
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 13, 2018

COMPASS DIVERSIFIED HOLDINGS

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34927
(Commission
File Number)

57-6218917
(I.R.S. Employer
Identification No.)

**COMPASS GROUP DIVERSIFIED
HOLDINGS LLC**

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34926
(Commission
File Number)

20-3812051
(I.R.S. Employer
Identification No.)

**301 Riverside Avenue
Second Floor
Westport, CT 06880**
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (203) 221-1703

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01 Entry into a Material Definitive Agreement

The information set forth below under Item 3.03 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 1.01.

Item 3.03 Material Modification to Rights of Security Holders

On March 13, 2018, Compass Diversified Holdings (the “Trust”) and Compass Group Diversified Holdings LLC (the “Company” and, together with the Trust, “CODI”) issued 4,000,000 of the Trust’s 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares (the “Series B Preferred Shares”) pursuant to a previously announced underwritten public offering. Each Series B Preferred Share corresponds to one underlying 7.875% Series B Fixed-to-Floating Rate Cumulative Trust Preferred Interest (the “Series B Trust Preferred Interest”) of the Company that was issued simultaneously to the Trust.

On March 13, 2018, in connection with the issuance of the Series B Preferred Shares and the Series B Trust Preferred Interests, CODI executed a share designation (the “Share Designation”) and a trust interest designation (the “Trust Interest Designation”) to create and fix the rights, preferences and powers of the Series B Preferred Shares and the Series B Trust Preferred Interests, respectively. Each of the Share Designation, which constitutes part of the Second Amended and Restated Trust Agreement of the Trust, and the Trust Interest Designation, which constitutes part of the Fifth Amended and Restated Operating Agreement of the Company, became effective on March 13, 2018.

Holders of Series B Preferred Shares will be entitled to receive cumulative cash distributions on the Series B Preferred Shares at a rate equal to (1) 7.875% per annum of the liquidation preference per share for the initial distribution period and each subsequent quarterly distribution period from the original issue date of the Series B Preferred Shares to, but excluding, April 30, 2028, and (2) the then applicable three-month LIBOR plus a spread of 4.985% per annum of the liquidation preference per share for each quarterly distribution period from April 30, 2028 through the redemption date of the Series B Preferred Shares.

Unless full cumulative distributions on the Series B Preferred Shares have been or contemporaneously are declared and paid or declared and set apart for payment on the Series B Preferred Shares for all past distribution periods, no distribution may be declared or paid or set apart for payment on the common shares or junior shares, other than distributions paid in junior shares or options, warrants or rights to subscribe for or purchase junior shares, and CODI may not directly or indirectly repurchase, redeem or otherwise acquire for consideration common shares (or any junior shares). These restrictions are not applicable during the initial distribution period, which is the period from the original issue date to but excluding July 30, 2018.

The Company, at its option, may cause the Trust to redeem the Series B Preferred Shares, in whole or in part, at any time on or after April 30, 2028 at a price of \$25.00 per Series B Preferred Share, plus accumulated and unpaid distributions thereon (whether or not authorized) to, but excluding, the redemption date. Holders of the Series B Preferred Shares will have no right to require the redemption of the Series B Preferred Shares.

If a Tax Redemption Event (as defined in the Trust Interest Designation) occurs prior to April 30, 2028, the Company, at its option, may cause the Trust to redeem the Series B Preferred Shares, in whole but not in part, upon at least 30 days’ notice, within 60 days of the occurrence of such Tax Redemption Event, out of funds received by the Trust on the corresponding Series B Trust Preferred Interests and legally available therefor, at a price of \$25.25 per Series B Preferred Share, plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the redemption date.

If a Fundamental Change (as defined in the Share Designation) occurs, unless, prior to or concurrently with the time the board of directors of the Company is required to cause the Trust to make an offer to repurchase the Series B Preferred Shares, the board of directors of the Company has caused the Company to provide a redemption notice with respect to all of the outstanding Series B Preferred Shares, the board of directors of the Company will cause the Trust to make an offer to repurchase the Series B Preferred Shares, out of funds received by the Trust on the corresponding Series B Trust Preferred Interests, at a purchase price of \$25.25 per Series B Preferred Share, plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the date

of purchase. If (i) a Fundamental Change occurs and (ii) CODI does not give notice prior to the 31st day following the Fundamental Change to repurchase or redeem all the outstanding Series B Preferred Shares, the distribution rate per annum on the Series B Preferred Shares will increase by 5.00%, beginning on the 31st day following such Fundamental Change. Following any such increase in the distribution rate per annum, CODI will be under no further obligation to offer to repurchase or redeem any Series B Preferred Shares.

The terms of the Series B Trust Preferred Interests are designed to mirror those of the Series B Preferred Shares.

The description of the terms of the Series B Preferred Shares and corresponding Series B Trust Preferred Interests in this Item 3.03 is qualified in its entirety by reference to the Share Designation, the form of 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Share certificate and the Trust Interest Designation, which are included as Exhibits 3.1, 4.1 and 3.2, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

The information set forth above under Item 3.03 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 5.03.

Item 8.01 Other Events

On March 13, 2018, CODI closed the sale of 4,000,000 of the Trust's Series B Preferred Shares. The Series B Preferred Shares offered by CODI were registered under the Securities Act of 1933, as amended, pursuant to a Registration Statement on Form S-3 (Registration No. 333- 214949) (the "Registration Statement"). The offer and sale of the Series B Preferred Shares are described in CODI's prospectus dated December 7, 2016, constituting a part of the Registration Statement, as supplemented by a prospectus supplement dated March 6, 2018. The following documents are being filed with this Current Report on Form 8-K and shall be incorporated by reference into the Registration Statement: (i) validity opinion with respect to the Series B Preferred Shares and their underlying Series B Trust Preferred Interests of the Company; and (ii) tax opinion with respect to the Series B Preferred Shares.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

- 3.1 [Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares](#)
- 3.2 [Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests](#)
- 4.1 [Form of 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Share Certificate.](#)
- 5.1 [Legality Opinion of Richards, Layton & Finger, P.A. as to the Trust.](#)
- 5.2 [Legality Opinion of Richards, Layton & Finger P.A. as to the Company.](#)
- 8.1 [Opinion of Squire Patton Boggs \(US\) LLP regarding certain tax matters.](#)
- 23.1 Consent of Richards, Layton & Finger, P.A. (contained in [Exhibits 5.1](#) and [5.2](#) hereto).
- 23.2 [Consent of Squire Patton Boggs \(US\) LLP \(contained in Exhibit 8.1 hereto\).](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 13, 2018

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Regular Trustee

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 13, 2018

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Chief Financial Officer

COMPASS DIVERSIFIED HOLDINGS

SHARE DESIGNATION

OF

SERIES B PREFERRED SHARES
(no par value per share)

Compass Diversified Holdings (the "Trust"), a statutory trust under the Delaware Statutory Trust Act, does hereby certify that:

1. On February 15, 2018, the Board of Directors (the "Board") of Compass Group Diversified Holdings LLC, a Delaware limited liability company and the sponsor of the Trust (the "Sponsor"), pursuant to the authority conferred upon the Board by Section 2.4(b) of the Second Amended and Restated Trust Agreement of Compass Diversified Holdings (as such may be amended, modified or restated from time to time, the "Trust Agreement"), duly adopted resolutions establishing the terms of the Trust's Series B Preferred Shares, no par value per share, and authorized a special pricing committee of the Board (the "Pricing Committee") to act on behalf of the Board in determining and approving the distribution rates and certain other terms of the Series B Preferred Shares.

2. Thereafter, on March 6, 2018, the Pricing Committee duly adopted the following resolutions:

"RESOLVED, that pursuant to Article II of the Trust Agreement (which authorizes up to 50,000,000 Preferred Shares (as defined in the Trust Agreement), in one or more classes or series), the Series B Preferred Shares as a new series of Preferred Shares (as defined in the Trust Agreement) consisting of 4,600,000 shares be, and hereby are, created and authorized for issuance by the Trust, with the designations, preferences, rights, powers, duties and other terms of such Series B Preferred Shares being set forth in the final form of the Share Designation attached hereto as Exhibit A, with such changes thereto not inconsistent herewith as any Authorized Officer or Regular Trustee signing the same may approve in his sole discretion; and further

RESOLVED, that each Series B Preferred Share shall rank equally in all respects and shall be subject to the provisions in the final form of the Share Designation attached hereto as Exhibit A, which is hereby approved."

IN WITNESS WHEREOF, this Share Designations, which shall be made effective pursuant to Article II of the Trust Agreement, is executed by the undersigned this 13th day of March, 2018.

COMPASS DIVERSIFIED HOLDINGS

By: Compass Group Diversified Holdings LLC, as Sponsor

By: /s/ Ryan J. Faulkingham

Name: Ryan J. Faulkingham

Title: Chief Financial Officer

By: /s/ Ryan J. Faulkingham

Name: Ryan J. Faulkingham

Title: Regular Trustee

EXHIBIT A

TO

SHARE DESIGNATION OF SERIES B PREFERRED SHARES

Section 1. Designation. The Series B Preferred Shares are hereby designated and created as a series of Preferred Shares. Each Series B Preferred Share shall be identical in all respects to every other Series B Preferred Share. The Series B Preferred Shares are not “Outstanding Voting Shares” for purposes of the Trust Agreement. The Series B Preferred Shares shall be evidenced by one or more Share Certificates substantially in the form attached hereto as Appendix A, which will be initially issued in global form registered in the name of DTC’s nominee, Cede & Co. Title to book-entry interests in the Series B Preferred Shares will pass by book-entry registration of the transfer within the records of DTC in accordance with its procedures.

Section 2. Ranking. The Series B Preferred Shares shall be entitled to receive all distributions received by the Trust with respect to the Series B Trust Preferred Interests, to the exclusion of any other Shares of the Trust. Except as provided in this Section 2, the Series B Preferred Shares shall not be junior or senior to any Shares.

Section 3. Definitions. As used herein with respect to the Series B Preferred Shares:

(a) “*Business Day*” means, (i) during the Fixed Rate Period, any day other than a Saturday, a Sunday or a day on which banks in The City of New York are required, permitted or authorized, by applicable law or executive order, to be closed for regular banking business, and (ii) during the Floating Rate Period, any day that would be considered a Business Day during the Fixed Rate Period that is also a London Banking Day.

(b) “*Distribution Payment Date*” means (i) with respect to the Fixed Rate Period, January 30, April 30, July 30 and October 30 of each year, beginning on July 30, 2018 and (ii) with respect to the Floating Rate Period, January 30, April 30, July 30 and October 30 of each year, beginning on July 30, 2028.

(c) “*Distribution Period*” means the period commencing on and including a Distribution Payment Date to, but excluding, the next Distribution Payment Date, except that (i) the initial Distribution Period commences on and includes March 13, 2018 and (ii) the Distribution Period commencing on April 30, 2028 commences on April 30, 2028 irrespective of whether such day is a Business Day.

(b) “DTC” means The Depository Trust Company.

(c) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

(d) “*Fixed Rate Period*” means the period from March 13, 2018, to, but excluding, April 30, 2028.

(e) “*Floating Rate Period*” means the period from April 30, 2028 through the redemption date of the Series B Preferred Shares, if any.

(f) “*Fundamental Change*” means the occurrence of the following: (i) the Series B Preferred Shares (or preferred shares into which the Series B Preferred Shares have been converted or for which the Series B Preferred Shares have been exchanged) cease to be listed or quoted on any of the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their successors) or another U.S. national securities exchange for a period of 20 consecutive trading days; or (ii) the Sponsor and the Trust (or the issuer of preferred shares into which the Series B Preferred Shares have been converted or for which the Series B Preferred Shares have been exchanged) are no longer subject to, and are not voluntarily filing the annual reports, information, documents and other reports that the Sponsor and the Trust would be so required to file if so subject to, the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.

(g) “*Fundamental Change Offer*” has the meaning as defined in Section 6(a).

(h) “*Fundamental Change Payment*” has the meaning as defined in Section 6(a).

(i) “*Fundamental Change Payment Date*” has the meaning as defined in Section 6(a).

(j) “*London Banking Day*” means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

(k) “*Series B Holder*” means a holder of Series B Preferred Shares.

(l) “*Series B Liquidation Preference*” means \$25.00 per Series B Preferred Share.

(m) “*Series B Liquidation Value*” means the sum of the Series B Liquidation Preference and accumulated and unpaid distributions, if any, to, but excluding, the date of the liquidation, dissolution or winding up of the Trust on the Series B Preferred Shares.

(n) “*Series B Preferred Share*” means a 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Share having the designations, rights, powers and preferences set forth in this Share Designation.

(o) “*Series B Preferred Percentage Interest*” means the ratio (expressed as a percentage) of the number of Series B Preferred Shares held by such holder on such date relative to the aggregate number of Series B Preferred Shares then outstanding as of such date.

(p) “*Series B Record Date*” means, with respect to any Distribution Payment Date, the January 15, April 15, July 15 and October 15, as the case may be, immediately preceding the relevant January 30, April 30, July 30 and October 30 Distribution Payment Date, respectively. These Series B Record Dates shall apply regardless of whether a particular Series B Record Date is a Business Day.

(q) “*Series B Trust Preferred Interest*” means a 7.875% Series B Fixed-to-Floating Rate Cumulative Trust Preferred Interest issued by the Sponsor to the Trust.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Trust Agreement.

Section 4. Distributions.

(a) The Series B Holders shall be entitled to receive with respect to each Series B Preferred Share owned by such holder its pro rata share, based upon its Series B Preferred Percentage Interest, of all distributions received by the Trust with respect to the Series B Trust Preferred Interests. Declared distributions will be payable on the relevant Distribution Payment Date to Series B Holders as they appear on the Share Register at the close of business, New York City time, on a Series B Record Date, provided that if the Series B Record Date is not a Business Day, the declared distributions will be payable on the relevant Distribution Payment Date to Series B Holders as they appear on the Share Register at the close of business, New York City time on the Business Day immediately preceding such Series B Record Date.

(b) Series B Holders shall not be entitled to any distributions, whether payable in cash or property, other than as provided in the Trust Agreement and the LLC Agreement and shall not be entitled to interest, or any sum in lieu of interest, in respect of any distribution payment, including any such payment which is delayed or foregone.

Section 5. Optional Redemption and Tax Redemption.

(a) The Series B Preferred Shares shall be redeemable by the Trust on the same terms as the Series B Trust Preferred Interests are redeemable by the Sponsor. If less than all of the outstanding Series B Preferred Shares are to be redeemed, the Series B Preferred Shares to be redeemed from the outstanding Series B Preferred Shares not previously called for redemption will be determined either by lot or pro rata (as nearly as possible).

(b) In the event the Trust shall redeem any or all of the Series B Preferred Shares as aforesaid in Section 5(a), the Trust shall give notice of any such redemption to the Series B Holders on the same terms as the Sponsor shall give notice of redemption of the Series B Trust Preferred Interests to the Trust. Failure to give notice to any Series B Holder shall not affect the validity of the proceedings for the redemption of any Series B Preferred Shares being redeemed.

(c) Notice having been given as herein provided and so long as funds legally available and sufficient to pay the redemption price for all of the Series B Preferred Shares called for redemption have been set aside for payment, from and after the redemption date, such Series B Preferred Shares called for redemption shall no longer be deemed outstanding, and all rights of the Series B Holders thereof shall cease other than the right to receive the redemption price, without interest.

(d) The Series B Holders shall have no right to require redemption of any Series B Preferred Shares pursuant to this Section 5.

(e) Without limiting clause (c) of this Section 5, if the Trust shall deposit, on or prior to any date fixed for redemption of Series B Preferred Shares (pursuant to notice delivered in accordance with Section 5(b)), with any bank or trust company as a trust fund, a fund sufficient to redeem the Series B Preferred Shares called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board of Directors may determine, to the respective Series B Holders, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series B Preferred Shares so called shall be deemed to be redeemed and such deposit shall be deemed to constitute full payment of said Series B Preferred Shares to the holders thereof and from and after the date of such deposit said Series B Preferred Shares shall no longer be deemed to be outstanding, and the holders thereof shall cease to be holders of shares with respect to such Series B Preferred Shares, and shall have no rights with respect thereto except only the right to receive from said bank or trust company, on the redemption date or such earlier date as the Board of Directors may determine, payment of the redemption price of such Series B Preferred Shares without interest. If any redemption date is not a Business Day, then the redemption price and accumulated and unpaid distributions if any, payable upon redemption may be paid on the next Business Day and no interest, additional distributions or other sums shall accumulate on the amount payable for the period from and after that redemption date to the next Business Day.

(f) Immediately prior to any redemption of Series B Preferred Shares, the Trust shall pay, in cash, any accumulated and unpaid distributions to, but excluding, the redemption date, unless a redemption date falls after a Series B Record Date and prior to the corresponding Distribution Payment Date, in which case each Series B Holder at the close of business on such Series B Record Date shall be entitled to the distribution payable on such Series B Preferred Shares on the corresponding Distribution Payment Date notwithstanding the redemption of such Series B Preferred Shares before such Distribution Payment Date. Except as provided above, the Trust will make no payment or allowance for unpaid distributions, whether or not in arrears, on the Series B Preferred Shares to be redeemed.

(g) Unless full cumulative distributions on all Series B Preferred Shares have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past Distribution Periods, no Series B Preferred Shares may be redeemed unless all outstanding Series B Preferred Shares are simultaneously redeemed, and the Trust may not purchase or otherwise acquire directly or indirectly any Series B Preferred Shares (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, the common shares or other junior shares the Trust may issue or pursuant to a purchase or exchange offer made on the same terms to all Series B Holders and all parity shares).

Section 6. Repurchase at the Option of Holders upon a Fundamental Change.

(a) If a Fundamental Change occurs, unless, prior to or concurrently with the time the Board of Directors is required to cause the Trust to make a Fundamental Change Offer (as described below), the Board of Directors has caused the Sponsor to previously or concurrently mail or transmit electronically a redemption notice with respect to all of the outstanding Series B Preferred Shares, the Board of Directors will cause the Trust to make an offer to purchase all of the Series B Preferred Shares pursuant to the offer described below (the "Fundamental Change Offer"), out of funds received by the Trust on the Series B Preferred Shares and legally available, at a price in cash (the "Fundamental Change Payment") of \$25.25 per Series B Preferred Share, plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the Fundamental Change Payment Date. Within 30 days following any Fundamental Change, the Board of Directors will cause the Trust to send notice of such Fundamental Change Offer by first class mail to the Series B Holders or otherwise in accordance with the procedures of the Depository Trust Company with the following information:

- (i) that a Fundamental Change Offer is being made pursuant to the Share Designation designating the Series B Preferred Shares and that all Series B Preferred Shares properly tendered pursuant to such Fundamental Change Offer will be accepted for payment by the Trust;
- (ii) the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "Fundamental Change Payment Date");
- (iii) that any Series B Preferred Share not properly tendered will remain outstanding and distributions will continue to accumulate on such Shares;

(iv) that, unless the Trust defaults in the payment of the Fundamental Change Payment, all Series B Preferred Shares accepted for payment pursuant to the Fundamental Change Offer will be cancelled and cease to be outstanding on the Fundamental Change Payment Date;

(v) the instructions determined by the Trust, consistent with this Section 6, that the Series B Holders must follow in order to have its Series B Preferred Shares purchased; and

(vi) if such notice is mailed prior to the occurrence of a Fundamental Change, that such offer is conditioned on the occurrence of such Fundamental Change.

(b) The Sponsor shall not be required to cause the Trust to make a Fundamental Change Offer upon a Fundamental Change if a third party makes the Fundamental Change Offer in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Fundamental Change Offer made by the Trust and purchases all Series B Preferred Shares validly tendered and not withdrawn under such Fundamental Change Offer.

(c) The Sponsor and the Trust shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Series B Preferred Shares pursuant to this Section 6. To the extent the provisions of any securities laws or regulations conflict with the provisions herein, the Sponsor and the Trust shall comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described herein by virtue thereof.

(d) On the Fundamental Change Payment Date, the Board of Directors shall cause the Trust, to the extent permitted by law and to the extent of funds received by the Trust on the Series B Trust Preferred Interests, to:

(i) accept for payment all Series B Preferred Shares properly tendered pursuant to the Fundamental Change Offer;

(ii) deposit with the paying agent an amount equal to the aggregate Fundamental Change Payment in respect of all Series B Preferred Shares so tendered; and

(iii) cancel the Series B Preferred Shares so accepted.

(e) If (i) a Fundamental Change occurs and (ii) (x) the Trust does not give notice prior to the 31st day following the Fundamental Change of either (1) a Fundamental Change Offer or (2) the intention to redeem all the outstanding Series B Preferred Shares or (y) the Trust defaults upon its obligation to repurchase or redeem the Series B Preferred Shares on the Fundamental Change Payment Date or redemption date, the distribution rate per annum on the Series B Preferred Shares shall increase by 5.00%, beginning on the 31st day following such Fundamental Change. Notwithstanding any requirement that the Trust offer to repurchase or redeem all the outstanding Series B Preferred Shares, the increase in the distribution rate per annum described in the immediately preceding sentence shall be the sole remedy to the Series B Holders upon the occurrence of any of the events described in the immediately preceding sentence. Following any such increase in the distribution rate per annum, the Trust shall be under no further obligation to offer to repurchase or redeem any Series B Preferred Shares.

Section 7. Allocations. Before giving effect to the allocations set forth in Section 3.4 and Exhibit B of the Trust Agreement, gross income (excluding capital gains) for the Fiscal Year (as defined in the Sponsor Agreement) shall be specially allocated to the Series B Preferred Shares in an amount equal to the amount of cash distributed with respect to the Series B Preferred Shares during such Fiscal Year. For purposes of Section 3.4 and Exhibit B of the Trust Agreement, the "Percentage Interest" of the Series B Preferred Shares shall be zero.

Section 8. Voting.

(a) Notwithstanding any provision in the Trust Agreement to the contrary, and except as set forth in this Section 8, the Series B Preferred Shares shall not have any relative, participating, optional or other voting, consent or approval rights or powers, and the vote, consent or approval of the Series B Holders shall not be required for the taking of any Trust action or inaction. If and whenever distributions on any Series B Preferred Shares are in arrears for six or more full quarterly Distribution Periods (whether or not consecutive) (a "Nonpayment"), the number of directors then constituting the Board of Directors shall be increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of parity Shares upon which like voting rights have been conferred and are exercisable (any such other class or series, "Voting Preferred Shares")) and the Series B Holders, voting together as a single class with the holders of such Voting

Preferred Shares, shall have the right to elect these two additional directors at a meeting of the Series B Holders and the holders of such Voting Preferred Shares called as hereafter provided. When all distributions accumulated on the Series B Preferred Shares for all past Distribution Periods and the then current Distribution Period have been fully paid, then the right of the Series B Holders to elect such two additional directors shall cease and, subject to the rights of such Voting Preferred Shares, the terms of office of all directors elected by the Series B Holders shall forthwith terminate immediately and the number of directors constituting the whole Board of Directors automatically shall be reduced by two. To the extent the voting rights of the Series B Holders in this Share Designation and the terms of any other Shares previously issued by the Trust conflict, the terms of this Share Designation shall control.

(b) If a Nonpayment shall have occurred, the Secretary may, and upon the written request of any Series B Holder (addressed to the Secretary at the principal office of the Sponsor) shall, call a special meeting of the Series B Holders and holders of the Voting Preferred Shares for the election of the two directors to be elected by them. The directors elected at any such special meeting shall hold office until the next annual meeting or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. The Board of Directors shall, in its sole discretion, determine a date for a special meeting applying procedures consistent with Article V of the Trust Agreement in connection with the expiration of the term of the two directors elected pursuant to this Section 8. The Series B Holders and holders of the Voting Preferred Shares, voting together as a class, may remove any director elected by the Series B Holders and holders of the Voting Preferred Shares pursuant to this Section 8. If any vacancy shall occur among the directors elected by the Series B Holders and holders of the Voting Preferred Shares, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the Series B Holders and holders of the Voting Preferred Shares or the successor of such remaining director, to serve until the next special meeting (convened as set forth in the immediately preceding sentence) held in place thereof if such office shall not have previously terminated as above provided. Except to the extent expressly provided otherwise in this Section 8, any such annual or special meeting shall be called and held applying procedures consistent with Article V of the Trust Agreement as if references to Shareholders were references to Series B Holders and holders of Voting Preferred Shares.

(c) Notwithstanding anything to the contrary in the Trust Agreement, but subject to Section 8(d), so long as any Series B Preferred Shares are outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Series B Holders and holders of the Voting Preferred Shares, at the time outstanding, voting as a single class regardless of series, given in person or by proxy, by vote at any meeting called for the purpose, shall be necessary:

(i) to amend, alter or repeal any of the provisions of the Trust Agreement relating to the Series B Preferred Shares or any series of Voting Preferred Shares, whether by merger, consolidation or otherwise, to affect materially and adversely the rights, powers and preferences of the Series B Holders or holders of the Voting Preferred Shares; and

(ii) to authorize, create or increase the authorized amount of, any class or series of Preferred Shares having rights senior to the Series B Preferred Shares with respect to the payment of distributions or amounts upon any liquidation, dissolution or winding up of the Trust;

provided, however, that,

(x) in the case of subparagraph (i) above, no such vote of the Series B Preferred Shares or the Voting Preferred Shares, as the case may be, shall be required if in connection with any such amendment, alteration or repeal, by merger, consolidation or otherwise, each Series B Preferred Unit and Voting Preferred Unit remains outstanding without the terms thereof being materially and adversely changed in any respect to the holders thereof or is converted into or exchanged for preferred equity securities of the surviving entity having the rights, powers and preferences thereof substantially similar to those of such Series B Preferred Shares or the Voting Preferred Units, as the case may be;

(y) in the case of subparagraph (i) above, if such amendment affects materially and adversely the rights, powers and preferences of one or more but not all of the classes or series of Voting Preferred Shares and the Series B Preferred Shares at the time Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all such classes or series of Voting Preferred Shares and the Series B Preferred Shares so affected, voting as a single class regardless of class or series, given in person or by proxy, by vote at any meeting called for the purpose, shall be required in lieu of (or, if such consent is required by law, in addition to) the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Voting Preferred Shares and the Series B Preferred Shares otherwise entitled to vote as a single class in accordance herewith; and

(z) in the case of subparagraph (i) or (ii) above, no such vote of the Series B Holders or holders of the Voting Preferred Shares, as the case may be, shall be required if, at or prior to the time when such action is to take effect, provision is made for the redemption of all Series B Preferred Shares or Voting Preferred Shares, as the case may be, at the time outstanding.

(d) For the purposes of this Section 8, neither:

(i) the amendment of provisions of the Trust Agreement so as to authorize or create or issue, or to increase the authorized amount of, Shares; nor

(ii) any merger, consolidation or otherwise, in which (1) the Trust is the surviving entity and the Series B Preferred Units remain outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series B Preferred Shares for other preferred equity securities having rights, powers and preferences (including with respect to redemption thereof) substantially similar to that of the Series B Preferred Shares under the Trust Agreement (except for changes that do not materially and adversely affect the Series B Preferred Shares considered as a whole) shall be deemed to materially and adversely affect the rights, powers and preferences of the Series B Preferred Shares or holders of Voting Preferred Shares.

(e) For purposes of the foregoing provisions of this Section 8, each Series B Holder shall have one vote per Series B Preferred Share, except that when any other series of Preferred Shares shall have the right to vote with the Series B Preferred Shares as a single class on any matter, then the Series B Holders and the holders of such other series of Preferred Shares shall have with respect to such matters one vote per \$25.00 of stated liquidation preference.

(f) The Board of Directors may cause the Trust to, from time to time, without notice to or consent of the Series B Holders or holders of other Shares, issue additional Series B Preferred Shares.

(g) The foregoing provisions of this Section 8 will not apply if, at or prior to the time when the act with respect to which a vote pursuant to this Section 8 would otherwise be required shall be effected, the Series B Preferred Shares shall have been redeemed.

Section 9. Liquidation Rights.

(a) Upon any Early Termination Event other than a Voluntary Exchange or Acquisition Exchange, after payment or provision for the liabilities of the Trust (including the expenses of such Early Termination Event) and the satisfaction of all claims ranking senior to the Series B Preferred Shares, the Series B Holders shall be entitled to receive out of the assets of the Trust or proceeds thereof available for distribution to Shareholders the positive balance in its Capital Account (to the extent such positive balance is attributable to ownership of the Series B Preferred Shares) and after taking into account the following special allocations: (i) allocations of gross income (excluding capital gain) to the Series B Holders pursuant to Section 7 for the taxable year in which the liquidation, dissolution or winding up of the Trust occurs, and (ii) to the extent that the balance in the Series B Holder's Capital Account (to the extent such positive balance is attributable to ownership of the Series B Preferred Shares) is less than the Series B Liquidation Value, gross income (from any source) in an amount required so that the positive balance in its Capital Account (to the extent such positive balance is attributable to ownership of the Series B Preferred Shares) equals the Series B Liquidation Value.

(b) Upon the occurrence of an Early Termination Event other than a Voluntary Exchange or Acquisition Exchange, after the Series B Holders receive a payment equal to the positive balance in its Capital Account (to the extent such positive balance is attributable to ownership of the Series B Preferred Shares) pursuant to Section 9(a), the Series B Holders shall not be entitled to any further participation in any distribution of assets by the Trust.

(c) Nothing in this Section 9 shall be understood to entitle the Series B Holders to specially allocated income pursuant to Section 9(a)(ii) until any similar allocations are made to holders of any classes or series of Sponsor Interests ranking senior to the Series B Preferred Shares have been made.

Section 10. Governing Law. This Share Designation shall be governed by and interpreted in accordance with the laws of the State of Delaware (without regard to conflicts of laws principles), all rights and remedies being governed by such laws.

Section 11. Severability. Each provision of this Share Designation shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Share Designation which are valid, enforceable and legal.

APPENDIX A

FORM OF SHARE CERTIFICATE

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO COMPASS DIVERSIFIED HOLDINGS OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE SECOND AMENDED AND RESTATED TRUST AGREEMENT OF COMPASS DIVERSIFIED HOLDINGS, DATED AS OF DECEMBER 6, 2016, AS AMENDED FROM TIME TO TIME, AND THE SHARE DESIGNATION WITH RESPECT TO THE SHARES REPRESENTED BY THIS GLOBAL SECURITY. IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

COMPASS DIVERSIFIED HOLDINGS

7.875% Series B Preferred Shares
(Liquidation Preference as specified below)

COMPASS DIVERSIFIED HOLDINGS, a Delaware statutory trust (the “**Trust**”), hereby certifies that CEDE & CO. (the “**Holder**”), is the registered owner of the number shown on Schedule I hereto of the Trust’s designated 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares, with a Series B Liquidation Preference of \$25.00 per share (the “**Series B Preferred Shares**”). The Series B Preferred Shares are fully paid and the Holder of such Series B Preferred Shares will have no obligation to make payments or contributions to the Trust solely by reason of its ownership of such Series B Preferred Shares. The Series B Preferred Shares are transferable on the books and records of the Transfer Agent, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The rights, privileges, restrictions, preferences and other terms and provisions of the Series B Preferred Shares represented hereby are and shall in all respects be subject to the provisions of the Share Designation of the Trust with respect to the Series B Preferred Shares, as the same may be further amended from time to time (the “**Share Designation**”). Capitalized terms used herein but not defined shall have the meaning given them in the Second Amended and Restated Trust Agreement of the Trust (the “**Trust Agreement**”), as amended by the Share Designation. The Trust will provide a copy of the Share Designation to a Series B Holder without charge upon written request to the Trust at its principal place of business. In the case of any conflict between this certificate and the Share Designation, the provisions of the Share Designation shall control and govern.

Reference is hereby made to the provisions of the Series B Preferred Shares set forth on the reverse hereof and in the Share Designation and the Trust Agreement, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate or a beneficial interest therein, the Series B Holder or any holder of a beneficial interest therein is bound by the Share Designation and the Trust Agreement and is entitled to the benefits thereunder.

Unless the Transfer Agent has properly countersigned this certificate, the Holder of this certificate and the Series B Preferred Shares represented hereby shall not be entitled to any benefits under the Share Designation or the Trust Agreement, and this certificate shall not be valid or obligatory for any purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Trust by a Regular Trustee of the Trust this 13th day of March, 2018.

COMPASS DIVERSIFIED HOLDINGS

By: _____
Name: Ryan J. Faulkingham
Title: Regular Trustee

[Signature Page to 7.875% Series B Preferred Share Certificate]

COUNTERSIGNATURE

These are Series B Preferred Shares referred to in the within-mentioned Share Designation.

Dated: March 13, 2018

Broadridge Corporate Issuer Solutions, Inc.,
as Transfer Agent

By: _____

Name:

Title:

[Signature Page to 7.875% Series B Preferred Share Certificate]

REVERSE OF CERTIFICATE FOR SERIES B PREFERRED SHARES

Cumulative distributions on each Series B Preferred Share shall be payable at the applicable rate provided in the Share Designation.

The Trust shall furnish without charge to each Series B Holder who so requests a summary of the authority of the Sponsor to determine variations for future series within a class of Shares and the Share Designations, limitations, preferences and relative, participating, optional or other special rights of each class or series of capital issued by the Trust and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the Series B Preferred Shares evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

And irrevocably appoints:

as agent to transfer the Series B Preferred Shares evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee:

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

COMPASS DIVERSIFIED HOLDINGS

Global Series B Preferred Share
7.875% Series B Preferred Share

Certificate Number:

The number of Series B Preferred Shares initially represented by this global Series B Preferred Share Certificate shall be 4,000,000. Thereafter the Transfer Agent shall note changes in the number of Series B Preferred Shares evidenced by this global Series B Preferred Share Certificate in the table set forth below:

<u>Date of Exchange</u>	Amount of Decrease in Number of Shares Represented by this Global Series B Preferred Share Certificate	Amount of Increase in Number of Shares Represented by this Global Series B Preferred Share Certificate	Number of Shares Represented by this Global Series B Preferred Share Certificate following Decrease or Increase	Signature of Authorized Officer of Transfer Agent
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COMPASS GROUP DIVERSIFIED HOLDINGS LLC**TRUST INTEREST DESIGNATION****OF****SERIES B TRUST PREFERRED INTERESTS**

Compass Group Diversified Holdings LLC (the "Company"), a Delaware limited liability company, does hereby certify that:

1. On February 15, 2018, the Board of Directors (the "Board") of the Company, pursuant to the authority conferred upon the Board of Directors by Section 3.1(a) of the Fifth Amended and Restated Operating Agreement of Compass Group Diversified Holdings LLC (as such may be amended, modified or restated from time to time, the "LLC Agreement"), duly adopted resolutions establishing the terms of the Company's Series B Trust Preferred Interests and authorized a special pricing committee of the Board (the "Pricing Committee") to act on behalf of the Board in determining and approving the distribution rates and certain other terms of the Series B Trust Preferred Interests.

2. Thereafter, on March 6, 2018, the Pricing Committee duly adopted the following resolutions:

"RESOLVED, that pursuant to Article 3 of the LLC Agreement (which authorizes up to 50,000,000 Trust Preferred Interests (as defined in the LLC Agreement), in one or more classes or series), the Series B Trust Preferred Interests as a new series of Trust Preferred Interests (as defined in the LLC Agreement) consisting of 4,600,000 Trust Preferred Interests be, and hereby are, created and authorized for issuance by the Company, with the designations, preferences, rights, powers, duties and other terms of such Series B Trust Preferred Interests being set forth in the final form of the Trust Interest Designation attached hereto as Exhibit B, with such changes thereto not inconsistent herewith as any Authorized Officer signing the same may approve in his sole discretion; and further

RESOLVED, that each Series B Trust Preferred Interest shall rank equally in all respects and shall be subject to the provisions in the final form of the Trust Interest Designation attached hereto as Exhibit B, which is hereby approved."

IN WITNESS WHEREOF, this Trust Interest Designations, which shall be made effective pursuant to Article 3 of the LLC Agreement, is executed by the undersigned this 13th day of March, 2018.

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Name: Ryan J. Faulkingham

Title: Chief Financial Officer

EXHIBIT B

TO

TRUST INTEREST DESIGNATION OF SERIES B TRUST PREFERRED INTERESTS

Section 1. Designation. The Series B Trust Preferred Interests are hereby designated and created as a series of Trust Preferred Interests. Each Series B Trust Preferred Interest shall be identical in all respects to every other Series B Trust Preferred Interest. The Series B Trust Preferred Interests are not "Voting Trust Interests" for purposes of the LLC Agreement. The Series B Trust Preferred Interests shall be issued in electronic book-entry form.

Section 2. Ranking.

(a) The Series B Trust Preferred Interests shall rank, with respect to payment of distributions:

(i) junior to the all of the Company's existing and future indebtedness and any of the Company's equity securities, including Trust Preferred Interests, that the Company may authorize or issue, the terms of which provide that such securities shall rank senior to the Series B Trust Preferred Interests, and to the Allocation Interests;

(ii) equally to any Parity Trust Interests; and

(iii) senior to any Junior Trust Interests.

(b) The Series B Trust Preferred Interests shall rank, with respect to distribution of assets upon the occurrence of a Dissolution Event, as described in Section 9.

Section 3. Definitions. As used herein with respect to the Series B Trust Preferred Interests:

(a) "*Business Day*" means, (i) during the Fixed Rate Period, any day other than a Saturday, a Sunday or a day on which banks in The City of New York are required, permitted or authorized, by applicable law or executive order, to be closed for regular banking business, and (ii) during the Floating Rate Period, any day that would be considered a Business Day during the Fixed Rate Period that is also a London Banking Day.

(b) "*Code*" means the Internal Revenue Code of 1986, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

(c) "*Calculation Agent*" means a third party independent financial institution of national standing with experience providing such services, which shall be appointed by the Company prior to April 30, 2028.

(d) "*Distribution Determination Date*" has the meaning as defined in Section 4(a)(ii).

(e) "*Distribution Payment Date*" means (i) with respect to the Fixed Rate Period, January 30, April 30, July 30 and October 30 of each year, beginning on July 30, 2018 and (ii) with respect to the Floating Rate Period, January 30, April 30, July 30 and October 30 of each year, beginning on July 30, 2028.

(f) "*Distribution Period*" means the period commencing on and including a Distribution Payment Date to, but excluding, the next Distribution Payment Date, except that (i) the initial Distribution Period commences on and includes March 13, 2018 and (ii) the Distribution Period commencing on April 30, 2028 commences on April 30, 2028 irrespective of whether such day is a Business Day.

(g) "*Distribution Reset Date*" has the meaning as defined in Section 4(a)(ii).

(h) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

(i) "*Fixed Rate Period*" has the meaning as defined in Section 4(a).

(j) "*Floating Rate Period*" has the meaning as defined in Section 4(a).

(k) “*Fundamental Change*” means the occurrence of the following: (i) the Series B Preferred Shares (or preferred shares into which the Series B Preferred Shares have been converted or for which the Series B Preferred Shares have been exchanged) cease to be listed or quoted on any of the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their successors) or another U.S. national securities exchange for a period of 20 consecutive trading days; or (ii) the Company and Series B Holder (or the issuer of preferred shares into which the Series B Preferred Shares have been converted or for which the Series B Preferred Shares have been exchanged) are no longer subject to, and are not voluntarily filing the annual reports, information, documents and other reports that the Company and the Trust would be so required to file if so subject to, the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.

(l) “*Fundamental Change Offer*” has the meaning as defined in Section 6(a).

(m) “*Fundamental Change Payment*” has the meaning as defined in Section 6(a).

(n) “*Fundamental Change Payment Date*” has the meaning as defined in Section 6(a).

(o) “*Junior Trust Interests*” means Trust Common Interests and any other equity securities that the Company may issue in the future ranking, as to the payment of distributions, junior to the Series B Trust Preferred Interests.

(p) “*LIBOR*” means the London interbank offered rate.

(q) “*London Banking Day*” means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

(r) “*Parity Trust Interests*” means any Trust Interests, including Trust Preferred Interests, that the Company has authorized or issued or may authorize or issue, the terms of which provide that such securities shall rank equally with the Series B Trust Preferred Interests with respect to payment of distributions.

(s) “*Series B Holder*” means Compass Diversified Holdings, a Delaware statutory trust, in its capacity as the holder of all of the Series B Trust Preferred Interests, and its permitted successors and assigns.

(t) “*Series B Liquidation Preference*” means \$25.00 per Series B Trust Preferred Interest.

(u) “*Series B Liquidation Value*” means the sum of the Series B Liquidation Preference and accumulated and unpaid distributions (whether or not authorized or declared), if any, to, but excluding, the date of the occurrence of a Dissolution Event on the Series B Trust Preferred Interests.

(v) “*Series B Preferred Share*” means a 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Share issued by Series B Holder representing one corresponding beneficial interest in Series B Holder.

(w) “*Series B Trust Preferred Interest*” means a 7.875% Series B Fixed-to-Floating Rate Cumulative Trust Preferred Interest having the designations, rights, powers and preferences set forth in this Trust Interest Designation.

(x) “*Series B Record Date*” means, with respect to any Distribution Payment Date, the January 15, April 15, July 15 and October 15, as the case may be, immediately preceding the relevant January 30, April 30, July 30 and October 30 Distribution Payment Date, respectively. These Series B Record Dates shall apply regardless of whether a particular Series B Record Date is a Business Day.

(y) “*Tax Redemption Event*” means, after the date the Series B Trust Preferred Interests are first issued, due to (a) an amendment to, or a change in official interpretation of, the Code, Treasury Regulations promulgated thereunder, or administrative guidance or (b) an administrative or judicial determination, (i) the Series B Holder or the Company is advised by nationally recognized counsel or a nationally recognized accounting firm that the Series B Holder or the Company will be treated as an association taxable as a corporation for U.S. federal income tax purposes or otherwise subject to U.S. federal income tax (other than any tax imposed pursuant to Section 6225 of the Code, as amended by the Bipartisan Budget Act of 2015), or (ii) the Company or the Series B Holder files an IRS Form 8832 (or successor form) electing that the Series B Holder or the Company be treated as an association taxable as a corporation for U.S. federal income tax purposes.

(z) “*Three-Month LIBOR*” means the LIBOR determined as follows:

(i) Three-Month LIBOR shall be equal to the LIBOR for deposits in U.S. dollars having an index maturity of three months, in amounts of at least \$1,000,000, as such rate appears on “Reuters Page LIBOR01” at approximately 11:00 a.m. London time on the relevant Distribution Determination Date.

(ii) If no such rate appears on “Reuters Page LIBOR01” or if the “Reuters Page LIBOR01” is not available at approximately 11:00 a.m. London time on the relevant Distribution Determination Date, then the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent after consultation with the Company, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for a period of three months, commencing on the related Distribution Reset Date, to prime banks in the London interbank market, at approximately 11:00 a.m. London time on that Distribution Determination Date that is representative of a single transaction in U.S. dollars in amounts of at least \$1,000,000 in that market at that time. If at least two quotations are provided, Three-Month LIBOR will be the arithmetic mean (rounded upward if necessary, to the nearest 0.00001 of 1%) of those quotations. If fewer than two quotations are provided, Three-Month LIBOR will be the arithmetic mean (rounded upward if necessary, to the nearest 0.00001 of 1%) of the rates quoted at approximately 11:00 a.m. New York City time on that Distribution Determination Date by three major banks in New York, New York, as selected by the Calculation Agent after consultation with the Company, for loans in U.S. dollars to leading European banks, for a period of three months commencing on the related Distribution Reset Date that is representative of a single transaction in U.S. dollars in amounts of at least \$1,000,000 in that market at that time. If no quotation is provided as described above, then if a Calculation Agent has not been appointed at such time, the Company shall appoint a Calculation Agent who shall, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, determine Three-Month LIBOR for the second London Banking Day immediately preceding the first day of such Distribution Period in its sole discretion. If the Calculation Agent is unable or unwilling to determine Three-Month LIBOR as provided in the immediately preceding sentence, then Three-Month LIBOR will be equal to Three-Month LIBOR for the then current Distribution Period, or, in the case of the first Distribution Period in the Floating Rate Period, the most recent distribution rate that would have been determined based on the last available Reuters Page LIBOR01 has the Floating Rate Period been applicable prior to the first Distribution Period in the Floating Rate Period.

Notwithstanding the foregoing, if the Company determines on the relevant Distribution Determination Date that the LIBOR base rate has been discontinued, then we will appoint a Calculation Agent and the Calculation Agent shall consult with an investment bank of national standing to determine whether there is an industry accepted substitute or successor base rate to Three-Month LIBOR. If, after such consultation, the Calculation Agent determines that there is an industry accepted substitute or successor base rate, the Calculation Agent shall use such substitute or successor base rate. In such case, the Calculation Agent in its sole discretion may (without implying a corresponding obligation to do so) also implement changes to the business day convention, the definition of Business Day, the Distribution Determination Date and any method for obtaining the substitute or successor base rate if such rate is unavailable on the relevant Business Day, in a manner that is consistent with industry accepted practices for such substitute or successor base rate. Unless the Calculation Agent determines that there is an industry accepted substitute or successor base rate as so provided above, the Calculation Agent shall, in consultation with us, follow the steps specified in clause (ii) in the immediately preceding paragraph in order to determine Three-Month LIBOR for the applicable Distribution Period.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the LLC Agreement.

Section 4. Distributions.

(a) Holders of Series B Trust Preferred Interests shall be entitled to receive, when, as and if declared by the Board of Directors, in its sole discretion out of funds legally available therefor, cumulative cash distributions on the Series B Liquidation Preference, on the applicable Distribution Payment Date that corresponds to the record date for which the Board of Directors has declared a distribution, if any, at a rate equal to (1) 7.875% per annum of the Series B Liquidation Preference for each quarterly Distribution Period from March 13, 2018 to, but excluding, April 30, 2028 (the “Fixed Rate Period”), and (2) the then applicable Three-Month LIBOR plus a spread of 4.985% per annum of the Series B Liquidation Preference for each quarterly Distribution Period from April 30, 2028 through the redemption date of the Series B Trust Preferred Interests,

if any (the "Floating Rate Period"). In the event we issue additional Series B Trust Preferred Interests after March 13, 2018, distributions on such additional interests shall accrue from the original issuance date of such additional interests. Distributions on the Series B Trust Preferred Interests shall accumulate daily and be cumulative from, and including, the date of original issuance. The distributions payable on any Distribution Payment Date shall include distributions accumulated to, but not including, such Distribution Payment Date. Declared distributions will be payable on the relevant Distribution Payment Date to the Series B Holder at the close of business, New York City time, on a Series B Record Date, provided that if the Series B Record Date is not a Business Day, the declared distributions will be payable on the relevant Distribution Payment Date to the Series B Holder at the close of business, New York City time on the Business Day immediately preceding such Series B Record Date.

(i) *Fixed Rate Period.* Distributions payable on the Series B Trust Preferred Interests for any Distribution Period that is included in the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. During the Fixed Rate Period, if any date on which distributions would otherwise be payable is not a Business Day, then the distribution will be paid on the next Business Day as if it were paid on the scheduled distribution payment date, and no interest or other amount will accrue on the distribution so payable for the period from and after that Distribution Payment Date to the date the distribution is paid.

(ii) *Floating Rate Period.* Distributions payable on the Series B Trust Preferred Interests for the Floating Rate Period will be computed based on the actual number of days in a Distribution Period and a 360-day year. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. During the Floating Rate Period, if any date on which distributions would otherwise be payable is not a Business Day, then payment of any distribution payable on such date will be made on the next succeeding business day unless that day falls in the next calendar month, in which case the Distribution Payment Date will be the immediately preceding Business Day, and, in either case, distributions will accrue to, but exclude, the actual date the distribution is paid.

The distribution rate during the Floating Rate Period will be reset quarterly on the first day of each Distribution Period (a "Distribution Reset Date"). The distribution rate for each Distribution Period in the Floating Rate Period will be determined by a Calculation Agent using Three-Month LIBOR as in effect on the second London Banking Day prior to the beginning of the Distribution Period (the "Distribution Determination Date") for the Distribution Period. The Calculation Agent then will add Three-Month LIBOR as determined on the Distribution Determination Date and the applicable spread. Absent manifest error, the Calculation Agent's determination of the distribution rate for a Distribution Period for the Series B Trust Preferred Interests will be binding and conclusive on holders of Series B Trust Preferred Interests, the Company's transfer agent and the Company.

(b) No distributions on Series B Trust Preferred Interests may be authorized by the Board of Directors or paid or set apart for payment by the Company at any time when the terms and provisions of any agreement of the Company, including any agreement relating to its indebtedness, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment is restricted or prohibited by law. Notwithstanding the foregoing, distributions on the Series B Trust Preferred Interests will accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding sentence at any time prohibit the current payment of distributions, (ii) the Company has earnings, (iii) there are funds legally available for the payment of those distributions and (iv) those distributions are declared. No interest, or sum in lieu of interest, will be payable in respect of any distribution payment or payments on the Series B Trust Preferred Interests which may be in arrears, and holders of Series B Trust Preferred Interests will not be entitled to any distributions in excess of full cumulative distributions described above. Any distribution payment made on the Series B Trust Preferred Interests will first be credited against the earliest accumulated but unpaid distribution due with respect to those Series B Trust Preferred Interests.

(c) So long as any Series B Trust Preferred Interests are Outstanding, unless, in each case, full cumulative distributions on the Series B Trust Preferred Interests have been or contemporaneously are declared and paid or declared and set apart for payment on the Series B Trust Preferred Interests for all past Distribution Periods, (i) no distribution, whether in

cash or property, may be declared or paid or set apart for payment on the Junior Trust Interests (other than distributions paid in Junior Trust Interests or options, warrants or rights to subscribe for or purchase Junior Trust Interests) and (ii) the Company or any of its respective Subsidiaries shall not directly or indirectly repurchase, redeem or otherwise acquire for consideration any Junior Trust Interests.

(d) The Board of Directors may, in its sole discretion, choose to pay distributions on the Series B Trust Preferred Interests without the payment of any distributions on any Junior Trust Interests.

(e) When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series B Trust Preferred Interests and Parity Trust Interests, all distributions declared upon the Series B Trust Preferred Interests and such Parity Trust Interests must be declared pro rata so that the amount of distributions declared per Series B Trust Preferred Interest and such Parity Trust Interests will in all cases bear to each other the same ratio that accumulated distributions per Trust Interest on the Series B Trust Preferred Interests and such Parity Trust Interests (which will not include any accrual in respect of unpaid distributions for prior Distribution Periods if such other Parity Trust Interests do not have a cumulative distribution) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any distribution payment or payments on the Series B Trust Preferred Interests which may be in arrears.

(e) No distributions may be declared or paid or set apart for payment on any Series B Trust Preferred Interests if at the same time any arrears exist or default exists in the payment of distributions on the Allocation Interests or any Trust Interests that are Outstanding ranking, as to the payment of distributions, senior to the Series B Trust Preferred Interests, subject to any applicable terms of the Allocation Interests or such Trust Interests that are Outstanding.

(f) The Series B Holder shall not be entitled to any distributions, whether payable in cash or property, other than as provided in the LLC Agreement and shall not be entitled to interest, or any sum in lieu of interest, in respect of any distribution payment, including any such payment which is delayed or foregone.

Section 5. Optional Redemption and Tax Redemption.

(a) (i) Except as set forth in Section 5(a)(ii), the Series B Trust Preferred Interests shall not be redeemable prior to April 30, 2028. At any time or from time to time on or after April 30, 2028, subject to any limitations that may be imposed by law, the Board of Directors may, in its sole discretion, cause the Company to redeem the Series B Trust Preferred Interests, out of funds legally available therefor, in whole or in part, at a redemption price equal to the Series B Liquidation Preference plus an amount equal to accumulated and unpaid distributions thereon (whether or not authorized or declared), if any, from the Distribution Payment Date immediately preceding the redemption date to, but excluding, the redemption date. (ii) If a Tax Redemption Event occurs prior to April 30, 2028, the Board of Directors may cause the Company, at its option, out of funds legally available, to redeem the Series B Trust Preferred Interests, in whole but not in part, upon at least 30 days' notice, within 60 days of the occurrence of such Tax Redemption Event, at a price of \$25.25 per Series B Trust Preferred Interest, plus accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the redemption date. (iii) If less than all of the Outstanding Series B Trust Preferred Interests are to be redeemed, the Series B Trust Preferred Interests to be redeemed from the Outstanding Series B Trust Preferred Interests not previously called for redemption will be determined either by lot or pro rata (as nearly as possible).

(b) (i) In the event the Company shall redeem any or all of the Series B Trust Preferred Interests as aforesaid in Section 5(a)(i), the Company shall give notice of any such redemption to the Series B Holder (which such notice may be delivered prior to April 30, 2028) not more than 60 nor less than 30 days prior to the date fixed for such redemption. (ii) In the event the Company shall redeem any or all of the Series B Trust Preferred Interests as aforesaid in Section 5(a)(ii), the Company shall give notice of any such redemption to the Series B Holder at least 30 days prior to the date fixed for such redemption, within 60 days of the occurrence of the Tax Redemption Event. (iii) Failure to give notice to the Series B Holder shall not affect the validity of the proceedings for the redemption of any Series B Trust Preferred Interests being redeemed.

(c) Notice having been given as herein provided and so long as funds legally available and sufficient to pay the redemption price for all of the Series B Trust Preferred Interests called for redemption have been set aside for payment, from and after the redemption date, such Series B Trust Preferred Interests called for redemption shall no longer be deemed Outstanding, and all rights of the Series B Holder thereof shall cease other than the right to receive the redemption price, without interest.

(d) The Series B Holder shall have no right to require redemption of any Series B Trust Preferred Interests pursuant to this Section 5.

(e) Without limiting clause (c) of this Section 5, if the Company shall deposit, on or prior to any date fixed for redemption of Series B Trust Preferred Interests (pursuant to notice delivered in accordance with Section 5(b)), with any bank or trust company as a trust fund, funds sufficient to redeem the Series B Trust Preferred Interests called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board of Directors may determine, to the Series B Holder, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series B Trust Preferred Interests so called shall be deemed to be redeemed and such deposit shall be deemed to constitute full payment of said Series B Trust Preferred Interests to the holders thereof and from and after the date of such deposit said Series B Trust Preferred Interests shall no longer be deemed to be Outstanding, and the holders thereof shall cease to be holders of Trust Interests with respect to such Series B Trust Preferred Interests, and shall have no rights with respect thereto except only the right to receive from said bank or trust company, on the redemption date or such earlier date as the Board of Directors may determine, payment of the redemption price of such Series B Trust Preferred Interests without interest. If any redemption date is not a Business Day, then the redemption price and accumulated and unpaid distributions if any, payable upon redemption may be paid on the next Business Day and no interest, additional distributions or other sums shall accumulate on the amount payable for the period from and after that redemption date to the next Business Day.

(f) Immediately prior to any redemption of Series B Trust Preferred Interests, the Company shall pay, in cash, any accumulated and unpaid distributions to, but excluding, the redemption date, unless a redemption date falls after a Series B Record Date and prior to the corresponding Distribution Payment Date, in which case each Series B Holder at the close of business on such Series B Record Date shall be entitled to the distribution payable on such Series B Trust Preferred Interests on the corresponding Distribution Payment Date notwithstanding the redemption of such Series B Trust Preferred Interests before such Distribution Payment Date. Except as provided above, the Company will make no payment or allowance for unpaid distributions, whether or not in arrears, on the Series B Trust Preferred Interests to be redeemed.

(g) Unless full cumulative distributions on all Series B Trust Preferred Interests have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past Distribution Periods, no Series B Trust Preferred Interests may be redeemed unless all outstanding Series B Trust Preferred Interests are simultaneously redeemed, and the Company may not purchase or otherwise acquire directly or indirectly any Series B Trust Preferred Interests (except by conversion into or exchange for interests of, or options, warrants or rights to purchase or subscribe for, Junior Trust Interests or pursuant to a purchase or exchange offer made on the same terms to all Series B Holders and all Parity Trust Interests).

Section 6. Repurchase at the Option of Holders upon a Fundamental Change.

(a) If a Fundamental Change occurs, unless, prior to or concurrently with the time the Board of Directors is required to cause the Company to make a Fundamental Change Offer (as described below), the Board of Directors has caused the Company to previously or concurrently mail or transmit electronically a redemption notice with respect to all of the outstanding Series B Trust Preferred Interests, the Board of Directors will cause the Company to make an offer to purchase all of the Series B Trust Preferred Interests pursuant to the offer described below (the "Fundamental Change Offer"), out of funds legally available at a price in cash (the "Fundamental Change Payment") of \$25.25 per Series B Trust Preferred Interest, plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the Fundamental Change Payment Date. Within 30 days following any Fundamental Change, the Board of Directors will cause the Company to send notice of such Fundamental Change Offer by first class mail to the Series B Holder or otherwise in accordance with the procedures of the Depository Trust Company with the following information:

- (i) that a Fundamental Change Offer is being made pursuant to the Trust Interest Designation designating the Series B Trust Preferred Interests and that all Series B Trust Preferred Interests properly tendered pursuant to such Fundamental Change Offer will be accepted for payment by the Company;
- (ii) the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "Fundamental Change Payment Date");
- (iii) that any Series B Trust Preferred Interest not properly tendered will remain outstanding and distributions will continue to accumulate on such Series B Trust Preferred Interest;
- (iv) that, unless the Company defaults in the payment of the Fundamental Change Payment, all Series B Trust Preferred Interests accepted for payment pursuant to the Fundamental Change Offer

will be cancelled and cease to be outstanding on the Fundamental Change Payment Date;

(v) the instructions determined by the Company, consistent with this Section 6, that the Series B Holder must follow in order to have its Series B Trust Preferred Interests purchased; and

(vi) if such notice is mailed prior to the occurrence of a Fundamental Change, that such offer is conditioned on the occurrence of such Fundamental Change.

(b) The Company shall not be required to make a Fundamental Change Offer upon a Fundamental Change if a third party takes the actions as described in Section 6(b) of the share designation of the Series B Holder with respect to the Series B Preferred Shares.

(c) The Company and the Series B Holder shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Series B Trust Preferred Interests pursuant to this Section 6. To the extent the provisions of any securities laws or regulations conflict with the provisions herein, the Company and the Series B Holder shall comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described herein by virtue thereof.

(d) On the Fundamental Change Payment Date, the Board of Directors shall cause the Company, to the extent permitted by law, to:

(i) accept for payment all Series B Trust Preferred Interests properly tendered pursuant to the Fundamental Change Offer;

(ii) deposit with the paying agent an amount equal to the aggregate Fundamental Change Payment in respect of all Series B Trust Preferred Interests so tendered; and

(iii) cancel the Series B Trust Preferred Interests so accepted.

(e) If (i) a Fundamental Change occurs and (ii) (x) the Company does not give notice prior to the 31st day following the Fundamental Change of either (1) a Fundamental Change Offer or (2) the intention to redeem all the outstanding Series B Trust Preferred Interests or (y) the Company defaults upon its obligation to repurchase or redeem the Series B Trust Preferred Interests on the Fundamental Change Payment Date or redemption date, the distribution rate per annum on the Series B Trust Preferred Interests shall increase by 5.00%, beginning on the 31st day following such Fundamental Change. Notwithstanding any requirement that the Company offer to repurchase or redeem all the outstanding Series B Trust Preferred Interests, the increase in the distribution rate per annum described in the immediately preceding sentence shall be the sole remedy to the Series B Holder upon the occurrence of any of the events described in the immediately preceding sentence. Following any such increase in the distribution rate per annum, the Company shall be under no further obligation to offer to repurchase or redeem any Series B Trust Preferred Interests.

Section 7. Allocations. Before giving effect to the allocations set forth in Section 4.2 of the LLC Agreement, gross income (excluding capital gains) for the Allocation Year shall be specially allocated to the Series B Trust Preferred Interests in an amount equal to the amount of cash distributed with respect to the Series B Trust Preferred Interests during such Allocation Year. For purposes of Sections 4.2(b)(ii) and 4.2(c)(ii) of the LLC Agreement, the "Percentage Interest" of the Series B Trust Preferred Interests shall be zero.

Section 8. Voting.

(a) Notwithstanding any provision in the LLC Agreement to the contrary, and except as set forth in this Section 8, the Series B Trust Preferred Interests shall not have any relative, participating, optional or other voting, consent or approval rights or powers, and the vote, consent or approval of the Series B Holder shall not be required for the taking of any Company action or inaction. If and whenever distributions on any Series B Trust Preferred Interests are in arrears for six or more full quarterly Distribution Periods (whether or not consecutive) (a "Nonpayment"), the number of directors then constituting the Board of Directors shall be increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of Parity Trust Interests upon which like voting rights have been conferred and are exercisable (any such other class or series, "Voting Preferred Trust Interests")) and the Series B Holder, voting together as a single class with the holders of such Voting Preferred Trust Interests, shall have the right to elect these two additional directors at a meeting of the Series B Holder and the holders of such Voting Preferred Trust Interests called as

hereafter provided. When all distributions accumulated on the Series B Trust Preferred Interests for all past Distribution Periods and the then current Distribution Period have been fully paid, then the right of the Series B Holder to elect such two additional directors shall cease and, subject to the rights of such Voting Preferred Trust Interests, the terms of office of all directors elected by the Series B Holder shall forthwith terminate immediately and the number of directors constituting the whole Board of Directors automatically shall be reduced by two. To the extent the voting rights of the Series B Holders in this Trust Interest Designation and the terms of any other Trust Interests previously issued by the Company conflict, the terms of this Trust Interest Designation shall control.

(b) If a Nonpayment shall have occurred, the Secretary may, and upon the written request the Series B Holder (addressed to the Secretary at the principal office of the Company) shall, call a special meeting of the Series B Holder and holders of any Voting Preferred Trust Interests for the election of the two directors to be elected by them. The directors elected at any such special meeting shall hold office until the next annual meeting or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. The Board of Directors shall, in its sole discretion, determine a date for a special meeting applying procedures consistent with the LLC Agreement in connection with the expiration of the term of the two directors elected pursuant to this Section 8. The Series B Holder and holders of the Voting Preferred Trust Interests, voting together as a class, may remove any director elected by the Series B Holder and holders of the Voting Preferred Trust Interests pursuant to this Section 8. If any vacancy shall occur among the directors elected by the Series B Holder and holders of the Voting Preferred Trust Interests, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the Series B Holder and holders of the Voting Preferred Trust Interests or the successor of such remaining director, to serve until the next special meeting (convened as set forth in the immediately preceding sentence) held in place thereof if such office shall not have previously terminated as above provided. Except to the extent expressly provided otherwise in this Section 8, any such annual or special meeting shall be called and held applying procedures consistent with the LLC Agreement as if references to Members were references to the Series B Holder and holders of Voting Preferred Trust Interests.

(c) Notwithstanding anything to the contrary in the LLC Agreement, but subject to Section 8(d), so long as any Series B Trust Preferred Interests are Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Series B Holder and holders of any Voting Preferred Trust Interests, at the time Outstanding, voting as a single class regardless of series, given in person or by proxy, by vote at any meeting called for the purpose, shall be necessary:

(i) to amend, alter or repeal any of the provisions of the LLC Agreement relating to the Series B Trust Preferred Interests or any series of Voting Preferred Trust Interests, whether by merger, consolidation or otherwise, which affect materially and adversely the rights, powers and preferences of the Series B Holder or holders of the Voting Preferred Trust Interests; and

(ii) to authorize, create or increase the authorized amount of, any class or series of Trust Preferred Interests having rights senior to the Series B Trust Preferred Interests with respect to the payment of distributions;

provided, however, that,

(x) in the case of subparagraph (i) above, no such vote of the Series B Trust Preferred Interests or the Voting Preferred Trust Interests, as the case may be, shall be required if in connection with any such amendment, alteration or repeal, by merger, consolidation or otherwise, each Series B Trust Preferred Interest and Voting Preferred Trust Interest remains Outstanding without the terms thereof being materially and adversely changed in any respect to the holders thereof or is converted into or exchanged for preferred equity securities of the surviving entity having the rights, powers and preferences thereof substantially similar to those of such Series B Trust Preferred Interests or the Voting Preferred Trust Interests, as the case may be;

(y) in the case of subparagraph (i) above, if such amendment materially and adversely affects the rights, powers and preferences of one or more but not all of the classes or series of Voting Preferred Trust Interests and the Series B Trust Preferred Interests at the time Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all such classes or series of Voting Preferred Trust Interests and the Series B Trust Preferred Interests so affected, voting as a single class regardless of class or series, given in person or by proxy, by vote at any meeting called for the purpose, shall be required in lieu of (or, if such consent is required by law, in addition to) the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the

Voting Preferred Trust Interests and the Series B Trust Preferred Interests otherwise entitled to vote as a single class in accordance herewith; and

(z) in the case of subparagraph (i) or (ii) above, no such vote of the Series B Holder or holders of the Voting Preferred Trust Interests, as the case may be, shall be required if, at or prior to the time when such action is to take effect, provision is made for the redemption of all Series B Trust Preferred Interests or Voting Preferred Trust Interests, as the case may be, at the time Outstanding.

(d) For the purposes of this Section 8, neither:

(i) the amendment of provisions of the LLC Agreement so as to authorize or create or issue, or to increase the authorized amount of, any Junior Trust Interests or any Parity Trust Interests; nor

(ii) any merger, consolidation or otherwise, in which (1) the Company is the surviving entity and the Series B Trust Preferred Interests remain Outstanding with the terms thereof materially unchanged in any respect adverse to the holder thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series B Trust Preferred Interests for other preferred equity securities having rights, powers and preferences (including with respect to redemption thereof) substantially similar to that of the Series B Trust Preferred Interests under the LLC Agreement (except for changes that do not materially and adversely affect the Series B Trust Preferred Interests considered as a whole), shall be deemed to materially and adversely affect the rights, powers and preferences of the Series B Trust Preferred Interests or holders of Voting Preferred Trust Interests.

(e) For purposes of the foregoing provisions of this Section 8, the Series B Holder shall have one vote per Series B Trust Preferred Interest, except that when any other series of Trust Preferred Interests shall have the right to vote with the Series B Trust Preferred Interests as a single class on any matter, then the Series B Holder and the holders of such other series of Trust Preferred Interests shall have with respect to such matters one vote per \$25.00 of stated liquidation preference of the Trust Preferred Interests owned by them.

(f) The Board of Directors may cause the Company to, from time to time, without notice to or consent of the Series B Holder or holders of other Parity Trust Interests, issue additional Series B Trust Preferred Interests.

(g) The foregoing provisions of this Section 8 will not apply if, at or prior to the time when the act with respect to which a vote pursuant to this Section 8 would otherwise be required shall be effected, the Series B Trust Preferred Interests shall have been redeemed.

Section 9. Liquidation Rights.

(a) Upon any Dissolution Event, after payment or provision for the liabilities of the Company (including the expenses of such Dissolution Event) and the satisfaction of all claims ranking senior to the Series B Trust Preferred Interests (including, without limitation, rights of Members and former Members to distributions under Section 14.2(b) of the LLC Agreement), a Series B Holder shall be entitled to receive out of the assets of the Company or proceeds thereof available for distribution to Members the positive balance in its Capital Account (to the extent such positive balance is attributable to ownership of the Series B Trust Preferred Interests) after taking into account the following special allocations: (i) allocations of gross income (excluding capital gain) to the Series B Holder pursuant to Section 7 for the taxable year in which the liquidation, dissolution or winding up of the Company occurs, and (ii) to the extent that the balance in the Series B Holder's Capital Account (to the extent such positive balance is attributable to ownership of the Series B Trust Preferred Interests) is less than the Series B Liquidation Value, allocations of gross income (from any source) in an amount required so that the positive balance in its Capital Account (to the extent such positive balance is attributable to ownership of the Series B Trust Preferred Interests) equals the Series B Liquidation Value.

(b) Upon the occurrence of a Dissolution Event, after the Series B Holder receives a payment equal to the positive balance in its Capital Account (to the extent such positive balance is attributable to ownership of the Series B Trust Preferred Interests) pursuant to Section 9(a), the Series B Holder shall not be entitled to any further participation in any distribution of assets by the Company.

(c) Nothing in this Section 9 is intended to entitle the Series B Holder to specially allocated income

pursuant to Section 9(a)(ii) until any similar allocations are made to holders of any classes or series of Trust Interests ranking senior to the Series B Trust Preferred Interests have been made.

Section 10. Governing Law. This Trust Interest Designation shall be governed by and interpreted in accordance with the laws of the State of Delaware (without regard to conflicts of laws principles), all rights and remedies being governed by such laws.

Section 11. Severability. Each provision of this Trust Interest Designation shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Trust Interest Designation which are valid, enforceable and legal.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO COMPASS DIVERSIFIED HOLDINGS OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE SECOND AMENDED AND RESTATED TRUST AGREEMENT OF COMPASS DIVERSIFIED HOLDINGS, DATED AS OF DECEMBER 6, 2016, AS AMENDED FROM TIME TO TIME, AND THE SHARE DESIGNATION WITH RESPECT TO THE SHARES REPRESENTED BY THIS GLOBAL SECURITY. IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

COMPASS DIVERSIFIED HOLDINGS

7.875% Series B Preferred Shares
(Liquidation Preference as specified below)

COMPASS DIVERSIFIED HOLDINGS, a Delaware statutory trust (the “**Trust**”), hereby certifies that CEDE & CO. (the “**Holder**”), is the registered owner of the number shown on Schedule I hereto of the Trust’s designated 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares, with a Series B Liquidation Preference of \$25.00 per share (the “**Series B Preferred Shares**”). The Series B Preferred Shares are fully paid and the Holder of such Series B Preferred Shares will have no obligation to make payments or contributions to the Trust solely by reason of its ownership of such Series B Preferred Shares. The Series B Preferred Shares are transferable on the books and records of the Transfer Agent, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The rights, privileges, restrictions, preferences and other terms and provisions of the Series B Preferred Shares represented hereby are and shall in all respects be subject to the provisions of the Share Designation of the Trust with respect to the Series B Preferred Shares, as the same may be further amended from time to time (the “**Share Designation**”). Capitalized terms used herein but not defined shall have the meaning given them in the Second Amended and Restated Trust Agreement of the Trust (the “**Trust Agreement**”), as amended by the Share Designation. The Trust will provide a copy of the Share Designation to a Series B Holder without charge upon written request to the Trust at its principal place of business. In the case of any conflict between this certificate and the Share Designation, the provisions of the Share Designation shall control and govern.

Reference is hereby made to the provisions of the Series B Preferred Shares set forth on the reverse hereof and in the Share Designation and the Trust Agreement, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate or a beneficial interest therein, the Series B Holder or any holder of a beneficial interest therein is bound by the Share Designation and the Trust Agreement and is entitled to the benefits thereunder.

Unless the Transfer Agent has properly countersigned this certificate, the Holder of this certificate and the Series B Preferred Shares represented hereby shall not be entitled to any benefits under the Share Designation or the Trust Agreement, and this certificate shall not be valid or obligatory for any purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Trust by a Regular Trustee of the Trust this 13th day of March, 2018.

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Ryan J. Faulkingham

Name: Ryan J. Faulkingham

Title: Regular Trustee

[Signature Page to 7.875% Series B Preferred Share Certificate]

COUNTERSIGNATURE

These are Series B Preferred Shares referred to in the within-mentioned Share Designation.

Dated: March 13, 2018

Broadridge Corporate Issuer Solutions, Inc., as Transfer Agent

By: /s/ Michael Golightly

Name: Michael Golightly

Title: Operations Supervisor

[Signature Page to 7.875% Series B Preferred Share Certificate]

REVERSE OF CERTIFICATE FOR SERIES B PREFERRED SHARES

Cumulative distributions on each Series B Preferred Share shall be payable at the applicable rate provided in the Share Designation.

The Trust shall furnish without charge to each Series B Holder who so requests a summary of the authority of the Sponsor to determine variations for future series within a class of Shares and the Share Designations, limitations, preferences and relative, participating, optional or other special rights of each class or series of capital issued by the Trust and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the Series B Preferred Shares evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

And irrevocably appoints:

as agent to transfer the Series B Preferred Shares evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee:

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

COMPASS DIVERSIFIED HOLDINGS

Global Series B Preferred Share
7.875% Series B Preferred Share

Certificate Number:

The number of Series B Preferred Shares initially represented by this global Series B Preferred Share Certificate shall be 4,000,000. Thereafter the Transfer Agent shall note changes in the number of Series B Preferred Shares evidenced by this global Series B Preferred Share Certificate in the table set forth below:

<u>Date of Exchange</u>	Amount of Decrease in Number of Shares Represented by this Global Series B Preferred Share Certificate	Amount of Increase in Number of Shares Represented by this Global Series B Preferred Share Certificate	Number of Shares Represented by this Global Series B Preferred Share Certificate following Decrease or Increase	Signature of Authorized Officer of Transfer Agent
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March 13, 2018

Compass Diversified Holdings
301 Riverside Avenue
Second Floor
Westport, CT 06880

Re: Compass Diversified Holdings

Ladies and Gentlemen:

We have acted as special Delaware counsel for Compass Diversified Holdings, a Delaware statutory trust (the "Trust"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

- (a) The Certificate of Trust of the Trust as filed with the office of the Secretary of State of the State of Delaware (the "Secretary of State") on November 18, 2005, as amended by the Certificate of Amendment to Certificate of Trust as filed with the Secretary of State on September 13, 2007 with an effective date of September 14, 2007 (collectively, the "Certificate of Trust");
- (b) The Trust Agreement, dated as of November 18, 2005 among Compass Diversified Holdings LLC (the "Company") and the trustees named therein, as amended and restated by the Amended and Restated Trust Agreement for the Trust, dated as of April 25, 2006, as amended by the First Amendment, dated as of May 25, 2007, as further amended by the Second Amendment, dated as of September 14, 2007 as further amended by the Third Amendment, dated as of December 21, 2007 and effective as of January 1, 2007, as further amended by the Fourth Amendment, dated as of November 1, 2010 and as amended and restated by the Second Amended and Restated Trust Agreement, dated as of December 6, 2016 (as amended and restated, the "Trust Agreement") (including the form of Share certificate attached thereto as Exhibit A);
- (c) The Registration Statement on Form S-3, filed with the Securities and Exchange Commission (the "SEC") on December 7, 2016 (the



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“Registration Statement”), including a related prospectus, as supplemented by the prospectus supplement filed with the SEC on March 7, 2018 (jointly, the “Prospectus”) relating to 4,000,000 preferred shares of the Trust representing beneficial interests in the assets of the Trust (each, a “Share” and collectively, the “Shares”);

- (d) A certificate of an officer of the Company in its capacity as Sponsor, including certain resolutions attached thereto, authorizing the issuance of the Shares by the Trust;
- (e) The Share Designation (Series B Preferred Shares), executed by the Trust (the “Share Designation”); and
- (f) A Certificate of Good Standing for the Trust, dated March 12, 2018, obtained from the Secretary of State.

For purposes of this opinion, we have not reviewed any documents other than the documents listed in paragraphs (a) through (f) above. We have conducted no independent factual investigation of our own, but rather have relied solely upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

Capitalized terms used herein and not otherwise defined are used as defined in the Trust Agreement.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the Trust Agreement, the Share Designation and the Certificate of Trust will be in full force and effect and will not be amended as of the date the Shares are issued, (ii) the due organization or due formation, as the case may be, and valid existence in good standing of each party to the documents (other than the Trust or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Company) examined by us under the laws of the jurisdiction governing its organization or formation, (iii) the legal capacity of natural persons who are signatories to the documents examined by us, (iv) that each of the parties to the documents (other than the Trust or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Company) examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (v) the due authorization, execution and delivery by all parties thereto of all documents (other than the Trust or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Company) examined by us, (vi) the receipt by each Person to whom a Share is to be issued by the Trust (collectively, the “Shareholders”) of either (A) a Share Certificate for such Share or (B) confirmation of the Trust’s registration in the Share Register of such Person as the registered owner of such Share,

and the payment for such Share, in accordance with the Trust Agreement and the Registration Statement as of the date the Shares are issued, (vii) that the Shares will be issued and sold to the Shareholders in accordance with the Trust Agreement, the Share Designation, the Underwriting Agreement and the Registration Statement, (viii) that after the issuance and sale of the Shares under the Registration Statement, the Underwriting Agreement, the Share Designation and the Trust Agreement, the aggregate number of the Shares issued by the Trust will not exceed 50,000,000 Shares, and (ix) that any amendment or restatement of any document reviewed by us has been accomplished in accordance with, and was permitted by, the relevant provisions of any such document prior to such amendment or restatement. We have not participated in the preparation of the Registration Statement, except for this opinion, or the Prospectus and assume no responsibility for their contents, other than this opinion.

This opinion is limited to the laws of the State of Delaware (excluding the blue sky laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto. Our opinions are rendered only with respect to Delaware laws and rules, regulations and orders thereunder which are currently in effect.

Based upon the foregoing, and upon our examination of such questions of law and statutes of the State of Delaware as we have considered necessary or appropriate, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del.C. § 3801, et seq.

2. The Shares of the Trust will be validly issued, fully paid and nonassessable beneficial interests in the assets of the Trust.

3. The Shareholders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. We hereby consent to the use of our name under the headings "Legal Matters" and "Validity of Securities" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Richards, Layton & Finger, P.A.

EAM/KNR



March 13, 2018

Compass Group Diversified Holdings LLC
301 Riverside Avenue
Second Floor
Westport, CT 06880

Re: Compass Group Diversified Holdings LLC

Ladies and Gentlemen:

We have acted as special Delaware counsel for Compass Group Diversified Holdings LLC, a Delaware limited liability company (the "LLC"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

- (a) The Certificate of Formation of the LLC, dated November 18, 2005, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on November 18, 2005, as amended by the Certificate of Amendment thereto, dated April 27, 2006, as filed in the office of the Secretary of State on May 2, 2006 (as so amended, the "LLC Certificate");
- (b) The Operating Agreement of the LLC, dated as of November 18, 2005, entered into by Compass Group Management LLC, as the sole member of the LLC (the "Initial Member");
- (c) The Amended and Restated Operating Agreement of the LLC, dated as of April 25, 2006, entered into between Compass Diversified Holdings (formerly known as Compass Diversified Trust), a Delaware statutory trust (the "Trust"), and the Initial Member, as the members of the LLC;

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One Rodney Square ■ 920 North King Street ■ Wilmington, DE 19801 ■ Phone: 302-651-7700 ■ Fax: 302-651-7701

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(d) The Second Amended and Restated Operating Agreement of the LLC, effective as of January 4, 2007, entered into between the Trust and the Initial Member, as the members of the LLC (jointly, the “Original Members”);

(e) The Third Amended and Restated Operating Agreement of the LLC, dated as of November 1, 2010, entered into between the Original Members, as amended by the Amendment thereto, dated as of January 1, 2012;

(f) The Fourth Amended and Restated Operating Agreement of the LLC, dated as of January 1, 2012, entered into between the Original Members;

(g) The Fifth Amended and Restated Operating Agreement of the LLC, dated as of December 6, 2016 (“LLC Agreement”), entered into between the Trust and Sostratus LLC, as the members of the LLC;

(h) The Registration Statement on Form S-3, filed with the Securities and Exchange Commission (the “SEC”) on December 7, 2016 (the “Registration Statement”), including a related prospectus, as supplemented by the prospectus supplement filed with the SEC on March 7, 2018 (jointly, the “Prospectus”), relating to 4,000,000 preferred shares representing beneficial interests of the Trust (“Trust Shares”) to be issued pursuant thereto and the Underwriting Agreement (as defined below), and the preferred limited liability company interests in the LLC to be issued to the Trust (the “Trust Interests”);

(i) The Underwriting Agreement, dated March 6, 2018 (the “Underwriting Agreement”), executed by the LLC, the Trust and Compass Group Management LLC, and accepted by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC, acting severally on behalf of themselves and the several underwriters named in Schedule II thereto;

(j) The Trust Interest Designation (Series B Trust Preferred Interests), executed by the LLC (the “Trust Interest Designation”); and

(k) A certificate of an officer of the LLC, dated as of March 13, 2018, as to certain matters; and

(l) A Certificate of Good Standing for the LLC, dated March 12, 2018, obtained from the Secretary of State.

Capitalized terms used herein and not otherwise defined are used as defined in the LLC Agreement.

For purposes of this opinion, we have not reviewed any documents other than the documents listed in paragraphs (a) through (l) above. We have conducted no independent factual investigation of our own, but rather have relied solely upon the foregoing documents, the

statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the LLC Agreement, the Trust Interest Designation and the LLC Certificate (A) are in full force and effect on the date hereof and have not been amended, and (B) will be in full force and effect and will not have been amended as of the date on which the Trust Interests are issued, (ii) that each of the parties (other than the LLC or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Trust) to the documents examined by us has been duly created, organized or formed, as the case may be, and is validly existing in good standing under the laws of the jurisdiction governing its creation, organization or formation, (iii) the legal capacity of natural persons who are signatories to the documents examined by us, (iv) that each of the parties (other than the LLC or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Trust) to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (v) the due authorization, execution and delivery by the parties thereto of the documents examined by us as of the date hereof and as of the date on which the Trust Interests are issued by the LLC, (vi) that each Person to whom a Trust Interest is to be issued by the LLC (each, a "Trust Interest Holder" and collectively, the "Trust Interest Holders") will pay for the Trust Interest acquired by it, in accordance with the LLC Agreement and the Registration Statement, (vii) that the books and records of the LLC set forth or will set forth the name, address, dollar value of contributions to the LLC and number of Trust Interests owned by, each Trust Interest Holder, and (viii) that the Trust Interests will be issued and sold to the Trust Interest Holders in accordance with the Registration Statement, the Underwriting Agreement, the Trust Interest Designation and the LLC Agreement. We have not participated in the preparation of the Registration Statement or the Prospectus and assume no responsibility for their contents, other than this opinion.

This opinion is limited to the laws of the State of Delaware (excluding the blue sky laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto. Our opinions are rendered only with respect to Delaware laws and rules, regulations and orders thereunder which are currently in effect.

Based upon the foregoing, and upon our examination of such questions of law and statutes of the State of Delaware as we have considered necessary or appropriate, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The LLC has been duly formed and is validly existing in good standing as

a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) (the “LLC Act”).

2. The Trust Interests will be validly issued and, subject to the qualifications set forth in paragraph 3 below, fully paid and nonassessable limited liability company interests in the LLC.

3. A Trust Interest Holder shall not be obligated personally for any of the debts, obligations or liabilities of the LLC, whether arising in contract, tort or otherwise, solely by reason of being a member of the LLC, except as a Trust Interest Holder may be obligated to repay any funds wrongfully distributed to it.

We consent to the filing of this opinion with the SEC as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the headings “Legal Matters” and “Validity of Securities” in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons or entities whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Richards, Layton & Finger, P.A.

MVP/KNM

[Squire Patton Boggs (US) LLP Letterhead]

March 13, 2018

Compass Diversified Holdings
301 Riverside Avenue
Second Floor
Westport, Connecticut 06880

Compass Group Diversified Holdings LLC
301 Riverside Avenue
Second Floor
Westport, Connecticut 06880

Re: Preferred Offering of Compass Diversified Holdings

Ladies and Gentlemen:

We have acted as counsel to Compass Diversified Holdings (the “Trust”) and Compass Group Diversified Holdings LLC (the “Company”) in connection with the preparation of a prospectus supplement (the “Prospectus Supplement”) that relates to a Registration Statement that was filed by the Trust and the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), on Form S-3 which became effective upon filing on December 7, 2016 (the “Registration Statement”). The Prospectus Supplement and Registration Statement relate to the offering of 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares representing beneficial interests in the Trust (the “Shares”). Each Share of the Trust corresponds to one 7.875% Series B Fixed-to-Floating Rate Cumulative Trust Preferred Interest (referred to as a “Series B Trust Preferred Interest” in the Prospectus Supplement) of the Company held by the Trust.

In preparing this opinion, we have examined and relied on such documents as we have deemed appropriate, including, the Prospectus Supplement and the Registration Statement and the originals or copies, certified or otherwise identified to our satisfaction, of corporate records of the Trust and the Company and such other instruments, certificates and other documents of public officials and such other persons, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinion expressed below.

We have reviewed the statements set forth under the captions “Material U.S. Federal Income Tax Considerations” and “Supplemental Material U.S. Federal Income Tax Considerations” in the Registration Statement and Prospectus Supplement, respectively, and hereby advise you that, to the extent such statements constitute statements of law or indicate the statements are legal conclusions drawn by us from an application of the law to the present facts, such statements represent the opinion of Squire Patton Boggs (US) LLP as to the United States federal income tax matters as of the date hereof.

We express no opinions other than those expressed herein and identified in the Prospectus Supplement or the Registration Statement. We hereby consent to the use of this letter as an exhibit to the Prospectus Supplement and the Registration Statement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations promulgated thereunder.

Respectfully Submitted,

/s/ Squire Patton Boggs (US) LLP