



**COMPASS DIVERSIFIED HOLDINGS
COMPASS GROUP DIVERSIFIED HOLDINGS LLC
and
COMPASS GROUP MANAGEMENT LLC**

Code of Ethics

I. Covered Persons/Purpose

This code of ethics (the “**Code**”) applies to the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (collectively, the “**Covered Officers**” each of whom is set forth on Exhibit A attached hereto)¹, directors, officers, and employees of Compass Group Diversified Holdings LLC (the “**Company**”) as well as all officers and employees of Compass Group Management LLC (the “**Manager**”) involved in the oversight of the day-to-day operations of the Company and its subsidiaries (together, with the Covered Officers, the “**Covered Persons**”) for the purpose of promoting:

- A) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- B) full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “**SEC**”) and in other public communications made by the Company and its subsidiaries;
- C) compliance with applicable governmental laws, rules and regulations;
- D) the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code;
- E) avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in the Code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- F) accountability for adherence to the Code; and
- G) an enforcement mechanism for compliance with the Code.

Each Covered Person shall adhere to a high standard of business ethics and shall be sensitive to situations that may give rise to actual, as well as apparent, conflicts of interest.

¹ The principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions of each of the Company's subsidiaries are covered by separate code(s) of ethics approved by the board of directors of such subsidiaries.



II. Fair Dealing

Each Covered Person shall deal fairly with customers, suppliers, competitors and employees. No person may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

III. Compliance with Laws

All actions taken by the Company and the Covered Persons, without exception and wherever they may be acting, must be in compliance with the laws, rules and regulations (including insider trading laws) applicable to the Company and its subsidiaries.

Covered Persons are expected to comply with the laws of the country in which they operate as well as United States' laws and the Company's policies governing its business activities. These laws and policies include, without limitation, compliance with the U.S. Foreign Corrupt Practices Act, competition laws and anti-money laundering laws.

Anyone aware of any violation by any Covered Person, whether based on actual fact or reasonable grounds for suspicion, of any applicable law, rule or regulation, or of any provision of this Code, must immediately make a written report to the Company's Nominating and Corporate Governance Committee (the "**NCG Committee**").

IV. Covered Persons Shall Handle Ethically Actual and Apparent Conflicts of Interest

A) Overview. A "conflict of interest" occurs when a Covered Person's private interest interferes with the interests of, or his/her service to, the Company and its subsidiaries. For example, a conflict of interest would arise if a Covered Person, or a member of his/her family, receives improper personal benefits as a result of his/her position in the Company and its subsidiaries.

Although typically not representing an opportunity for improper personal benefit, conflicts may arise from, or as a result of, the contractual relationship between the Company and the Manager, of which one or more Covered Persons are employees, officers or hold interests in, directly or indirectly. As a result, this Code recognizes that the Covered Persons will, in the normal course of their duties (whether for the Company and its subsidiaries or the Manager, or both), be involved in establishing policies and implementing decisions that will have different effects on the Company and its subsidiaries and the Manager. The participation of the Covered Persons in such activities is inherent in this contractual relationship and is consistent with the performance by the Covered Persons of their duties as officers and employees of the Company and its subsidiaries or as a provider of services to the Company and its subsidiaries. Thus, if performed in conformity with the provisions of this contractual agreement and with applicable laws and regulations, such activities will be deemed to have been handled in compliance with the Code.



Other conflicts of interest are also covered by the Code. Specifically, it is recognized by the Board of Directors of the Company (the “**Board**”) that the Covered Officers may also currently, or in the future, serve as officers, employees or service providers of one or more public or private companies covered by other codes of ethics or conduct. The following list provides examples of conflicts of interest under the Code, but Covered Persons should keep in mind that these examples are neither exhaustive nor exclusive. The overarching principle is that the personal interest of a Covered Person should not be placed improperly before the interests of the Company and its subsidiaries.

B) Each Covered Person must not:

- (i) use his or her personal influence or personal relationships improperly to influence investment decisions or financial reporting by the Company and its subsidiaries whereby the Covered Person would benefit personally to the detriment of the Company and its subsidiaries;
- (ii) cause the Company or its subsidiaries to take action, or fail to take action, for the individual personal benefit of the Covered Person rather than for the benefit of the Company and its subsidiaries;
- (iii) use material non-public knowledge of transactions made or contemplated by the Company and its subsidiaries to trade personally or cause others to trade personally in contemplation of the market effect of such transactions; or
- (iv) retaliate against any other Covered Person for reports of potential violations of the Code that are made in good faith.

C) Gifts and Entertainment.

Gifts include physical objects, services, favors or other items of value. Some business situations call for giving gifts or receiving gifts. Gift giving and receiving practices vary among cultures. In all cases, gifts given or received by Covered Persons, must be legal and reasonable. Covered Persons must never pay or receive a bribe or accept anything that would or would make it appear that their judgment to act in the best interests of the Company could be compromised.

Covered persons may accept or provide entertainment (i.e. activities where a representative of both parties is present), provided such activities or entertainment advances the Company’s or its subsidiaries’ interests and is reasonable in the context of that business. Accepting entertainment that may appear inappropriate should be discussed with the Company’s Chief Compliance Officer, counsel or Internal Audit, in advance if possible, and if not possible, then promptly after the event has occurred. In some instances, it may be impractical or harmful to refuse or return a gift. In those cases, the Covered Person should disclose the circumstances and the gift to the Company’s Chief Compliance Officer, counsel or Internal Audit.



V. Corporate Opportunities/Duty of Loyalty

Covered Persons owe a duty to the Company to advance its legitimate interests to the best of their abilities.

Covered Persons are prohibited from:

- A) diverting any business opportunities from the Company or any of its subsidiaries for his or her own benefit or taking for themselves personally opportunities that are properly within the scope of the Company or such subsidiary's activities pursuant to the Company's or such subsidiary's internal procedures or requirements relating to review and consideration of such opportunities; and
- B) using Company property, information or position for personal gain, financial or otherwise.

VI. Protection of Company Assets

All Covered Persons shall protect the financial security and assets of the Company and its subsidiaries (including premises and property, facilities and equipment, supplies, buildings, tools, stocks, systems, equipment and software, records, computers and computer systems and financial resources and all kinds) and ensure their efficient use. Theft, carelessness and waste have a direct impact on profitability. All Covered Persons shall strive to properly use and conserve Company property and information under their charge, ensuring it is used efficiently and rationally and strictly for Company business. All Company assets shall be used only for legitimate business purposes and not for personal use.

VII. Disclosure & Compliance

Each Covered Person shall:

- A) be familiar with the disclosure requirements generally applicable to the Company and its subsidiaries under applicable laws, including the federal securities laws and the rules and regulations promulgated thereunder;
- B) not knowingly misrepresent, or cause others to misrepresent, facts about the Company and its subsidiaries to others, whether within or outside the Company and its subsidiaries, including to the Company's directors and auditors, and to governmental regulators and self-regulatory organizations;
- C) to the extent appropriate within his or her area of responsibility, consult with other officers and employees of the Company and its subsidiaries with the goal of promoting full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or furnishes to, the SEC and in other public communications made by the Company; and
- D) promote compliance with the standards and restrictions imposed by any applicable laws, rules and regulations.



VIII. Reporting and Accountability

Each Covered Person must:

- A) upon adoption of this Code (or thereafter as applicable, upon becoming a Covered Person), affirm in writing to the Board that he or she has received, read, understands and will comply with this Code (see Exhibit B for an example of the affirmation to be signed by each Covered Person);
- B) annually, on or before January 31st of each year affirm to the Board that he or she has received, read, understands and has complied with and will comply with the requirements of this Code (See Exhibit B for an example of the affirmation to be signed by each Covered Person);
- C) not retaliate against any employee or Covered Person or their affiliated persons for reports of potential violations of this Code;
- D) notify the NCG Committee promptly if he or she knows of any violation of this Code (failure to do so being a violation of this Code); and
- E) report, at least annually, any change in his or her affiliations from the prior year.

The NCG Committee is responsible for applying this Code to specific situations in which questions are presented under it and has the authority to interpret this Code in any particular situation. The NCG Committee is responsible for granting waivers² to Covered Persons (other than the executive officers or directors of the Company) and determining sanctions, as appropriate for violations of this Code. Any approvals, interpretations or waivers sought by the Company's executive officers or directors will be reviewed by the NCG Committee and recommended to the Board for determination by the Board of whether to grant the waiver or not. The Board is responsible for granting waivers to the executive officers or directors of the Company.

The Company has established and the Audit Committee of the Board administers the procedures set forth in Annex B of the Audit Committee Charter (a copy of which is attached hereto and can be found at www.compassdiversified.com) relating to the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls over financial reporting or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

² Instruction 2 to Item 5.05 of Form 8-K defines "waiver" as "the approval by the registrant of a material departure from a provision of the code of ethics" and "implicit waiver," which must also be disclosed, as "the registrant's failure to take action within a reasonable period of time regarding a material departure from a provision of the code of ethics that has been made known to an executive officer" of the registrant.



IX. Investigation and Enforcement

The NCG Committee will take any action it considers appropriate to investigate any actual or potential violations of the Code reported to it. The NCG Committee, in conducting investigations of potential violations and determining whether violations have occurred, may, at its discretion, consult with such other persons as it may determine to be appropriate, including, but not limited to, a senior legal officer of the Company and/or its subsidiaries, counsel to the Company and/or its subsidiaries, independent auditors or other consultants, subject to any requirement to seek pre-approval from the Audit Committee of the Company's Board for the retention of independent auditors to perform permissible non-audit services. If the NCG Committee determines that a violation has occurred, it will inform and make a recommendation for further action to the Board.

The Board will consider all appropriate action, which may include:

- A) review of, and appropriate modifications to, applicable policies and procedures;
- B) notification to appropriate personnel of the Company and its subsidiaries and/or the Manager; or
- C) termination of the Covered Person's employment from the Company, its subsidiaries, or the Manager.

X. Waivers

The NCG Committee will be responsible for granting waivers, as appropriate, except that the Board will be responsible for granting waivers with respect to the Company's executive officers or directors. The NCG Committee, in determining whether waivers should be granted, may, at its discretion, consult with such other persons as it may determine to be appropriate, including, but not limited to, a senior legal officer of the Company and/or its subsidiaries, counsel to the Company and/or its subsidiaries, independent auditors or other consultants, subject to any requirement to seek pre-approval from the Audit Committee of the Company's Board for the retention of independent auditors to perform permissible non-audit services.

The Committee shall submit an annual report to the Board regarding any waivers granted to Covered Persons. Any waivers of this Code will, to the extent required, be disclosed as required by the rules and regulations promulgated by the SEC from time to time.

XI. Related Party Transactions

A "related party transaction" is defined as those required to be disclosed pursuant to Item 404 of Regulation S-K. In order to maintain the highest standards of integrity in its business, the Company has adopted the following guidelines with respect to related party transactions:

- A) Covered Persons shall ensure that any and all related party transactions are brought to the attention of the NCG Committee;
- B) all related party transactions shall be considered and conducted in a manner such that no preferential treatment is given to any such dealing or transactions;



- C) the NCG Committee will review and approve all related party transactions for potential conflicts of interest;
- D) the Company may not enter into or engage in any related party transaction absent approval from the NCG Committee;
- E) all related party transactions involving an acquisition from or a sale to an affiliate of the Manager, including any entity managed by an affiliate of the Manager, must be submitted to the NCG Committee for pre-approval and may include a fairness opinion from an independent third party to the NCG Committee; and
- F) no Covered Person shall vote on any transaction with the Company or any of its subsidiaries in which he or she, directly or indirectly, is a party or has a financial interest or other material interest.

Details of related party transactions will be included as standing items in the reports to the Board and will be publicly disclosed as required by applicable law.

XII. Other Policies and Procedures

This Code shall be the sole code of ethics adopted by the Company for purposes of Section 406 of the Sarbanes-Oxley Act and the rules and regulations applicable to it thereunder. Insofar as other policies or procedures of the Company and its subsidiaries govern or purport to govern the behavior or activities of the Covered Persons who are subject to this Code, they are superseded by this Code to the extent that they overlap or conflict with the provisions of this Code.

XIII. Miscellaneous

- A) Amendments. Any amendments to this Code, other than amendments to Exhibit A, must be approved or ratified by a majority vote of the Company's Board, including a majority of independent directors.
- B) Confidentiality. All reports and records prepared or maintained pursuant to this Code will be considered confidential and shall be maintained and protected accordingly. Except as otherwise required by law or this Code, such matters shall not be disclosed to anyone other than the Board and its counsel, or independent auditors or other consultants referred to in Section IX above, or in accordance with applicable laws, rules or regulations.
- C) Internal Use. The Code is intended solely for the internal use by the Company and its subsidiaries and does not constitute an admission, by or on behalf of any person, as to any fact, circumstance, or legal conclusion.
- D) Disclosure of Code. This Code will be made available at www.compassdiversified.com.

Adopted by the Board of Directors of Compass Group Diversified Holdings LLC: February 26, 2009



Exhibit A

Compass Diversified Holdings/Compass Group Diversified Holdings LLC:

Principal Executive Officer: Elias J. Sabo (Chief Executive Officer)

Principal Accounting Officer: Stephen Keller (Chief Financial Officer)

Secretary: Carrie W. Ryan (General Counsel & Chief Compliance Officer)



Exhibit B

To: The Board of Directors of Compass Group Diversified Holdings LLC
Subject: Code of Ethics

Upon adoption of the Code of Ethics by the Board of Directors:

I certify that I have received, read and understand the Code of Ethics (the "**Code**") adopted by the Board of Directors of Compass Group Diversified Holdings LLC (the "**Company**"). I will comply with this Code as long as I am employed by or performing services on behalf of the Company or one of its subsidiaries.

By: _____

Name: _____

Title: _____

Annual Confirmation

I certify that I have complied with this Code during the past fiscal year and will comply with this Code as long as I am employed by or performing services on behalf of the Company or one of its subsidiaries.

By: _____

Name: _____

Title: _____



Annex B
Audit Committee Charter

Guidelines for the Submission of Complaints or Concerns Regarding Financial Statement Disclosures, Accounting, Internal Accounting Controls or Auditing Matters

- (i) The Company shall forward to the Audit Committee any complaints or concerns that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
- (ii) The Company shall establish and publish on its website the method(s) through which any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any complaints or concerns related to financial statement disclosures, accounting, internal accounting controls or auditing matters of the Company and/or its subsidiaries. The Company may engage the services of a third-party service provider to receive such complaints and concerns on behalf of the Company via telephone, email or other appropriate method.
- (iii) The Audit Committee shall review and consider any such complaints and concerns that it has received and take any action that it deems appropriate in order to respond thereto. The Audit Committee may request special treatment for any complaint or concern, including the retention of outside counsel or other advisors.
- (iv) The Audit Committee shall retain any such complaints or concerns for a period of no less than 5 years.
- (v) The Company's Code of Ethics prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve business conduct or ethical concerns.