and executive officers as a group (9 persons)	1,673,289	93,405,554 ⁽²⁾	73.6 %

* Less than 1% of the outstanding shares of common stock.

- (1) None of the shares beneficially owned by the directors or officers are pledged as security.
- (2) TTWF LP, a Delaware limited partnership, holds 92,010,554 and TTWFGP LLC, the general partner of TTWF LP, holds 1,395,000 of these 93,405,554 shares. Two trusts for the benefit of members of the Chao family, including James Chao and Albert Chao, are the managers of TTWFGP LLC. The limited partners of TTWF LP are five trusts principally for the benefit of members of the Chao family, including James Chao and Albert Chao and two corporations owned, indirectly or directly, by certain of these trusts and by other entities owned by members of the Chao family, including Messrs. James and Albert Chao. James Chao, Albert Chao, TTWF LP and TTWFGP LLC share voting and dispositive power with respect to the shares of Westlake's common stock beneficially owned by TTWF LP. James Chao, Albert Chao and TTWFGP LLC share voting and dispositive power with respect to the shares of Westlake's common stock beneficially owned by TTWFGP LLC. Messrs. James and Albert Chao disclaim beneficial ownership of the 93,405,554 shares held by TTWF LP and TTWFGP LLC except to the extent of their respective pecuniary interest therein.

The following table sets forth each person known to us who is the beneficial owner of 5% or more of our outstanding common units, other than Westlake, the holdings of which are listed in the first table of this Item 12.

Name of Beneficial Owner	Common Units Beneficially Owned	Percentage of Common Units Beneficially Owned
Energy Income Partners, LLC 10 Wright Street Westport, CT 06880	2,456,905 ⁽¹⁾	7.0 %
First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	1,821,989 ⁽²⁾	5.2 %
Invesco Ltd. 1555 Peachtree Street NE, Suite 1800 Atlanta, GA 30309	5,834,104 ⁽³⁾	16.6 %

- (1) Based on a Schedule 13G filed on February 14, 2022. According to the filing, Energy Income Partners, LLC had shared voting and shared dispositive power over 2,456,905 common units. In addition, each of James J. Murchie, Eva Pao and John Tyssel had shared voting and shared dispositive power over 2,456,905 common units as portfolios managers with respect to the portfolios managed by Energy Income Partners, LLC, and Saul Ballesteros had shared voting and shared dispositive power over 2,456,905 common units as a control person of Energy Income Partners, LLC.

- (2) Based on a Schedule 13G filed on January 28, 2021. According to the filing, First Trust Advisors L.P. and The Charger Corporation had shared voting power over 1,815,212 common units and shared dispositive power over 1,821,989 common units. First Trust Portfolios L.P. had shared voting power and shared dispositive power over 0 common units. According to the filing, The Charger Corporation is the general partner of both of First Trust Portfolios L.P. and First Trust Advisors L.P.; First Trust Portfolios L.P. acts as sponsor of certain unit investment trusts which holds common units of the Partnership; none of First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation have the power to vote the units of the Partnership held by these unit investment trusts sponsored by First Trust Portfolios L.P.; and the units are voted by the trustee of the unit investment trusts.
- (3) Based on an Amendment No. 3 to a Schedule 13G filed on February 2, 2022. According to the filing, Invesco Ltd. had sole voting and sole dispositive power over 5,834,104 common units.

Equity Compensation Plan Information

Units authorized for issuance under the Partnership's Long-Term Incentive Plan (the "LTIP") are summarized in the following table.

Plan Category	Number of units to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by security holders ⁽¹⁾	11,178	\$ 0	1,219,956
Equity compensation plan not approved by security holders	0	N/A	0
Total	11,178	\$ —	1,219,956

- (1) Adopted by our general partner's board of directors in connection with our IPO. Only phantom unit awards have been granted under the LTIP. There is no weighted-average exercise price associated with these awards.

For more information about the plan, please see Note 12 to our consolidated financial statements included in this report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Westlake owns 14,122,230 common units, representing an aggregate approximate 40.1% limited partner interest in us; a 100% interest in our general partner; and our incentive distribution rights. Transactions with Westlake and its affiliated entities are considered to be related party transactions because Westlake and its affiliates own more than 5% of our equity interests; in addition, certain of Westlake's directors and executive officers serve as directors and executive officers of both Westlake and our general partner.

Whenever a conflict arises between our general partner or its owners, on the one hand, and us or our limited partners, on the other hand, the resolution, course of action or transaction in respect of such conflict of interest shall be conclusively deemed approved by us and all our limited partners and shall not constitute a breach of the Partnership Agreement, of any agreement contemplated thereby or of any duty, if the resolution, course of action or transaction in respect of such conflict of interest is:

- approved by the conflicts committee of our general partner; or
- approved by the holders of a majority of our outstanding common units, excluding any such units owned by our general partner or any of its affiliates.

Our general partner may, but is not required to, seek the approval of such resolutions or courses of action from the conflicts committee of its board of directors or from the holders of a majority of the outstanding common units as described above. If our general partner does not seek approval from the conflicts committee or from holders of common units as described above and the board of directors approves the resolution or course of action taken with respect to the conflict of interest, then it will be presumed that, in making its decision, the board of directors acted in good faith, and in any proceeding brought by or on behalf of us or any of our unitholders, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption and proving that such decision was not in good faith. Unless the resolution of a conflict is specifically provided for in the Partnership Agreement, the board of directors or its conflicts committee, as applicable, may consider any factors it determines in good faith to consider when resolving a conflict. An independent third party is not required to evaluate the resolution. Under the Partnership Agreement, all determinations, other actions or failures to act by our general partner, the board of directors or any committee thereof (including the conflicts committee) will be presumed to be "in good faith," and in any proceeding brought by or on behalf of us or any of our unitholders, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption and proving that such determination was not in good faith.

The information required by Item 407(a) of Regulation S-K is included in "Item 10. Directors, Executive Officers and Corporate Governance."

Procedures for Review, Approval and Ratification of Transactions with Related Persons

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 in accordance with the provisions of the 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 the Partnership Agreement.

Distributions and Payments to our General Partner and its Affiliates

We will generally make cash distributions to our unitholders, including Westlake, pro rata. In addition, if distributions exceed the minimum quarterly distribution and other higher target distribution levels, Westlake, as the holder of our incentive distribution rights, will be entitled to increasing percentages of the distributions, up to 50% of the distributions above the highest target distribution level.

Assuming we have sufficient available cash to pay the full minimum quarterly distribution of \$0.2750 per unit on all of our outstanding units for four quarters, Westlake would receive an annual distribution of approximately \$15.5 million on its common units. During 2021, we made aggregate distributions of \$1.8856 per unit to all of our unitholders, resulting in Westlake receiving approximately \$26.6 million.

Our general partner and its affiliates are entitled to reimbursement for all expenses they incur on our behalf, including salaries and employee benefit costs for employees who provide services to us, and all other necessary or appropriate expenses allocable to us or reasonably incurred by our general partner and its affiliates in connection with operating our business. Except to the extent specified in the Omnibus Agreement or the Services and Secondment Agreement, our general partner will determine the expenses that are allocable to us in good faith, but there is no limit on the amount of expenses for which our general partner and its affiliates will be reimbursed. For the year ended December 31, 2021, we paid approximately \$185.4 million for such expenses.

If our general partner withdraws or is removed, 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 Westlake, will be entitled to receive liquidating distributions according to their respective capital account balances.

Agreements with Westlake

Except as otherwise indicated, the agreements described below became effective on August 4, 2014, concurrent with the closing of the IPO. For amounts paid by us or Westlake, as applicable, under the agreements described below, see Note 11 to our consolidated financial statements.

In addition to the agreements described below, we also entered into the MLP Revolver in 2015, which was amended in August 2017, December 2017 and March 2020, and OpCo entered into the OpCo Revolver and assumed various promissory notes at the closing of the IPO. The OpCo Revolver was amended in September 2018 to extend the maturity date from August 4, 2019 to September 25, 2023, and revise the applicable margin from 3% to 2%. See "Item 7. Management's Discussion & Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness."

Ethylene Sales Agreement

OpCo and Westlake are parties to the Ethylene Sales Agreement, which has an initial term through December 31, 2026 and automatic 12-month renewal periods until terminated at the end of the initial term or any renewal term on 12-months' notice. The Ethylene Sales Agreement requires Westlake to purchase OpCo's planned ethylene production each year, subject to certain exceptions and a maximum commitment of 3.8 billion pounds per year, less product sold by OpCo to third parties equal to approximately 5% of the annual output. If OpCo's actual production is in excess of planned ethylene production, Westlake has the option to purchase up to 95% of production in excess of planned production. Westlake's purchase price for ethylene under the Ethylene Sales Agreement includes a \$0.10 per pound margin, the total costs incurred by OpCo for the feedstock and natural gas to produce each pound of ethylene (subject to a usage cap and a floor), and estimated operating costs, maintenance capital expenditures and other turnaround expenditures, less net proceeds from co-products sales. This purchase price is not designed to cover capital expenditures for expansion. Under specified circumstances, cost underrecoveries may be carried forward for recovery in subsequent years. Variable costs not incurred by OpCo due to a deficiency in takes are rebated to Westlake.

Certain of the pricing components that make up the price for ethylene sold under the Ethylene Sales Agreement are modified to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene. Costs specific to the processing of Westlake's purge gas are recovered under the Services and Secondment Agreement, and not the Ethylene Sales Agreement.

On November 1, 2018, OpCo and Westlake entered into an amendment to the Ethylene Sales Agreement that provides OpCo with the option to curtail up to 5% of its ethylene production annually in the event OpCo reasonably determines that its sales of such ethylene to third parties during the relevant period would be uneconomic.

Feedstock Supply Agreement

OpCo and Westlake are parties to the Feedstock Supply Agreement, which has an initial term through December 31, 2026 and automatic 12-month renewal periods until terminated at the end of the initial term or any renewal term on 12-months' notice. Under the Feedstock Supply Agreement, Westlake agreed to sell OpCo ethane and other feedstock in amounts sufficient for OpCo to produce the ethylene to be sold under the Ethylene Sales Agreement. The price at which ethane and feedstock is sold includes an indexed price for spot gas liquids at Mont Belvieu and applicable transportation, storage and other costs.

Services and Secondment Agreement

OpCo and Westlake are parties to the Services and Secondment Agreement, pursuant to which OpCo provides Westlake with various utilities and utility services and in exchange for Westlake providing OpCo with various utility services, comprehensive operating services for OpCo's units, services for the maintenance and operation of the common facilities and seconded employees to perform all services required under the agreement.

Site Lease Agreements

OpCo and Westlake are parties to two 50-year site lease agreements (the "Site Leases"). Under the Site Leases, OpCo leases the real property underlying Calvert City Olefins and Lake Charles Olefins and is granted certain use and access rights related thereto, for a base rental amount of \$1 per year per site. Each of the Site Leases is terminable by the lessor upon the occurrence of certain events of default or by OpCo if Calvert City Olefins or Lake Charles Olefins, as applicable, is destroyed by casualty. Pursuant to the Site Leases, the lessor has the right to restore and repurchase the units for fair market value if OpCo fails to expeditiously restore Calvert City Olefins or Lake Charles Olefins, as applicable, following a casualty loss. Subject to the foregoing repurchase right, OpCo may remove its ethylene production facilities and other related improvements for up to one year after expiration or termination of the applicable Site Lease, so long as such removal can be accomplished without material damage or harm to the lessor's property or operations; provided that any assets that are not timely removed by OpCo will be deemed to have been surrendered to the lessor.

Omnibus Agreement

We, OpCo and Westlake are parties to the Omnibus Agreement, pursuant to which we granted Westlake, among other things, a right of first refusal on any proposed transfer of our equity interests in OpCo, the ethylene production facilities that serve Westlake's other facilities, or certain other assets we may acquire from Westlake. The Omnibus Agreement also provides for reimbursement to Westlake for the provision of various administrative services and direct expenses incurred on our behalf and in connection with the operation of our business. Under the Omnibus Agreement, Westlake will indemnify us against certain environmental and other losses, and we will indemnify Westlake against certain environmental and other losses for which Westlake is not otherwise obligated to indemnify us and certain other losses and liabilities to the extent resulting from the provision of services by Westlake to us.

OpCo Partnership Agreement

We, OpCo GP and Westlake are parties to an agreement of limited partnership for OpCo (the "OpCo LP Agreement"). The OpCo LP Agreement governs the ownership and management of OpCo and designates OpCo GP as the general partner of OpCo. OpCo GP generally has complete authority to manage OpCo's business and affairs. We control OpCo GP, as its sole member, subject to certain approval rights held by Westlake. The OpCo LP Agreement was amended in December 2017 in connection with the new partnership tax audit rules.

Exchange Agreement

OpCo and Westlake are parties to an exchange agreement, which had an initial term through August 1, 2015 and is continuing year to year thereafter, unless and until terminated by either party. Under the exchange agreement, OpCo may require Westlake to deliver up to 200 million pounds of ethylene for OpCo per year from the Site Leases to an ethylene hub in Mt. Belvieu, Texas, for which OpCo would be required to pay Westlake an exchange fee of \$0.006 per pound.

Investment Management Agreement

On August 1, 2017, we, OpCo and Westlake executed an Investment Management Agreement that authorizes Westlake to invest our and OpCo's excess cash with Westlake for a term of up to a maximum of nine months. Per the terms of the Investment Management Agreement, we earn a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of us or OpCo.

Item 14. Principal Accountant Fees and Services

PricewaterhouseCoopers LLP serves as our independent registered public accounting firm.

The following table presents fees for professional services rendered by PricewaterhouseCoopers LLP in connection with the 2021 and 2020 audits and fees billed by PricewaterhouseCoopers LLP for other services rendered in the years ended December 31, 2021 and December 31, 2020:

	For the year ended December 31,	
	2021	2020
Audit fees ⁽¹⁾	\$ 765,000	\$ 961,250
Tax fees ⁽²⁾	253,328	245,770
Total	<u>\$ 1,018,328</u>	<u>\$ 1,207,020</u>

-
- (1) Audit fees represent fees billed for professional services rendered for the audits of our annual consolidated financial statements, audit of internal controls, quarterly review of our consolidated financial statements and reviews of documents filed with the SEC.
- (2) Represents tax services with respect to the preparation of the Partnership's 2020 K-1 statements in 2021, and the preparation of the Partnership's 2019 K-1 statements in 2020 and compliance services in 2021 and 2020, respectively.

Audit Committee Pre-Approval Policy

The charter of the audit committee of our general partner's board of directors, which is available on our website at www.wlkpartners.com, requires the audit committee to pre-approve all audit services and non-audit services (other than de minimis non-audit services as defined by the Sarbanes-Oxley Act of 2002) to be provided by our independent registered public accounting firm. The audit committee has adopted a pre-approval policy with respect to services that may be performed by the independent registered public accounting firm. The audit committee pre-approved all services provided by PricewaterhouseCoopers during the fiscal year ended December 31, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

See "Item 8. Financial Statements and Supplementary Data" contained elsewhere in this report.

(a)(2) Financial Statement Schedules

All schedules are omitted because the information is not applicable, not required, or has been furnished in the Consolidated Financial Statements or Notes thereto in Item 8 of this Form 10-K.

(a)(3) Exhibits

Exhibit Index***

Exhibit No.	Description
3.1	Certificate of Limited Partnership of Westlake Chemical Partners LP (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Registration Statement on Form S-1 (File No. 333-195551), filed on April 29, 2014).
3.2	First Amended and Restated Agreement of Limited Partnership of Westlake Chemical Partners LP (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).
3.3	Amendment No. 1 to the First Amended and Restated Agreement of Limited Partnership of Westlake Chemical Partners LP dated as of November 16, 2017 (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Current Report on Form 8-K, filed on November 16, 2017, File No. 01-36567).
3.4	Amendment No. 2 to the First Amended and Restated Agreement of Limited Partnership of Westlake Chemical Partners LP (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Current Report on Form 8-K filed on July 30, 2018 (File No. 01-36567)).
3.5	Amended and Restated Limited Partnership Agreement of Westlake Chemical OpCo LP (incorporated by reference to Exhibit 10.7 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).
3.6	Amendment No. 1 to the First Amended and Restated Agreement of Limited Partnership of Westlake Chemical OpCo LP dated as of December 1, 2017 (File No. 01-36567) (incorporated by reference to Exhibit 3.4 to Westlake Chemical Partners LP's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 01-36567) filed on March 1, 2018).
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 to Westlake Chemical Partners' Annual Report on Form 10-K for the year ended December 31, 2019, File No. 001-36567).
4.2	Indenture dated as of January 1, 2006 by and among Westlake Corporation, the potential subsidiary guarantors listed therein and JPMorgan Chase Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Westlake Corporation's Current Report on Form 8-K, filed on January 13, 2006, File No. 1-32260).
4.3	Sixth Supplemental Indenture, dated as of July 17, 2012, among Westlake Corporation, the Subsidiary Guarantors (as defined therein) and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Westlake Corporation's Current Report on Form 8-K, filed on July 16, 2012, File No. 1-32260).
4.4	Seventh Supplemental Indenture, dated as of February 12, 2013, among Westlake Corporation, the Subsidiary Guarantors (as defined therein) and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.16 to Westlake Corporation's Annual Report on Form 10-K for the year ended December 31, 2012, filed on February 22, 2013, File No. 1-32260).
4.5	Eighth Supplemental Indenture (including the form of the Notes), dated as of August 10, 2016, among Westlake Corporation, the Guarantors (as defined therein) and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Westlake Corporation's Current Report on Form 8-K, filed on August 10, 2016, File No. 001-32260).
4.6	Tenth Supplemental Indenture (including the form of the Notes), dated as of November 29, 2017, among Westlake Corporation, the Subsidiary Guarantors (as defined therein) and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Westlake Corporation's Current Report on Form 8-K, filed on November 28, 2017, File No. 001-32260).
4.7	Eleventh Supplemental Indenture (including the form of the Notes), dated as of November 28, 2017, among Westlake Corporation, the Subsidiary Guarantors (as defined therein) and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to Westlake Corporation's Current Report on Form 8-K, filed on November 28, 2017, File No. 001-32260).
4.8	Registration Rights Agreement by and among Westlake Chemical Partners LP and the persons named therein, dated as of March 29, 2019 (incorporated by reference to Exhibit 4.1 to Westlake Chemical Partners LP's Current Report on Form 8-K, filed on March 29, 2019, File No. 001-36567).
4.9	Twelfth Supplemental Indenture (including the form of the Notes), dated as of July 17, 2019, between Westlake Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Westlake's Current Report on Form 8-K filed on July 17, 2019, File No. 1-32260).

Exhibit No.	Description
4.10	<u>Paying Agency Agreement dated as of July 17, 2019, between Westlake Corporation and The Bank of New York Mellon, London Branch, as paying agent (incorporated by reference to Exhibit 4.4 to Westlake's Current Report on Form 8-K, filed on July 17, 2019, File No. 1-32260).</u>
4.11	<u>Thirteenth Supplemental Indenture (including the form of Notes), dated as of June 12, 2020, between Westlake Corporation and The Bank of New Mellon Trust Company, N.A., as trustee (incorporated by reference to Westlake Corporation's Current Report on Form 8-K filed on June 12, 2020, File No. 1-32260).</u>
4.12	<u>Fourteenth Supplemental Indenture (including the form of Notes), dated as of August 19, 2021, between Westlake Corporation and The Bank of New Mellon Trust Company, N.A., as trustee (incorporated by reference to Westlake Corporation's Current Report on Form 8-K filed on August 19, 2021, File No. 1-32260).</u>
10.1	<u>Omnibus Agreement among Westlake Management Services, Inc., Westlake Vinyls Corporation, Westlake Chemical Partners GP LLC, Westlake Chemical Partners LP, WPT LLC, Westlake Petrochemicals LLC, Westlake Vinyls, Inc., Westlake Longview Corporation, Westlake Chemical OpCo GP LLC, Westlake Chemical OpCo LP, Westlake PVC Corporation, Westlake Styrene LLC and Westlake Polymers LLC (incorporated by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.2	<u>Services and Secondment Agreement by and among Westlake Chemical OpCo LP, Westlake Management Services, Inc., Westlake Vinyls, Inc., WPT LLC and Westlake Petrochemicals LLC (incorporated by reference to Exhibit 10.2 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.3	<u>Feedstock Supply Agreement between Westlake Petrochemicals LLC and Westlake Chemical OpCo LP (incorporated by reference to Exhibit 10.3 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.4††	<u>Ethylene Sales Agreement between Westlake Chemical OpCo LP, WPT LLC, Westlake Vinyls, Inc. and Westlake Petrochemicals LLC (incorporated by reference to Exhibit 10.4 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.5	<u>Site Lease Agreement (Calvert City) between Westlake Vinyls, Inc. and Westlake Chemical OpCo LP (incorporated by reference to Exhibit 10.5 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.6	<u>Site Lease Agreement (Lake Charles) between Westlake Petrochemical LLC and Westlake Chemical OpCo LP (incorporated by reference to Exhibit 10.6 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.7	<u>Senior Unsecured Revolving Credit Agreement by and among Westlake Chemical OpCo LP and Westlake Development Corporation, dated as of August 4, 2014 (incorporated by reference to Exhibit 10.9 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.8	<u>Amended and Restated Senior Unsecured Revolving Credit Agreement by and among Westlake Chemical OpCo LP, Westlake Polymers LLC, and the lenders party thereto, dated as of June 1, 2017 (incorporated by reference to Exhibit 10.9 to Westlake Chemical Partners LP's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 28, 2020, File No. 001-36567).</u>
10.9†	<u>Westlake Chemical Partners LP Long-Term Incentive Plan (incorporated by reference to Exhibit 10.8 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).</u>
10.10	<u>Senior Unsecured Revolving Credit Agreement by and among Westlake Chemical Partners LP and Westlake Chemical Finance Corporation, dated as of April 29, 2015 (incorporated by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Current Report on Form 8-K, filed on April 30, 2015, File No. 001-36567).</u>
10.11	<u>First Amendment to Ethylene Sales Agreement (incorporated herein by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed on August 9, 2016, File No. 1-32260).</u>
10.12	<u>Exchange Agreement, effective as of August 1, 2014, by and between WPT LLC and Westlake Chemical OpCo LP (incorporated by reference to Exhibit 10.20 to Westlake Chemical Partners LP's Annual Report on Form 10-K for the year ended December 30, 2016 (File No. 01-36567) filed on March 7, 2017).</u>
10.13	<u>Investment Management Agreement among Westlake Corporation, Westlake Chemical OpCo LP, and Westlake Chemical Partners LP, dated as of August 1, 2017 (incorporated by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, (File No. 01-36567) filed on November 7, 2017).</u>

Exhibit No.	Description
10.14	First Amendment to Senior Unsecured Revolving Credit Agreement by and between Westlake Chemical Partners LP, as borrower, and Westlake Chemical Finance Corporation, as lender, dated as of August 1, 2017 (incorporated by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 (File No. 01-36567) filed on August 3, 2017).
10.15	Second Amendment to Senior Unsecured Revolving Credit Agreement by and between Westlake Chemical Partners LP, as borrower, and Westlake Chemical Finance Corporation, as lender, dated as of November 28, 2017 (incorporated by reference to Exhibit 10.24 to Westlake Chemical Partners LP's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 01-36567) filed on March 1, 2018).
10.16	Third Amendment to Senior Unsecured Revolving Credit Agreement by and between Westlake Chemical Partners LP, as borrower, and Westlake Chemical Finance Corporation, as lender, dated as of March 19, 2020 (incorporated herein by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 6, 2020, File No. 001-36567).
10.17†	Form of Phantom Unit Agreement (incorporated by reference to Exhibit 10.12 to Westlake Chemical Partners LP's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 01-36567) filed on March 1, 2018).
10.18	Equity Distribution Agreement, dated October 4, 2018, by and among Westlake Chemical Partners LP, Westlake Chemical Partners GP LLC, UBS Securities LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC and Wells Fargo Securities, LLC (incorporated by reference to Exhibit 1.1 to Westlake Chemical Partners LP's Current Report on Form 8-K filed on October 5, 2018, File No. 001-36567).
10.19	First Amendment to Amended and Restated Senior Unsecured Revolving Credit Agreement (incorporated by reference to Exhibit 10.1 to Westlake Chemical Partners LP's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 01-36567) filed on November 6, 2018).
10.20	Second Amendment to Ethylene Sales Agreement (incorporated by reference to Exhibit 10.2 to Westlake Chemical Partners LP's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 01-36567) filed on November 6, 2018).
10.21	Equity Purchase Agreement by and among Westlake Chemical Partners LP, Westlake Chemical OpCo LP and WPT LLC, dated as of March 26, 2019 (incorporated by reference to Exhibit 2.1 to Westlake Chemical Partners LP's Current Report on Form 8-K, filed on March 27, 2019, File No. 001-36567).
10.22	First Amendment to Equity Distribution Agreement by and among Westlake Chemical Partners LP, Westlake Chemical Partners GP LLC, UBS Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., RBC Capital Markets, LLC and Wells Fargo Securities, LLC dated as of February 28, 2020 (incorporated by reference to Exhibit 10.22 to Westlake Chemical Partnership LP's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 28, 2020, File No. 001-36567).
21.1*	List of Subsidiaries of Westlake Chemical Partners LP.
23.1*	Consent of PricewaterhouseCoopers LLP.
31.1*	Rule 13a - 14(a) / 15d - 14(a) Certification (Principal Executive Officer).
31.2*	Rule 13a - 14(a) / 15d - 14(a) Certification (Principal Financial Officer).
32.1**	Section 1350 Certification (Principal Executive Officer and Principal Financial Officer).
101.INS*	XBRL Instance Document-The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document and contained in Exhibit 101.

* Filed herewith.

** Furnished herewith.

*** On February 18, 2022, Westlake Chemical Corporation changed its corporate name to Westlake Corporation. Accordingly, filings made prior to such date were made under the name Westlake Chemical Corporation.

† Management contract or compensatory plan or arrangement.

†† Confidential status has been granted for certain portions thereof pursuant to the Order Granting Confidential Treatment Under the Securities Act of 1933 issued by the Division of Corporation Finance of the Securities and Exchange Commission filed on August 1, 2014.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTLAKE CHEMICAL PARTNERS LP

Date: March 2, 2022

/s/ ALBERT CHAO

Albert Chao
President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ ALBERT CHAO Albert Chao	President, Chief Executive Officer and Director (Principal Executive Officer)	March 2, 2022
/s/ M. STEVEN BENDER M. Steven Bender	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	March 2, 2022
/s/ JOHNATHAN S. ZOELLER Johnathan S. Zoeller	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 2, 2022
/s/ L. BENJAMIN EDERINGTON L. Benjamin Ederington	Executive Vice President, General Counsel, Chief Administrative Officer, Corporate Secretary and Director	March 2, 2022
/s/ JAMES CHAO James Chao	Chairman of the Board of Directors	March 2, 2022
/s/ G. STEPHEN FINLEY G. Stephen Finley	Director	March 2, 2022
/s/ ANGELA MINAS Angela Minas	Director	March 2, 2022
/s/ RANDY WOELFEL Randy Woelfel	Director	March 2, 2022

SUBSIDIARIES OF WESTLAKE CHEMICAL PARTNERS LP

Name of Subsidiary	Jurisdiction
Westlake Chemical OpCo GP LLC	Delaware
Westlake Chemical OpCo LP	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-236768 and 333-230611) and Form S-8 (No. 333-198233) of Westlake Chemical Partners LP of our report dated March 2, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
March 2, 2022

CERTIFICATIONS

I, Albert Chao, certify that:

1. I have reviewed this Annual Report on Form 10-K of Westlake Chemical Partners LP (the "registrant");
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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 1. 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;
 2. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 3. 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
 4. 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):
 1. 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
 2. 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 2, 2022

/s/ ALBERT CHAO

Albert Chao
President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

CERTIFICATIONS

I, M. Steven Bender, certify that:

1. I have reviewed this Annual Report on Form 10-K of Westlake Chemical Partners LP (the "registrant");
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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 1. 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;
 2. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 3. 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
 4. 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):
 1. 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
 2. 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 2, 2022

/s/ M. STEVEN BENDER

M. Steven Bender
 Executive Vice President, Chief Financial Officer and
 Director of Westlake Chemical Partners GP LLC
 (Principal Financial Officer)

**CERTIFICATIONS 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 Westlake Chemical Partners LP (the "Partnership"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Albert Chao, President, Chief Executive Officer and Director of the general partner of the Partnership, and M. Steven Bender, Senior Vice President, Chief Financial Officer, and Director of the general partner of the Partnership, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: March 2, 2022

/s/ ALBERT CHAO

Albert Chao
President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

Date: March 2, 2022

/s/ M. STEVEN BENDER

M. Steven Bender
Executive Vice President, Chief Financial Officer and
Director of Westlake Chemical Partners GP LLC
(Principal Financial Officer)