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

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**FORM S-3  
REGISTRATION STATEMENT**  
*UNDER*  
**THE SECURITIES ACT OF 1933**

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**COMPASS DIVERSIFIED HOLDINGS**  
(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**57-6218917**  
(I.R.S. Employer  
Identification Number)

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**COMPASS GROUP DIVERSIFIED  
HOLDINGS LLC**  
(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-3812051**  
(I.R.S. Employer  
Identification Number)

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**301 Riverside Avenue  
Second Floor  
Westport, CT 06880  
(203) 221-1703**  
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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**Elias J. Sabo  
Chief Executive Officer  
Compass Group Diversified Holdings LLC  
301 Riverside Avenue, Second Floor  
Westport, CT 06880  
(203) 221-1703**  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies to:*

**Stephen C. Mahon  
Evan A. Toebbe  
Squire Patton Boggs (US) LLP  
201 E. Fourth Street, Suite 1900  
Cincinnati, Ohio 45202  
(513) 361-1200**

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**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 7(a)(2)(B) of Securities Act.

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**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Security Being Registered	Amount Being Registered (1)	Proposed Maximum Offering Price Per Unit (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (6)
<b>Primary Offering:</b>				
Common shares representing beneficial interests in Compass Diversified Holdings (2)	(3)(4)			
Trust common interests of Compass Group Diversified Holdings LLC				(5)
Preferred shares representing beneficial interests in Compass Diversified Holdings	(3)(4)			
Trust preferred interests of Compass Group Diversified Holdings LLC				(5)
<b>Primary Offering Total</b>				
<b>Secondary Offering:</b>				
Common shares representing beneficial interests in Compass Diversified Holdings	(3)(4)			
Trust common interests of Compass Group Diversified Holdings LLC				(5)
Preferred shares representing beneficial interests in Compass Diversified Holdings	(3)(4)			
Trust preferred interests of Compass Group Diversified Holdings LLC				(5)
<b>Secondary Offering Total</b>				
<b>Total</b>				

- (1) Not specified as to each class of securities to be registered pursuant to General Instruction I.I.E of Form S-3. An indeterminate aggregate initial offering price or number of the securities of each identified class is being registered as may from time to time be offered and sold at indeterminate prices by the registrant and/or selling securityholders.
- (2) In accordance with Rule 415(a)(6) under the Securities Act of 1933, as amended, or the Securities Act, the securities registered pursuant to this registration statement include \$178,694,000 of unsold common shares for primary offering (the “Unsold Securities”) previously registered on the registration statement on Form S-3 (No. 333-200776), filed with the Securities and Exchange Commission (the “SEC”) on December 5, 2014 (the “2014 Registration Statement”), subsequently carried forward pursuant to the registration statement on Form S-3 (No. 333-214949), filed with the SEC on December 7, 2016 (the “2016 Registration Statement”), and subsequently further carried forward pursuant to the registration statement on Form S-3 (No. 333-234665), filed with the SEC on November 13, 2019 (the “2019 Registration Statement”), pursuant to Rule 415(a)(6). In connection with the registration of the Unsold Securities, a registration fee of \$20,764.24 was paid, which registration fee will continue to be applied to the Unsold Securities included in this registration statement. Pursuant to Rule 415(a)(6), the offering of the Unsold Securities registered under or carried forward pursuant to the 2019 Registration Statement will be deemed terminated as of the date of effectiveness of this registration statement. In reliance on and in accordance with Rules 456(b) and 457(r) under the Securities Act, except with respect to the Unsold Securities, the registration fee for which is being carried forward, the registrant is deferring payment of all of the registration fee.
- (3) Each common share or preferred share representing one beneficial interest in Compass Diversified Holdings corresponds to one underlying trust common interest or trust preferred interest of Compass Group Diversified Holdings LLC, as applicable. If the trust is dissolved, each common share or preferred share representing a beneficial interest in Compass Diversified Holdings will be exchanged for a trust common interest or trust preferred interest of Compass Group Diversified Holdings LLC, as applicable.
- (4) Pursuant to Rule 416 under the Securities Act, the common shares and preferred shares being registered hereunder include such indeterminate number of common shares and preferred shares, respectively, as may be issuable as a result of stock splits, stock dividends or similar transactions.
- (5) Pursuant to Rule 457(i) under the Securities Act, no registration fee is payable with respect to the trust common interests or trust preferred interests of Compass Group Diversified Holdings LLC because no additional consideration will be received by Compass Diversified Holdings upon exchange of the common shares or preferred shares representing beneficial interests in Compass Diversified Holdings.
- (6) In accordance with Rules 456(b) and 457(r) under the Securities Act, except with respect to the Primary Unsold Common Shares, the registrant is deferring payment of the entire registration fee and will pay the registration fee subsequently in advance or on a pay-as-you-go basis.



**COMMON SHARES**

**PREFERRED SHARES**

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**Each Common Share or Preferred Share Represents One  
Corresponding Beneficial Interest in Compass Diversified Holdings**

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We and any selling securityholders may offer and sell, from time to time:

- common shares of the trust, which we refer to as the common shares, each representing one undivided beneficial interest in the trust property and corresponding to one underlying trust common interest in Compass Group Diversified Holdings LLC; and
- preferred shares of the trust, which we refer to as the preferred shares, each representing one undivided beneficial interest in the trust property and corresponding to one underlying trust preferred interest in Compass Group Diversified Holdings LLC.

The “selling securityholders” as used herein refers to the selling securityholders identified in this prospectus and such additional selling securityholders as may be named in one or more prospectus supplements. The purpose of Compass Diversified Holdings, which we refer to as the trust, is to hold 100% of the trust interests of Compass Group Diversified Holdings LLC, which we refer to as the company. Each beneficial interest in the trust corresponds to one trust interest of the company in the form of either a trust common interest or trust preferred interest. We and/or any selling securityholders may offer for sale the securities covered by this prospectus directly to purchasers or through underwriters, broker-dealers or agents, in public or private transactions, at prevailing market prices or at privately negotiated prices. For additional information on the methods of sale, you should refer to the section of this prospectus entitled “Plan of Distribution.” We will not receive any of the proceeds from the sale of securities by any selling securityholders.

Our common shares are listed on the New York Stock Exchange under the symbol “CODI.” Our 7.250% Series A Preferred Shares, 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares and 7.875% Series C Cumulative Preferred Shares are listed on the New York Stock Exchange under the symbols “CODI PR A,” “CODI PR B” and “CODI PR C,” respectively. On September 3, 2021, the closing price of the common shares on the New York Stock Exchange was \$31.44 per share.

We will provide more specific information about the terms of an offering of these securities in supplements or term sheets to this prospectus. This prospectus may not be used to offer or sell securities unless accompanied by a prospectus supplement or term sheet. You should read this prospectus, the prospectus supplements and term sheets carefully before you invest. If any underwriters, broker-dealers or agents are involved in any offering, the names of such underwriters, broker-dealers or agents and any applicable commissions or discounts will be described in the applicable prospectus supplement or term sheet relating to the offering.

The selling securityholders identified in this prospectus acquired the common shares covered by this prospectus in conjunction with the closing of our initial public offering, which we refer to as the IPO, upon the closing of our acquisition of a controlling interest in Anodyne Medical Device, Inc., in conjunction with the closing of our follow-on offering in May 2007, and upon the closing of our acquisition of CamelBak Products, LLC on August 25, 2011, all as further described below under “Selling Securityholders.”

**Investing in our shares involves risks. See the description of “Risk Factors” which begins on page 3.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

**The date of this prospectus is September 7, 2021**

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**You should rely only on the information contained or incorporated by reference in this prospectus, any applicable prospectus supplement and free writing prospectus prepared by us. We have not authorized anyone to provide you with different or additional information. This prospectus may be used only for the purpose for which it has been published, and no person has been authorized to give any information not contained in this prospectus. If you receive any other information, you should not rely on it. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.**

## NOTE TO READER

In reading this registration statement, references to:

- the “trust” refer to Compass Diversified Holdings;
- the “company” refer to Compass Group Diversified Holdings LLC;
- the “manager” or CGM refer to Compass Group Management LLC;
- the “businesses” refer to, collectively, the businesses controlled by the company;
- the “trust agreement” refer to the Third Amended and Restated Trust Agreement of the trust dated as of August 3, 2021, as amended;
- the “LLC agreement” refer to the Sixth Amended and Restated Operating Agreement of the company dated as of August 3, 2021, as amended;
- the “common shares” refer to the common shares of the trust, each representing one undivided beneficial interest in the trust property and corresponding to one underlying trust common interest in the company;
- the “preferred shares” refer to the preferred shares of the trust, each representing one undivided beneficial interest in the trust property and corresponding to one underlying trust preferred interest in the company;
- the “shares” refer to the common shares and preferred shares, collectively;
- the “trust common interests” refer to the trust common interests in the company;
- the “trust preferred interests” refer to the trust preferred interests in the company;
- the “trust interests” refer to the trust common interests and trust preferred interests, collectively; and
- “we,” “us” and “our” refer to the trust, the company and our businesses together.

## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, which we refer to as the SEC, using a “shelf” registration process. Under this shelf process, we and/or the selling securityholders may sell the shares covered by this prospectus in one or more offerings as described under “Plan of Distribution” in this prospectus.

## PROSPECTUS SUPPLEMENT OR TERM SHEET

This prospectus provides you with a general description of the securities that we and/or any selling securityholders may offer. Each time that we and/or the selling securityholders offer securities, we will provide a prospectus supplement or term sheet that will contain specific information about the terms of that offering. The prospectus supplement or term sheet to be attached to the front of this prospectus will describe: the applicable public offering price, the price paid for the securities, the net proceeds, the manner of distribution and any underwriting compensation and the other specific material terms related to the offering of securities covered by this prospectus. The prospectus supplement or term sheet may also add to, update or change information contained in this prospectus. You should read in their entirety this prospectus and any accompanying prospectus supplement or term sheet, together with the additional information described under the headings “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference.”

You should not assume that the information in this prospectus, any accompanying prospectus supplement or any term sheet is accurate as of any date other than the date on the front of each document, regardless of the time

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of delivery of this prospectus, any accompanying prospectus supplement, term sheet or any sale of securities. Our business, financial condition, results of operations and prospectus may have changed since then. Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a prospectus supplement or term sheet.

For more detail on the terms of the securities, see “Description of Securities” herein.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains or incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and the Private Securities Litigation Reform Act of 1995. These forward looking statements are based on our current expectations, estimates and projections. We may, in some cases, use words such as “project,” “predict,” “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “should,” “would,” “could,” “potentially,” or “may” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements in this prospectus are subject to a number of risks and uncertainties, some of which are beyond our control, including among other things:

- the adverse impact on the U.S. and global economy, including the markets in which we operate, of the novel coronavirus, which causes the Coronavirus disease 2019 (COVID-19) global pandemic, and the impact in the near, medium and long-term on our business, results of operations, financial position, liquidity or cash flows;
- difficulties and delays in integrating, or business disruptions following, acquisitions or an inability to fully realize cost savings and other benefit related thereto;
- our ability to successfully operate our businesses on a combined basis, and to effectively integrate and improve future acquisitions;
- our ability to remove our manager and our manager’s right to resign;
- our organizational structure, which may limit our ability to meet dividend and our distribution policy;
- our ability to service and comply with the terms of our indebtedness;
- our cash flow available for distribution and reinvestment and our ability to make distributions in the future to our shareholders;
- our ability to pay the management fee and profit allocation if and when due;
- our ability to make and finance future acquisitions;
- our ability to implement our acquisition and management strategies;
- the legal and regulatory environment in which our businesses operate;
- trends in the industries in which our businesses operate;
- changes in general economic, political or business conditions or economic, political or demographic trends in the United States and other countries in which we have a presence, including changes in interest rates and inflation;
- risks associated with possible disruption in operations or the economy generally due to terrorism or natural disaster or social, civil or political unrest;
- environmental risks affecting the business or operations of our businesses;
- our and our manager’s ability to retain or replace qualified employees of our businesses and our manager;
- the impact of the tax reclassifications of the trust;

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- costs and effects of legal and administrative proceedings, settlements, investigations and claims; and
- extraordinary or force majeure events affecting the business or operations of our businesses.

Our actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. A description of some of the risks that could cause our actual results to differ appears under the section “Risk Factors” and elsewhere in this prospectus or incorporated herein by reference. Additional risks of which we are not currently aware or which we currently deem immaterial could also cause our actual results to differ.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this prospectus may not occur. These forward-looking statements are made as of the date of this prospectus or, for information incorporated by reference, as of the dates of that information. We undertake no obligation to publicly update or revise any forward-looking statements after the completion of any offering hereunder, whether as a result of new information, future events or otherwise, except as required by law.

### **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file electronically with the SEC at <http://www.sec.gov>. We maintain an Internet website at <http://www.compassdiversifiedholdings.com>. The information on our website is not a part of this prospectus (or any document incorporated by reference herein or therein).

We have filed a registration statement on Form S-3 to register with the SEC the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement or our other SEC filings for a copy of the contract or other document.

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We “incorporate by reference” into this prospectus some of the information we file with the SEC. This permits us to disclose important information to you by referring you to those filings. The information incorporated by reference is considered to be a part of this prospectus. Any information contained in future SEC filings will automatically update and supersede the information contained in this prospectus. We incorporate by reference the documents listed below that have been filed with the SEC (other than current reports or portions thereof on Form 8-K that are furnished rather than filed):

- our Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2020, filed with the SEC on [February 24, 2021](#);
- the portions of our [Definitive Proxy Statement](#) on Schedule 14A, in connection with our 2021 Annual Meeting of Shareholders, filed with the SEC on [April 13, 2021](#), that are incorporated by reference in our Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2020;
- the section entitled “Share Ownership of Directors, Executive Officers and Principal Shareholders” of our [Definitive Proxy Statement](#) on Schedule 14A, in connection with our 2021 Special Meeting of Shareholders, filed with the SEC on [June 23, 2021](#);
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021, filed with the SEC on [April 29, 2021](#) and [July 29, 2021](#), respectively;



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- our Current Reports on Form 8-K filed with the SEC on [January 4, 2021](#), [March 1, 2021](#), [March 2, 2021](#), [March 4, 2021](#), [March 23, 2021](#), [April 1, 2021](#), [May 27, 2021](#), [July 2, 2021](#), [July 19, 2021](#), [August 3, 2021 \(two reports\)](#), [August 4, 2021](#), [September 1, 2021](#), [September 7, 2021](#) (accession number 0001345126-21-000039) and [September 7, 2021](#) (accession number 0001345126-21-000041);
- Audited consolidated financial statements of Boa Technology Inc. as of and for the year ended December 31, 2019, included in [Exhibit 99.1](#) of our Current Report on Form 8-K/A filed with the SEC on [December 28, 2020](#);
- Unaudited interim condensed consolidated financial statements of Boa Technology Inc. as of and for the nine months ended September 30, 2020 and 2019, included in [Exhibit 99.2](#) of our Current Report on Form 8-K/A filed with the SEC on [December 28, 2020](#);
- the description of the common shares representing undivided beneficial interests in the trust and the trust common interests of the company included in our Registration Statement on [Form 8-A](#) filed on [October 25, 2010](#), as amended by our Current Reports on Form 8-K filed with the SEC on [December 7, 2016](#) and [August 4, 2021](#) and any other amendment or report filed for the purpose of updating such description;
- the description of the 7.250% Series A Preferred Shares representing undivided beneficial interests in the trust and the 7.250% Series A Trust Preferred Interests of the company included in our Registration Statement on [Form 8-A](#) filed on [June 28, 2017](#), as amended by our Current Report on Form 8-K filed with the SEC on [August 4, 2021](#) and any other amendment or report filed for the purpose of updating such description;
- the description of the 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares representing undivided beneficial interests in the trust and the 7.875% Series B Fixed-to-Floating Rate Cumulative Trust Preferred Interests of the company included in our Registration Statement on [Form 8-A](#) filed on [March 13, 2018](#), as amended by our Current Report on Form 8-K filed with the SEC on [August 4, 2021](#) and any other amendment or report filed for the purpose of updating such description; and
- the description of the 7.875 % Series C Cumulative Preferred Shares representing undivided beneficial interests in the trust and the 7.875% Series C Cumulative Trust Preferred Interests of the company included in our Registration Statement on [Form 8-A](#) filed on [November 20, 2019](#), as amended by our Current Report on Form 8-K filed with the SEC on [August 4, 2021](#) and any other amendment or report filed for the purpose of updating such description.

We also incorporate by reference any future filings (other than current reports or portions thereof on Form 8-K that are furnished rather than filed) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until the termination of the offering of the securities made by this prospectus.

We will provide without charge upon written or oral request a copy of any or all of the documents that are incorporated by reference into this prospectus, other than exhibits unless specifically incorporated by reference into such documents. Requests should be directed to:

Compass Diversified Holdings  
301 Riverside Avenue, Second Floor  
Westport, CT 06880  
Telephone number (203) 221-1703  
Attention: Investor Relations

## SUMMARY

*This prospectus summary highlights information contained elsewhere in this prospectus and in the documents we file with the SEC that are incorporated by reference in this prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our securities. You should read the entire prospectus and the information incorporated by reference in this prospectus carefully, including “Risk Factors” set forth below and our consolidated financial statements and related notes included in our most recently filed Annual Report on Form 10-K, in each case as updated or supplemented by subsequent reports that we file with the SEC, before making an investment decision. Further, unless the context otherwise indicates, numbers in this prospectus have been rounded and are, therefore, approximate.*

### Overview

Compass Diversified Holdings, a Delaware statutory trust, which we refer to as the trust, was created in Delaware on November 18, 2005. Compass Group Diversified Holdings LLC, a Delaware limited liability company, which we refer to as the company, was also formed on November 18, 2005. The trust and the company were formed to acquire and manage a group of small and middle-market businesses headquartered in North America. The trust is the sole owner of 100% of the trust interests, as defined in our LLC Agreement, of the company, which consist of trust common interests and trust preferred interests. Pursuant to that LLC Agreement, the trust owns an identical number of trust common interests and trust preferred interests in the company as exist for the number of outstanding common shares and preferred shares of the trust, respectively. Accordingly, the holders of common shares and preferred shares of the trust are treated as beneficial owners of trust common interests and trust preferred interests, respectively, in the company. The trust has elected to be treated as a corporation for federal income tax purposes effective September 1, 2021, prior to which the trust had elected to be treated as a partnership, or pass-through entity, for federal income tax purposes since January 1, 2007.

The company is the operating entity with a board of directors whose corporate governance responsibilities are similar to that of a Delaware corporation. The company’s board of directors oversees the management of the company and our businesses and the performance of Compass Group Management LLC, which we refer to as our manager. Certain members of our manager indirectly own our allocation interests, as defined in our LLC Agreement, through their ownership of a Delaware limited liability company.

We acquire controlling interests in and actively manage businesses that we believe (i) operate in industries with long-term macro-economic growth opportunities, (ii) have positive and stable cash flows, (iii) face minimal threats of technological or competitive obsolescence and (iv) have strong management teams largely in place.

Our unique public structure provides investors of our common shares with an opportunity to participate in the ownership and growth of companies which have historically been owned by private equity firms, wealthy individuals or families. Through the acquisition of a diversified group of businesses with these characteristics, we believe we offer investors in our common shares an opportunity to diversify their own portfolio risk.

We believe our disciplined approach to our target market provides opportunities to methodically purchase attractive businesses at values that are accretive to our shareholders. For sellers of businesses, our unique financial structure allows us to acquire businesses efficiently with little or no third-party financing contingencies and, following acquisition, to provide our businesses with substantial access to growth capital.

We believe that private company operators and corporate parents looking to sell their businesses units may consider us an attractive purchaser because of our ability to:

- provide ongoing strategic and financial support for their businesses;
- maintain a long-term outlook as to the ownership of those businesses where such an outlook is required for maximization of return on investment in our common shares; and
- consummate transactions efficiently without being dependent on third-party transaction financing.

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In particular, we believe that our outlook on length of ownership may alleviate the concern that many private company operators and parent companies may have with regard to their businesses going through multiple sale processes in a short period of time. We believe this outlook reduces both the risk that businesses may be sold at unfavorable points in the overall market cycle and enhances our ability to develop a comprehensive strategy to grow the earnings and cash flows of each of our businesses, which we expect will better enable us to meet our long-term objective of increasing the value of our common shares. Finally, it has been our experience that our ability to acquire businesses without the cumbersome delays and conditions typical of third-party transactional financing is appealing to sellers of businesses who are interested in confidentiality and certainty to close.

We believe our management team's strong relationships with industry executives, accountants, attorneys, business brokers, commercial and investment bankers, and other potential sources of acquisition opportunities offer us substantial opportunities to assess small to middle market businesses available for acquisition. In addition, the flexibility, creativity, experience and expertise of our management team in structuring transactions allows us to consider non-traditional and complex transactions tailored to fit a specific acquisition target.

In terms of the businesses in which we have a controlling interest, we believe that these businesses have strong management teams, operate in strong markets with defensible market niches and maintain long standing customer relationships. The strength of our diversified business model, which includes significant industry, customer and geographic diversity, provides for generally consistent financial performance, even in the face of a more challenging economic environment.

### **Our Manager**

We have entered into a management services agreement with Compass Group Management LLC, which we refer to as our manager or CGM, pursuant to which our manager manages the day-to-day operations and affairs of the company and oversees the management and operations of our businesses.

### **Corporate Structure**

The trust is a Delaware statutory trust. Our principal executive offices are located at 301 Riverside Avenue, Second Floor, Westport, Connecticut 06880, and our telephone number is 203-221-1703. Our website is at [www.compassdiversifiedholdings.com](http://www.compassdiversifiedholdings.com). The information on our website is not incorporated by reference and is not part of this prospectus.

Each common share of the trust represents one undivided beneficial interest in the trust property and corresponds to one underlying trust common interest in the Company, and each preferred share of the trust represents one undivided beneficial interest in the trust property and corresponds to one underlying trust preferred interest in the Company. The purpose of the trust is to hold the trust interests of the company, which is one of two classes of equity interests in the company — the trust interests in the form of either trust common interests or trust preferred interests, of which 100% are held by the trust, and allocation interests, of which 100% are held by Sostratus LLC. The trust has the authority to issue common shares in one or more series and preferred shares in one or more classes or series. See the section entitled "Description of Securities" for more information about certain terms of the shares, trust interests and allocation interests.

## **RISK FACTORS**

An investment in our securities involves a high degree of risk. You should carefully read and consider all of the risks described below, together with all of the other information contained or referred to in this prospectus or in any prospectus supplement hereto, before making a decision to invest in our securities. If any of the following events occur, our financial condition, business and results of operations (including cash flows) may be materially adversely affected. In that event, the market price of our securities could decline, we may be unable to pay distributions on our securities and you could lose all or part of your investment.

See “Item IA — Risk Factors” in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q (which descriptions are incorporated by reference into this prospectus), as well as the other information contained or incorporated by reference in this prospectus or any prospectus supplement hereto before making a decision to invest in our securities. For information on incorporating our filings into this prospectus, see “Incorporation of Certain Documents by Reference” above.

## **USE OF PROCEEDS**

Unless indicated otherwise in the applicable prospectus supplement or term sheet, we expect to use the net proceeds from our sale of securities under this prospectus for general corporate purposes, including to fund new acquisitions, when and if identified. Additional information on the use of net proceeds from the sale of securities offered by us may be set forth in the prospectus supplement or term sheet relating to such offering. We will not receive any proceeds from the sale of our securities by any selling securityholders.

## **SELLING SECURITYHOLDERS**

This prospectus covers (i) 7,264,333 common shares held by CGI Magyar Holdings, LLC, which is ultimately controlled by Path Spirit Limited, (ii) 1,544,000 common shares held by Concord Equity, Inc., (iii) 64,000.08 common shares held by Alan B. Offenber, a former chief executive officer and a former director of the company and a former partner of Compass Group Management LLC, or CGM, our manager, (iv) 64,000.08 common shares held by Elias J. Sabo, the chief executive officer and a director of the company, a regular trustee of the trust and a partner of CGM, and (v) 10,666.68 common shares held by David P. Swanson, a partner of CGM. Elias J. Sabo serves as the manager of CGM. These selling securityholders acquired such common shares, directly or indirectly, in conjunction with the closing of our IPO, upon the closing of our acquisition of a controlling interest in Anodyne Medical Device, Inc., in conjunction with the closing of our follow-on offering in May 2007, and upon the closing of our acquisition of CamelBak Products, LLC on August 25, 2011.

Additional information about the above selling securityholders and additional selling securityholders, where applicable, including their respective beneficial ownership of our securities, the number of securities being offered and sold, and the number of securities beneficially owned after the applicable offering, will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Exchange Act which are incorporated by reference.

## **PLAN OF DISTRIBUTION**

We and/or any selling securityholders may sell securities in any one or more of the following ways from time to time: (i) through agents; (ii) to or through underwriters; (iii) through brokers or dealers; (iv) directly by us and/or the selling securityholders to purchasers, including through a specific bidding, auction or other process; or (v) through a combination of any of these methods of sale. The applicable prospectus supplement or term sheet will contain the terms of the transaction, name or names of any underwriters, dealers, agents and the respective amounts of securities underwritten or purchased by them, the public offering price of the securities, and the applicable agent's

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commission, dealer's purchase price or underwriter's discount. Any dealers or agents participating in the distribution of the securities may be deemed to be underwriters, and compensation received by them on resale of the securities may be deemed to be underwriting discounts.

Any initial offering price, dealer purchase price, discount or commission may be changed from time to time.

The securities may be distributed from time to time in one or more transactions, at negotiated prices, at a fixed price or fixed prices (that may be subject to change), at market prices prevailing at the time of sale, at various prices determined at the time of sale or at prices related to prevailing market prices.

Offers to purchase securities may be solicited directly by us and/or the selling securityholders or by agents designated by us or them from time to time. Any such agent may be deemed to be an underwriter, as that term is defined in the Securities Act, of the securities so offered and sold.

If underwriters are utilized in the sale of any securities in respect of which this prospectus is being delivered, such securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at fixed public offering prices or at varying prices determined by the underwriters at the time of sale. Securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by one or more underwriters. If any underwriter or underwriters are utilized in the sale of securities, unless otherwise indicated in the applicable prospectus supplement, the obligations of the underwriters are subject to certain conditions precedent and the underwriters will be obligated to purchase all such securities if any are purchased.

If a dealer is utilized in the sale of securities in respect of which this prospectus is delivered, we and/or the selling securityholders will sell securities to the dealer as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale. Transactions through brokers or dealers may include block trades in which the broker or dealer will attempt to sell securities as agent but may position and resell as principal to facilitate the transaction, or in crosses in which the same broker or dealer acts as agent on both sides of the trade. Any such dealer may be deemed to be an underwriter, as such term is defined in the Securities Act, of the securities so offered and sold.

Offers to purchase securities may be solicited directly by us and/or the selling securityholders and the sale thereof may be made by us and/or the selling securityholders directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale thereof.

If so indicated in the applicable prospectus supplement or term sheet, we and/or the selling securityholders may authorize agents and underwriters to solicit offers by certain institutions to purchase securities from us and/or the selling securityholders at the public offering price set forth in the applicable prospectus supplement or term sheet pursuant to delayed delivery contracts providing for payment and delivery on the date or dates stated in the applicable prospectus supplement. Such delayed delivery contracts will be subject only to those conditions set forth in the applicable prospectus supplement.

Agents, underwriters and dealers may be entitled under relevant agreements with us and/or the selling securityholders to indemnification by us and/or the selling securityholders against certain liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which such agents, underwriters and dealers may be required to make in respect thereof. The terms and conditions of any indemnification or contribution will be described in the applicable prospectus supplement or term sheet.

We and/or the selling securityholders may also sell securities through various arrangements involving mandatorily or optionally exchangeable securities, and this prospectus may be delivered in connection with those sales.

We and/or the selling securityholders may enter into derivative, sale or forward sale transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the

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applicable prospectus supplement or term sheet indicates, in connection with those transactions, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement or term sheet, including in short sale transactions and by issuing securities not covered by this prospectus but convertible into, or exchangeable for, or representing beneficial interests in such securities, or the return of which is derived in whole or in part from the value of such securities. If so, the third party may use securities received under those sales, forward sales or derivative arrangements or securities pledged by us and/or the selling securityholders or borrowed from us and/or the selling securityholders or others to settle those sales or to close out any related open borrowings of securities, and may use securities received from us and/or the selling securityholders in settlement of those transactions to close out any related open borrowings of securities. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement (or a post-effective amendment).

Underwriters, broker-dealers or agents may receive compensation in the form of commissions, discounts or concessions from us and/or the selling securityholders. Underwriters, broker-dealers or agents may also receive compensation from the purchasers of securities for whom they act as agents or to whom they sell as principals, or both. Compensation as to a particular underwriter, broker-dealer or agent might be in excess of customary commissions and will be in amounts to be negotiated in connection with transactions involving securities. In effecting sales, broker-dealers engaged by us may arrange for other broker-dealers to participate in the resales.

Agents, underwriters and dealers may engage in transactions with, or perform services for, us or our manager and our respective subsidiaries in the ordinary course of business.

Any underwriter may engage in overallotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Overallotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying securities as long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would be otherwise. If commenced, the underwriters may discontinue any of the activities at any time. An underwriter may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

The place and time of delivery for the securities will be set forth in the accompanying prospectus supplement or term sheet for such securities.

## **DESCRIPTION OF SECURITIES**

*The following descriptions of the trust agreement and the LLC agreement are subject to the provisions of the Delaware Statutory Trust Act and the Delaware Limited Liability Company Act. Certain provisions of the trust agreement and the LLC agreement are intended to be consistent with the Delaware General Corporation Law, which we refer to as the DGCL, and the powers of the company, the governance processes and the rights of the trust as the holder of the trust interests and the shareholders of the trust are generally intended to be similar in many respects to those of a typical Delaware corporation under the DGCL, with certain exceptions.*

*The statements that follow are subject to, and are qualified in their entirety by, reference to all of the provisions of each of the trust agreement and the LLC agreement, which will govern your rights as a holder of the shares and the trust's rights as a holder of trust interests. Our trust agreement and LLC agreement have been filed with the SEC as exhibits to our registration statement on Form S-3 of which this prospectus is part.*

### **General**

The trust is authorized to issue shares each representing one undivided beneficial interest corresponding to one underlying trust interest in the company held by the trust. Shares of the trust may be common shares, which correspond to underlying trust common interests in the company, or preferred shares, which correspond to trust preferred interests in the company.

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The trust interests, which consist of trust common interests and trust preferred interests, are one of two classes of equity interests in the company — the trust interests, of which 100% are held by the trust, and the allocation interests, of which 100% are held by Sostratus LLC.

### **Common Shares in the Trust**

Each common share of the trust represents one undivided beneficial interest in the trust property and corresponds to one underlying trust common interest held by the trust. Unless the trust is dissolved, it must remain the holder of 100% of the trust common interests and at all times the company will have outstanding the identical number of trust common interests as the number of outstanding common shares of the trust. Pursuant to the trust agreement, the trust is authorized to issue up to 500,000,000 common shares and the company is authorized to issue a corresponding number of trust common interests. As of September 3, 2021, the trust had 64,900,000 common shares outstanding and the company had an equal number of corresponding trust common interests outstanding. All common shares and trust common interests, when they are issued, will be fully paid and nonassessable. Holders of common shares have no preemptive, subscription or conversion rights. There are no redemption or sinking fund provisions applicable to the common shares. The rights of the holders of common shares will be subject to, and may be adversely affected by, the rights of holders of any preferred shares that may be issued in the future.

### **Preferred Shares in the Trust**

Each preferred share of the trust represents one undivided beneficial interest in the trust property and corresponds to one underlying trust preferred interest held by the trust. Unless the trust is dissolved, it must remain the holder of 100% of the trust preferred interests and at all times the company will have outstanding the identical number of trust preferred interests as the number of outstanding preferred shares of the trust. Pursuant to the trust agreement, the trust is authorized to issue up to 50,000,000 preferred shares and the company is authorized to issue a corresponding number of trust preferred interests. As of September 3, 2021, (i) the trust had 4,000,000 7.250% Series A Preferred Shares (the “Series A Preferred Shares”) outstanding and the company had an equal number of trust preferred interests outstanding held by the trust of the same class and series, and with corresponding rights, powers and duties, as the Series A Preferred Shares, (ii) the trust had 4,000,000 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares (the “Series B Preferred Shares”) outstanding and the company had an equal number of trust preferred interests outstanding held by the trust of the same class and series, and with corresponding rights, powers and duties, as the Series B Preferred Shares, and (iii) the trust had 4,600,000 7.875% Series C Cumulative Preferred Shares (the “Series C Preferred Shares”) outstanding and the company had an equal number of trust preferred interests outstanding held by the trust of the same class and series, and with corresponding rights, powers and duties, as the Series C Preferred Shares. All preferred shares and trust preferred interests, when they are issued, are and will be fully paid and nonassessable.

The company’s board of directors may determine, without further action by the holders of our shares, the terms, designations, preferences, rights, powers and duties of the preferred shares offered by this prospectus, as reflected in a share designation, including:

- the right, if any, of such shares to share in the trust’s profits and losses or items thereof;
- the right, if any, of such shares to share in the trust’s distributions, the dates distributions on such shares will be payable and whether distributions with respect to such shares will be cumulative or non-cumulative;
- the rights of such shares upon dissolution and liquidation of the trust;
- whether, and the terms and conditions upon which, the trust may redeem such shares;
- whether such shares are issued with the privilege of conversion or exchange and, if so, the conversion or exchange price or prices or rate or rates, any rate adjustments, the date or dates on which, or the period or periods during which, such shares will be convertible or exchangeable, and all other terms and conditions upon which the conversion or exchange may be made;
- the terms and conditions upon which such shares will be issued, evidenced by certificates and assigned or transferred;

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- the method for determining the percentage interest as to such shares;
- the terms and amounts of any sinking fund provided for the purchase or redemption of such shares;
- whether there will be restrictions on the issuance of preferred shares of the same class or series or any other class or series; and
- the right, if any, of the holder of each such share to vote on trust matters, including matters relating to the relative rights, preferences and privileges of such shares.

A share designation (or any resolution of the board of directors of the company amending any share designation) will constitute an amendment to the trust agreement. However, the company's board of directors will not, without prior shareholder approval, issue or use any preferred shares for any defensive or anti-takeover purpose or for the purpose of implementing any shareholder rights plan.

### **Equity Interests in the Company**

The company is authorized, pursuant to action by the company's board of directors, to issue up to 500,000,000 trust common interests in one or more series.

The company is authorized, pursuant to action by the company's board of directors, to issue up to 50,000,000 trust preferred interests in one or more classes or series, with the terms, designations, preferences, rights, powers and duties of any such trust preferred interests reflected in a trust interest designation.

In addition to the trust common interests and trust preferred interests, which we refer to collectively as the trust interests, the company is authorized, pursuant to action by the company's board of directors, to issue up to 1,000 allocation interests. In connection with the formation of the company, our manager acquired 100% of the allocation interests so authorized and issued. On June 27, 2013, our manager assigned its allocation interests to Sostratus LLC. All allocation interests are fully paid and nonassessable. Other than the allocation interests held by Sostratus LLC, the company is not authorized to issue any other allocation interests.

### **Distributions**

The company, acting through its board of directors, may declare and pay distributions on the applicable interests of the company, subject to any applicable trust interest designation. Any distributions so declared will be paid on such interests in proportion to the number of such interests held by the holders thereof. The members of our manager currently have a nominal indirect equity interest in the company, which is subject to dilution if additional shares, including the common shares and preferred shares described herein, are offered in the future. The company's board of directors may, in its sole discretion and at any time, declare and pay distributions from the cash flow available for distributions to the holders of its interests, subject to any applicable trust interest designation.

Upon receipt of any distributions declared and paid by the company, the trust will, pursuant to the terms of the trust agreement, distribute within five business days the amounts determined by the company, out of such distributions in cash to its applicable shareholders, in proportion to their percentage ownership of the common shares or preferred shares on the related record date. The record date for distributions by the company will be the same as the record date for corresponding distributions by the trust.

Certain members of our manager indirectly own allocation interests in the Company through their ownership of Sostratus LLC. The owner of the allocation interests in the company is sometimes referred to herein as the "Allocation Member." Upon the occurrence of certain events, the company will pay a profit allocation to the Allocation Member, as holder of the allocation interests. See "Certain Relationships and Related Party Transactions" in our definitive Proxy Statement on Schedule 14A filed with the SEC on April 13, 2021, which is incorporated by reference into this prospectus, for more information about the profit allocation to the Allocation Member.



## **Voting and Consent Rights**

### ***General***

Each outstanding share, subject to any applicable share designation, is entitled to one vote on any company matter with respect to which the trust is entitled to vote, as provided in the LLC agreement and as detailed below. Pursuant to the terms of the LLC agreement and the trust agreement, the company will act at the direction of the trust only with respect to those matters subject to vote by the holders of trust interests of the company. The company, as sponsor of the trust, will provide to the trust, for transmittal to shareholders of the trust, the appropriate form of proxy to enable shareholders of the trust to direct, in proportion to their percentage ownership of the shares, the trust's vote with respect to the trust interests. The trust will vote its trust interests in the same proportion as the vote of holders of the shares. For purposes of this summary, the voting rights of holders of the trust interests of the company that effectively will be exercised by the shareholders of the trust by proxy will be referred to as the voting rights of the holders of the shares.

The LLC agreement provides that the holders of trust interests are entitled, at the annual meeting of members of the company, to vote for the election of all of the directors other than any director appointed by our manager, subject to any applicable trust interest designation. Because neither the trust agreement nor the LLC agreement provides for cumulative voting rights, the holders of a plurality of the voting power of the then outstanding shares represented at a shareholders meeting will effectively be able to elect all the directors of the company standing for election, subject to any applicable share designation or trust interest designation.

The LLC agreement further provides that holders of allocation interests will not be entitled to any voting rights, except that holders of allocation interests will have, in accordance with the terms of the LLC agreement:

- voting or consent rights in connection with certain anti-takeover provisions, as discussed below;
- a consent right with respect to the amendment or modification of the provisions providing for distributions to the holders of allocation interests;
- a consent right to any amendment to the provision entitling the holders of allocation interests to appoint directors who will serve on the board of directors of the company;
- a consent right with respect to any amendment of the provision of the LLC agreement governing amendments thereof; and
- a consent right with respect to any amendment that would adversely affect the holders of allocation interests.

### ***Board of Directors Appointee***

As holder of the allocation interests, our Allocation Member has the right to appoint one director (or two directors if the board size is increased to nine or more directors) to the company's board of directors. No such appointed director on the company's board of directors will be required to stand for election by the shareholders. No such appointed director who is also a member of the company's management will receive any compensation (other than reimbursements that are permitted for directors) or will have any special voting rights.

### **Right to Bring a Derivative Action and Enforcement of the Provisions of the LLC Agreement by Holders of the Shares and Our Manager**

The trust agreement and the LLC agreement both provide that holders of common shares representing at least ten percent of the outstanding common shares shall have the right to directly institute a legal proceeding against the company to enforce the provisions of the LLC agreement. In addition, the trust agreement and the LLC agreement provide that holders of common shares representing at least ten percent of the outstanding common shares have the right to cause the trust to institute any legal proceeding for any remedy available to the trust, including the bringing of a derivative action in the right of the company under Section 18-1001 of the Delaware Limited Liability Company Act relating to the right to bring derivative actions. Holders of common shares will have the right to direct the time, method and place of conducting such legal proceedings brought by the trust. The Allocation Member, as holder of the allocation interests, has the right to directly institute proceedings against the company to enforce the provisions of the LLC agreement.

### **Acquisition Exchange and Optional Purchase**

The trust agreement and the LLC agreement provide that, if at any time more than 90% of the then outstanding voting shares entitled to vote are beneficially owned by one person, who we refer to as the acquirer and which time we refer to as the control date, such acquirer has the right to cause the trust, acting at the direction of the company's board of directors, to mandatorily exchange all shares then outstanding for an equal number of underlying trust interests, which we refer to as an acquisition exchange, and dissolve the trust. The company, as sponsor of the trust, will cause the transfer agent of the shares to mail a copy of notice of such acquisition exchange to the shareholders of the trust at least 30 days prior to the exchange of shares for underlying trust interests. Upon the completion of such acquisition exchange, each holder of shares immediately prior to the completion of the acquisition exchange will be admitted to the company as a member in respect of an equal number of underlying trust interests and the trust will cease to be a member of the company.

The LLC agreement provides that, following such exchange, the acquirer shall have the right to purchase at the offer price, as defined in the LLC agreement, from the other holders of trust interests for cash all, but not less than all, of the outstanding trust interests that the acquirer does not own as of the control date. While this provision of the LLC agreement provides for a fair price requirement, the LLC agreement does not provide members with appraisal rights to which shareholders of a Delaware corporation would be entitled under Section 262 of the DGCL. The acquirer can exercise its right to effect such purchase by delivering notice to the company and the transfer agent of its election to make the purchase not less than 60 days prior to the control date. The company will cause the transfer agent to mail the notice of the purchase to the record holders of the trust interests at least 30 days prior to the control date. We refer to the date of purchase as the purchase date.

### **Voluntary Exchange**

The trust agreement and the LLC agreement provide that in the event the company's board of directors determines that the existence of the trust results, or is reasonably likely to result, in a material tax detriment to the trust, the holders of shares, the company or any of the members, the company, as sponsor of the trust, shall cause the trust to exchange all shares then outstanding for an equal number of underlying trust interests and dissolve the trust. We refer to such an exchange as a voluntary exchange. The company, as sponsor of the trust, will cause the transfer agent for the shares to mail a copy of notice of such voluntary exchange to the shareholders of the trust at least 30 days prior to the exchange of shares for underlying trust interests. Upon the completion of such voluntary exchange, each holder of shares immediately prior to the completion of the voluntary exchange will be admitted to the company as a member in respect of an equal number of underlying trust interests and the trust will cease to be a member of the company.

### **Tax Election of the Trust**

The company may, acting through its board of directors, without further action by the shareholders, at such time as it may determine, cause the trust to elect to be treated as a corporation for U.S. federal income tax purposes and, thereafter, must maintain the trust's status as an association taxable as a corporation. Effective as of September 1, 2021, the trust has elected to be treated as a corporation for U.S. federal income tax purposes.

### **Tax Election of the Company**

In circumstances where the trust has been dissolved, the LLC agreement provides that the company's board of directors may, without the consent or vote of holders of trust interests, cause the company to elect to be treated as a corporation for U.S. federal income tax purposes.

### **Conversion of the Trust**

The company may, acting through its board of directors, without further action by the shareholders:

- cause the trust to be converted to a corporation, through direct conversion, merger into, or conveyance of all assets to, a corporation which otherwise has no assets, liabilities or operations at the time;
- convert or exchange the trust shares into or for shares of stock of one or more classes in such corporation; and

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- adopt the organizational documents of the corporation with terms that provide the shareholders and the holder of the allocation interests in the company with substantially similar rights and obligations as the trust agreement and the LLC agreement (including to reflect the election of directors of such corporation directly by the stockholders of such corporation rather than through the trust agreement and the LLC agreement), with any such alterations thereto as are required by the laws governing such corporation or determined by the board to be in the best interests of the trust and the shareholders.

### **Amendment to LLC Agreement for Conversion of the Trust**

In the event the trust is converted to, or the trust is merged into or all of the trust's assets are conveyed to, a corporation pursuant to the trust agreement, without further approval of the company's members but subject to the prior written consent of the Allocation Member if the rights of the Allocation Member would be adversely affected, the company's board of directors may amend the LLC agreement as the board determines is necessary or appropriate to reflect such conversion, merger or conveyance.

### **Dissolution of the Trust and the Company**

The LLC agreement provides for the dissolution and winding up of the company upon the occurrence of:

- the adoption of a resolution by a majority vote of the company's board of directors approving the dissolution, winding up and liquidation of the company and the approval of such action by the affirmative vote of the holders of a majority of the outstanding trust interests entitled to vote thereon;
- the unanimous vote of the holders of the outstanding trust interests entitled to vote to dissolve, wind up and liquidate the company;
- a judicial determination that an event has occurred that makes it not reasonably practical to carry on the business of the company in conformity with the LLC agreement as determined in accordance with Section 18-802 of the Delaware Limited Liability Company Act; or
- the termination of the legal existence of the last remaining member of the company or the occurrence of any other event that terminates the continued membership of the last remaining member of the company, unless the company is continued without dissolution in a manner provided under the LLC agreement or the Delaware Limited Liability Company Act.

The trust agreement provides for the dissolution and winding up of the trust upon the occurrence of:

- an acquisition exchange or a voluntary exchange;
- the filing of a certificate of cancellation of the company or its failure to revive its certificate of formation within 10 days following revocation of the company's certificate of formation;
- the entry of a decree of judicial dissolution by a court of competent jurisdiction over the company or the trust; or
- receipt by the regular trustees of written notice from the company at any time of its determination to dissolve the trust and distribute the trust interests in exchange for the shares.

We refer to these events as dissolution events. Following the occurrence of a dissolution event with respect to the trust, each share will be mandatorily exchanged for an underlying trust interest of the company. Upon dissolution of the company in accordance with the terms of the LLC agreement, the then holders of trust interests will be entitled to share in the assets of the company legally available for distribution following payment to creditors, subject to any applicable trust interest designation, in accordance with the positive balance in such holders' capital accounts required by the LLC agreement, including any applicable trust interest designation, after giving effect to all contributions, distributions and allocations for all periods.

## **Description of Series A Preferred Shares**

### ***General***

On June 28, 2017, the trust executed a share designation, which was further amended and restated on August 3, 2021 (as so amended and restated, the “Series A Share Designation”), to designate 4,600,000 shares of the preferred shares of the trust, no par value, as the Series A Preferred Shares with the powers, designations, preferences and other rights as set forth therein. The Series A Share Designation is incorporated herein by reference. On June 28, 2017, we issued 4,000,000 shares of the Series A Preferred Shares, all of which remained outstanding as of September 3, 2021. The Series A Preferred Shares are listed on the New York Stock Exchange under the symbol “CODI PR A.”

### ***Distributions***

Distributions on the Series A Preferred Shares are payable when, as and if declared by the board of directors of the company out of funds legally available, at a rate per annum equal to 7.250% of the \$25.00 liquidation preference per share. Distributions on the Series A Preferred Shares are payable quarterly on January 30, April 30, July 30 and October 30 of each year, when, as and if declared by the board of directors of the company in its sole discretion. If any of those dates is not a business day, then distributions are payable on the next succeeding business day. Distributions on the Series A Preferred Shares are non-cumulative. Accordingly, if the board of directors of the company does not declare a distribution before the scheduled record date for any distribution period, the trust will not make a distribution in that distribution period, whether or not distributions on the Series A Preferred Shares are declared or paid for any future distribution period.

The Series A Preferred Shares rank junior to the allocation interests to the extent provided in the LLC agreement, and senior to the common shares to the extent provided in the trust agreement, with respect to the payment of distributions. Unless distributions have been declared and paid or declared and set apart for payment on the Series A Preferred Shares for a quarterly distribution period, no distribution may be declared or paid or set apart for payment on the common shares (or on any other shares that the trust has, or may in the future, issue ranking, as to the payment of distributions, junior to the Series A Preferred Shares (together with the common shares, “Series A junior shares”)) for the remainder of that quarterly distribution period, other than distributions paid in Series A junior shares or options, warrants or rights to subscribe for or purchase Series A junior shares, and we and our subsidiaries may not directly or indirectly repurchase, redeem or otherwise acquire for consideration common shares (or any Series A junior shares). However, for a subsequent distribution period, payments on Series A junior shares can be made again as long as distributions have been made on the Series A Preferred Shares for that period (even if no distributions have been made in one or more prior periods).

The board of directors of the company, or a duly authorized committee thereof, may, in its discretion, choose to cause the trust to pay distributions on the Series A Preferred Shares without the payment of any distributions on any Series A junior shares. No distributions may be declared or paid or set apart for payment on any Series A Preferred Shares if at the same time any arrears exist or default exists in the payment of distributions on any outstanding series of Series A senior shares (defined below), if any are issued.

When distributions are not paid (or duly provided for) on any distribution payment date (or, in the case of Series A parity shares (as defined below) having distribution payment dates different from the distribution payment dates pertaining to the Series A Preferred Shares, on a distribution payment date falling within the related distribution period (as defined below) for the Series A Preferred Shares) in full upon the Series A Preferred Shares or any Series A parity shares, all distributions declared upon the Series A Preferred Shares and all such Series A parity shares payable on such distribution payment date (or, in the case of Series A parity shares having distribution payment dates different from the distribution payment dates pertaining to the Series A Preferred Shares, on a distribution payment date falling within the related distribution period for the Series A Preferred Shares) shall be declared pro rata so that the respective amounts of such distributions shall bear the same ratio to each other as all declared and unpaid distributions per share on the Series A Preferred Shares and all unpaid distributions, including any accumulations, on all Series A parity shares payable on such distribution payment date (or in the case of Series A parity shares having distribution payment dates different from the distribution payment dates pertaining to the Series A Preferred Shares, on a distribution payment date falling within the related distribution period for the Series A Preferred Shares) bear to each other.

### **Ranking**

The Series A Preferred Shares rank senior to the Series A junior shares with respect to payment of distributions and distribution of the trust's assets upon the trust's liquidation, dissolution or winding up. The Series A Preferred Shares rank equally with any equity securities, including our Series B Preferred Shares, Series C Preferred Shares and other preferred shares, that the trust may issue in the future, the terms of which provide that such securities will rank equally with the Series A Preferred Shares with respect to payment of distributions and distribution of the trust's assets upon its liquidation, dissolution or winding up ("Series A parity shares"). The Series A Preferred Shares rank junior to (i) all of the trust's existing and future indebtedness, and (ii) any of the trust's equity securities, including preferred shares, that the trust or the company may issue in the future, the terms of which provide that such securities will rank senior to the Series A Preferred Shares with respect to payment of distributions and distribution of the trust's assets upon its liquidation, dissolution or winding up (such equity securities, "Series A senior shares"). The Series A Preferred Shares rank junior to the company's allocation interests with respect to the payment of distributions prior to dissolution of the company, and equally with the company's allocation interests upon liquidation, dissolution or winding up of the company or the trust; provided however that the rights allocated to the allocation interest may reduce the amount distributable to the Series A Preferred Shares upon the liquidation, dissolution or winding up of the trust. Other than the company's allocation interests, there are no Series A senior shares or interests in the company outstanding.

### **Maturity**

The Series A Preferred Shares do not have a maturity date, and the trust is not required to redeem or repurchase the Series A Preferred Shares. Accordingly, the Series A Preferred Shares will remain outstanding indefinitely unless the board of directors of the company decides to cause the trust to redeem or repurchase them.

### **Redemption**

The trust may not redeem the Series A Preferred Shares prior to July 30, 2022. On or after July 30, 2022, the board of directors of the company may cause the trust, at its option, out of funds legally available to redeem the Series A Preferred Shares, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a price of \$25.00 per Series A Preferred Share plus any accumulated and unpaid distributions thereon, if any, to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the Series A Preferred Shares have no right to require the redemption of the Series A Preferred Shares.

### **Repurchase at the Option of Holders**

If a Series A Fundamental Change (as defined below) occurs, unless, prior to or concurrently with the time the board of directors of the company is required to cause the trust to make a Series A Fundamental Change Offer (as described below), the board of directors of the company has caused the company to previously or concurrently mail or transmit electronically a redemption notice with respect to all of the outstanding Series A Preferred Shares, the board of directors of the company will cause the trust to make an offer to purchase all of the Series A Preferred Shares pursuant to the offer described below (the "Series A Fundamental Change Offer"), out of funds received by the trust on the Series A trust preferred interests and legally available, at a price in cash of \$25.25 per Series A Preferred Share, plus declared and unpaid distributions to, but excluding, the Series A Fundamental Change payment date, without payment of any undeclared distributions. If (i) a Series A Fundamental Change occurs and (ii) (x) we do not give notice prior to the 31st day following the Series A Fundamental Change of either (1) a Series A Fundamental Change Offer or (2) the intention to redeem all the outstanding Series A Preferred Shares or (y) we default upon our obligation to repurchase or redeem the Series A Preferred Shares on the Series A Fundamental Change payment date or redemption date, the distribution rate per annum on the Series A Preferred Shares will increase by 5.00%, beginning on the 31st day following such Series A Fundamental Change. "Series A Fundamental Change" means (i) the Series A Preferred Shares cease to be listed on a U.S. national securities exchange for a period of 20 consecutive trading days or (ii) the company and the trust 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.

### ***Voting Rights***

Holders of the Series A Preferred Shares generally have no voting rights. However, if and whenever six quarterly distributions (whether or not consecutive) payable on the Series A Preferred Shares have not been declared and paid (a “Nonpayment”), the number of directors then constituting the board of directors of the company will be increased by two and the holders of the Series A Preferred Shares, voting together as a single class with the holders of any other series of Series A parity shares then outstanding upon which like voting rights have been conferred and are exercisable (any such other series, the “Series A voting preferred shares”), will have the right to elect these two additional directors at a meeting of the holders of the Series A Preferred Shares and such other Series A voting preferred shares. When quarterly distributions have been declared and paid on the Series A Preferred Shares for four consecutive quarters following the Nonpayment, the right of the holders of the Series A Preferred Shares and any other Series A voting preferred shares to elect these two additional directors will cease, the terms of office of these two directors will forthwith terminate and the number of directors constituting the board of directors of the company will be reduced accordingly. However, the right of the holders of the Series A Preferred Shares and any other Series A voting preferred shares to elect two additional directors will again vest if and whenever six additional quarterly distributions have not been declared and paid, as described above.

The approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series A Preferred Shares and all other series of Series A voting preferred shares, acting as a single class regardless of series, at a meeting of shareholders, is required in order (i) to amend, alter or repeal any provisions of the trust agreement relating to the Series A Preferred Shares or other series of Series A voting preferred shares, whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series A Preferred Shares or other series of Series A voting preferred shares, unless in connection with any such amendment, alteration or repeal, each Series A Preferred Share and any other voting preferred share remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred shares of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption thereof substantially similar to those of the Series A Preferred Shares or any other series of Series A voting preferred shares, as the case may be, or (ii) to authorize, create or increase the authorized amount of, any class or series of preferred shares having rights senior to the Series A Preferred Shares with respect to the payment of distributions or amounts upon liquidation, dissolution or winding up; provided, however, that in the case of clause (i) above, if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the classes or series of Series A voting preferred shares (including the Series A Preferred Shares for this purpose), only the consent of the holders of at least two-thirds of the outstanding shares of the classes or series so affected, voting as a class, is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of two-thirds of the Series A voting preferred shares (including the Series A Preferred Shares for this purpose) as a class.

### ***Amount Payable in Liquidation***

Upon any voluntary or involuntary liquidation, dissolution or winding up of the trust (other than in the case of a voluntary exchange or acquisition exchange (as defined in the trust agreement) of preferred shares for trust preferred interests) (“Liquidation”), each holder of the Series A Preferred Shares will be entitled to a payment out of the trust’s assets available for distribution to the holders of the Series A Preferred Shares following the satisfaction of all claims ranking senior to the Series A Preferred Shares. Such payment will be equal to their preferred capital account balance (the “Series A Preferred Share Liquidation Value”).

The capital account balance for each Series A Preferred Share equals \$25.00 initially and is increased each year by an allocation of gross income (excluding capital gains) recognized by us (including any gross income recognized in the year of Liquidation). The allocations of gross income to the capital account balances for the Series A Preferred Shares in any year will not exceed the sum of the amount of distributions paid on the Series A Preferred Shares during such year. If the board of directors of the company declares a distribution on the Series A Preferred Shares, the amount of the distribution paid on each such Series A Preferred Share will be deducted from the capital account balance for such Series A Preferred Share, whether or not such capital account balance received an allocation of gross income in respect of such distribution. The allocation of gross income to the capital account balances for the Series A Preferred Shares is intended to entitle the holders of the Series A Preferred Shares to a preference over the holders of outstanding common shares upon the trust’s Liquidation, to the extent required to

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permit each holder of a Series A Preferred Share to receive the Series A Preferred Share Liquidation Value in respect of such share. In addition, a special allocation of gross income (from any source) in the year of Liquidation will be made if necessary so that a holder's preferred capital account balance equals the Series A Preferred Share Liquidation Value. If, however, the trust were to have insufficient gross income to achieve this result, then the amount that a holder of Series A Preferred Shares would receive upon liquidation may be less than the Series A Preferred Share Liquidation Value.

After each holder of Series A Preferred Shares receives a payment equal to the capital account balance for such holder's shares (even if such payment is less than the Series A Preferred Share Liquidation Value of such holder's shares), holders will not be entitled to any further participation in any distribution of the trust's assets.

For any period in which the trust is an association taxable as a corporation for U.S. federal income tax purposes, the capital account balance for each Series A Preferred Share will be deemed equal to the sum of \$25.00 per Series A Preferred Share and declared and unpaid distributions, if any, to, but excluding, the date of the liquidation, dissolution or winding up of the trust on the Series A Preferred Shares, with the intent to provide holders of Series A Preferred Shares the same rights to liquidation proceeds regardless of whether the trust is taxable as a partnership or a corporation for U.S. federal income tax purposes.

### **Conversion**

The Series A Preferred Shares are not convertible into common shares or any other class or series of shares or any other security.

### **Series A Trust Preferred Interests**

Each Series A Preferred Share corresponds to one underlying trust preferred interest of the company held by the trust of the same class and series, and with corresponding rights, powers and duties, as the Series A Preferred Shares (the "Series A Preferred Trust Interests"). Unless the trust is dissolved, it must remain the holder of 100% of the company's trust interests, including the Series A Preferred Trust Interests, and, at all times, the trust will have outstanding the identical number of common shares and preferred shares, including the Series A Preferred Shares, as the number of outstanding trust common interests and trust preferred interests, including the Series A Preferred Trust Interests, of the company that are of the corresponding class and series.

### **Description of Series B Preferred Shares**

#### **General**

On March 13, 2018, the trust executed a share designation, which was further amended and restated on August 3, 2021 (as so amended and restated, the "Series B Share Designation"), to designate 4,600,000 shares of the preferred shares of the trust, no par value, as the Series B Preferred Shares with the powers, designations, preferences and other rights as set forth therein. The Series B Share Designation is incorporated herein by reference. On March 13, 2018, we issued 4,000,000 shares of the Series B Preferred Shares, all of which remained outstanding as of September 3, 2021. The Series B Preferred Shares are listed on the New York Stock Exchange under the symbol "CODI PR B."

#### **Distributions**

Holders of Series B Preferred Shares are entitled to receive, when, as and if declared by the board of directors of the company, cumulative cash distributions on the liquidation preference of the Series B Preferred Shares at a rate equal to (1) 7.875% per annum of the liquidation preference per share for each 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, if any. In the event we issue additional Series B Preferred Shares, distributions on such additional shares will accrue from the original issuance date of such additional shares. Distributions on the Series B Preferred Shares accumulate daily and are cumulative from, and including, the date of original issuance. The distributions payable on any distribution payment date include distributions accumulated to, but not including, such distribution payment date. Distributions on the Series B Preferred Shares are payable quarterly, in arrears, on January 30, April 30, July 30 and

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October 30 of each year. Declared distributions are payable on the relevant distribution payment date to holders of record as they appear on our share register at the close of business, New York City time, on the January 15, April 15, July 15 and October 15, as the case may be, immediately preceding the relevant distribution payment date. These record dates apply regardless of whether a particular record date is a business day, provided that if the record date is not a business day, the declared distributions are payable on the relevant distribution payment date to holders of record as they appear on the trust's share register at the close of business, New York City time, on the business day immediately preceding such record date.

Distributions on the Series B Preferred Shares accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding paragraph at any time prohibit the current payment of distributions, (ii) we have 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, is payable in respect of any distribution payment or payments on the Series B Preferred Shares which may be in arrears, and holders of Series B Preferred Shares are not entitled to any distributions in excess of full cumulative distributions described above. Any distribution payment made on the Series B Preferred Shares will first be credited against the earliest accumulated but unpaid distribution due with respect to those shares.

The Series B Preferred Shares rank junior to the allocation interests to the extent provided in the LLC agreement, and senior to the common shares to the extent provided in the trust agreement, with respect to the payment of distributions. 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 on any other shares that the trust may issue in the future ranking, as to the payment of distributions, junior to the Series B Preferred Shares (together with the common shares, "Series B junior shares")), other than distributions paid in Series B junior shares or options, warrants or rights to subscribe for or purchase Series B junior shares, and we and our subsidiaries may not directly or indirectly repurchase, redeem or otherwise acquire for consideration common shares (or any Series B junior shares).

The board of directors of the company, or a duly authorized committee thereof, may, in its discretion, choose to cause the trust to pay distributions on the Series B Preferred Shares without the payment of any distributions on any Series B junior shares. No distributions may be declared or paid or set apart for payment on any Series B Preferred Shares if at the same time any arrears exist or default exists in the payment of distributions on any outstanding series of Series B senior shares (defined below), if any are issued.

When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series B Preferred Shares and our Series B parity shares (as defined below), all distributions declared upon the Series B Preferred Shares and such Series B parity shares must be declared pro rata so that the amount of distributions declared per Series B Preferred Share and such Series B parity shares will in all cases bear to each other the same ratio that accumulated distributions per share on the Series B Preferred Shares and such Series B parity shares (which will not include any accrual in respect of unpaid distributions for prior distribution periods if such other Series B parity shares 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 Preferred Shares which may be in arrears.

### ***Ranking***

The Series B Preferred Shares rank senior to the Series B junior shares with respect to payment of distributions and distribution of the trust's assets upon the trust's liquidation, dissolution or winding up. The Series B Preferred Shares rank equally with any equity securities, including our Series A Preferred Shares, Series C Preferred Shares and other preferred shares, that the trust may issue in the future, the terms of which provide that such securities will rank equally with the Series B Preferred Shares with respect to payment of distributions and distribution of the trust's assets upon its liquidation, dissolution or winding up ("Series B parity shares"). The Series B Preferred Shares rank junior to (i) all of the trust's existing and future indebtedness, and (ii) any of the trust's equity securities, including preferred shares, that the trust or the company may issue in the future, the terms of which provide that such securities will rank senior to the Series B Preferred Shares with respect to payment of distributions and distribution of the trust's assets upon its liquidation, dissolution or winding up (such equity securities, "Series B



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senior shares”). The Series B Preferred Shares rank junior to the company’s allocation interests with respect to the payment of distributions prior to dissolution of the company, and equally with the company’s allocation interests upon liquidation, dissolution or winding up of the company or the trust; provided however that the rights allocated to the allocation interest may reduce the amount distributable to the Series B Preferred Shares upon the liquidation, dissolution or winding up of the trust. Other than the company’s allocation interests, there are no Series B senior shares or interests in the company outstanding.

### ***Maturity***

The Series B Preferred Shares do not have a maturity date, and the trust is not required to redeem or repurchase the Series B Preferred Shares. Accordingly, the Series B Preferred Shares will remain outstanding indefinitely unless the board of directors of the company decides to cause the trust to redeem or repurchase them.

### ***Redemption***

The trust may not redeem the Series B Preferred Shares prior to April 30, 2028. On or after April 30, 2028, the board of directors of the company may cause the trust, at its option, out of funds legally available to redeem the Series B Preferred Shares, in whole or in part, upon not less than 30 nor more than 60 days’ notice, at a price of \$25.00 per Series B Preferred Share plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the redemption date.

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

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 we 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, our common stock or other Series B junior shares we may issue or pursuant to a purchase or exchange offer made on the same terms to all holders of Series B Preferred Shares and all Series B parity shares).

Holders of the Series B Preferred Shares have no right to require the redemption of the Series B Preferred Shares.

### ***Repurchase at the Option of Holders***

If a Series B Fundamental Change (as defined below) occurs, unless, prior to or concurrently with the time the board of directors of the company is required to cause the trust to make a Series B Fundamental Change Offer (as described below), the board of directors of the company has caused the company 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 of the company will cause the trust to make an offer to purchase all of the Series B Preferred Shares pursuant to the offer described below (the “Series B Fundamental Change Offer”), out of funds received by the trust on the Series B trust preferred interests and legally available, at a price in cash 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 Series B Fundamental Change payment date. If (i) a Series B Fundamental Change occurs and (ii) (x) we do not give notice prior to the 31st day following the Series B Fundamental Change of either (1) a Series B Fundamental Change Offer or (2) the intention to redeem all the outstanding Series B Preferred Shares or (y) we default upon our obligation to repurchase or redeem the Series B Preferred Shares on the Series B Fundamental Change payment date or redemption date, the distribution rate per annum on the Series B Preferred Shares will increase by 5.00%, beginning on the 31st day following such Series B Fundamental Change. “Series B Fundamental

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Change” means (i) the Series B Preferred Shares cease to be listed on a U.S. national securities exchange for a period of 20 consecutive trading days or (ii) the company and the trust 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.

### ***Voting Rights***

Holders of the Series B Preferred Shares generally have no voting rights. However, 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), the number of directors then constituting the board of directors of the company will 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 Series B parity shares upon which like voting rights have been conferred and are exercisable) and the holders of the Series B Preferred Shares, voting together as a single class with the holders of any other series of Series B parity shares then outstanding upon which like voting rights have been conferred and are exercisable (any such other series, the “Series B voting preferred shares”), will have the right to elect these two additional directors at a meeting of the holders of the Series B Preferred Shares and such other Series B voting preferred shares. 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, the right of the holders of the Series B Preferred Shares and any other Series B voting preferred shares to elect these two additional directors will cease and, unless there are other classes or series of Series B parity shares upon which like voting rights have been conferred and are exercisable, the terms of office of these two directors will terminate and the number of directors constituting the board of directors of the company will be reduced accordingly.

The approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series B Preferred Shares and all other series of Series B voting preferred shares, acting as a single class regardless of series, at a meeting of shareholders, is required in order (i) to amend, alter or repeal any provisions of the trust agreement relating to the Series B Preferred Shares or other series of Series B voting preferred shares, whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series B Preferred Shares or other series of Series B voting preferred shares, unless in connection with any such amendment, alteration or repeal, each Series B Preferred Share and any other Series B voting preferred share remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred shares of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption thereof substantially similar to those of the Series B Preferred Shares or any other series of Series B voting preferred shares, as the case may be, or (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 liquidation, dissolution or winding up; provided, however, that in the case of clause (i) above, if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the classes or series of Series B voting preferred shares (including the Series B Preferred Shares for this purpose), only the consent of the holders of at least two-thirds of the outstanding shares of the classes or series so affected, voting as a class, is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of two-thirds of the Series B voting preferred shares (including the Series B Preferred Shares for this purpose) as a class.

### ***Amount Payable in Liquidation***

Upon any Liquidation, each holder of the Series B Preferred Shares will be entitled to a payment out of the trust’s assets available for distribution to the holders of the Series B Preferred Shares following the satisfaction of all claims ranking senior to the Series B Preferred Shares. Such payment will be equal to their preferred capital account balance (the “Series B Preferred Share Liquidation Value”).

The capital account balance for each Series B Preferred Share equals \$25.00 initially and is increased each year by an allocation of gross income (excluding capital gains) recognized by us (including any gross income recognized in the year of Liquidation). The allocations of gross income to the capital account balances for the Series B Preferred Shares in any year will not exceed the sum of the amount of distributions paid on the Series B Preferred Shares during such year. If the board of directors of the company declares a distribution on the Series B Preferred Shares, the amount of the distribution paid on each such Series B Preferred Share will be deducted from the capital

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account balance for such Series B Preferred Share, whether or not such capital account balance received an allocation of gross income in respect of such distribution. The allocation of gross income to the capital account balances for the Series B Preferred Shares is intended to entitle the holders of the Series B Preferred Shares to a preference over the holders of outstanding common shares upon the trust's Liquidation, to the extent required to permit each holder of a Series B Preferred Share to receive the Series B Preferred Share Liquidation Value in respect of such share. In addition, a special allocation of gross income (from any source) in the year of Liquidation will be made if necessary so that a holder's preferred capital account balance equals the Series B Preferred Share Liquidation Value. If, however, the trust were to have insufficient gross income to achieve this result, then the amount that a holder of Series B Preferred Shares would receive upon liquidation may be less than the Series B Preferred Share Liquidation Value.

After each holder of Series B Preferred Shares receives a payment equal to the capital account balance for such holder's shares (even if such payment is less than the Series B Preferred Share Liquidation Value of such holder's shares), holders will not be entitled to any further participation in any distribution of the trust's assets.

For any period in which the trust is an association taxable as a corporation for U.S. federal income tax purposes, the capital account balance for each Series B Preferred Share will be deemed equal to the sum of \$25.00 per Series B Preferred Share and declared 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, with the intent to provide holders of Series B Preferred Shares the same rights to liquidation proceeds regardless of whether the trust is taxable as a partnership or a corporation for U.S. federal income tax purposes.

### **Conversion**

The Series B Preferred Shares are not convertible into common shares or any other class or series of shares or any other security.

### **Series B Trust Preferred Interests**

Each Series B Preferred Share corresponds to one underlying trust preferred interest of the company held by the trust of the same class and series, and with corresponding rights, powers and duties, as the Series B Preferred Shares (the "Series B Preferred Trust Interests"). Unless the trust is dissolved, it must remain the holder of 100% of the company's trust interests, including the Series B Preferred Trust Interests, and, at all times, the trust will have outstanding the identical number of common shares and preferred shares, including the Series B Preferred Shares, as the number of outstanding trust common interests and trust preferred interests, including the Series B Preferred Trust Interests, of the company that are of the corresponding class and series.

### **Description of Series C Preferred Shares**

#### **General**

On November 20, 2019, the trust executed a share designation, which was further amended and restated on August 3, 2021 (as so amended and restated, the "Series C Share Designation"), to designate 4,600,000 shares of the preferred shares of the trust, no par value, as the Series C Preferred Shares with the powers, designations, preferences and other rights as set forth therein. The Series C Share Designation is incorporated herein by reference. On November 20, 2019 and December 2, 2019, we issued 4,000,000 shares and 600,000 shares of the Series C Preferred Shares, respectively, all of which remain outstanding as of September 3, 2021. The Series C Preferred Shares are listed on the New York Stock Exchange under the symbol "CODI PR C."

#### **Distributions**

Holders of Series C Preferred Shares are entitled to receive, when, as and if declared by the board of directors of the company, cumulative cash distributions on the liquidation preference of the Series C Preferred Shares at a rate equal to 7.875% per annum of the liquidation preference per share for each quarterly distribution period from the original issue date of the Series C Preferred Shares through the redemption date of the Series C Preferred Shares, if any. In the event we issue additional Series C Preferred Shares, distributions on such additional shares will accrue from the original issuance date of such additional shares. Distributions on the Series C Preferred Shares accumulate daily and are cumulative from, and including, the date of original issuance. The distributions

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payable on any distribution payment date include distributions accumulated to, but not including, such distribution payment date. Distributions on the Series C Preferred Shares are payable quarterly, in arrears, on January 30, April 30, July 30 and October 30 of each year. Declared distributions are payable on the relevant distribution payment date to holders of record as they appear on our share register at the close of business, New York City time, on the January 15, April 15, July 15 and October 15, as the case may be, immediately preceding the relevant distribution payment date. These record dates apply regardless of whether a particular record date is a business day, provided that if the record date is not a business day, the declared distributions are payable on the relevant distribution payment date to holders of record as they appear on the trust's share register at the close of business, New York City time, on the business day immediately preceding such record date.

Distributions on the Series C Preferred Shares accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding paragraph at any time prohibit the current payment of distributions, (ii) we have 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, is payable in respect of any distribution payment or payments on the Series C Preferred Shares which may be in arrears, and holders of Series C Preferred Shares are not entitled to any distributions in excess of full cumulative distributions described above. Any distribution payment made on the Series C Preferred Shares will first be credited against the earliest accumulated but unpaid distribution due with respect to those shares.

The Series C Preferred Shares rank junior to the allocation interests to the extent provided in the LLC agreement, and senior to the common shares to the extent provided in the trust agreement, with respect to the payment of distributions. Unless full cumulative distributions on the Series C Preferred Shares have been or contemporaneously are declared and paid or declared and set apart for payment on the Series C Preferred Shares for all past distribution periods, no distribution may be declared or paid or set apart for payment on the common shares (or on any other shares that the trust may issue in the future ranking, as to the payment of distributions, junior to the Series C Preferred Shares (together with the common shares, "Series C junior shares")), other than distributions paid in Series C junior shares or options, warrants or rights to subscribe for or purchase Series C junior shares, and we and our subsidiaries may not directly or indirectly repurchase, redeem or otherwise acquire for consideration common shares (or any Series C junior shares).

The board of directors of the company, or a duly authorized committee thereof, may, in its discretion, choose to cause the trust to pay distributions on the Series C Preferred Shares without the payment of any distributions on any Series C junior shares. No distributions may be declared or paid or set apart for payment on any Series C Preferred Shares if at the same time any arrears exist or default exists in the payment of distributions on any outstanding series of Series C senior shares (defined below), if any are issued.

When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series C Preferred Shares and our Series C parity shares (as defined below), all distributions declared upon the Series C Preferred Shares and such Series C parity shares must be declared pro rata so that the amount of distributions declared per Series C Preferred Share and such Series C parity shares will in all cases bear to each other the same ratio that accumulated distributions per share on the Series C Preferred Shares and such Series C parity shares (which will not include any accrual in respect of unpaid distributions for prior distribution periods if such other Series C parity shares 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 C Preferred Shares which may be in arrears.

### **Ranking**

The Series C Preferred Shares rank senior to the Series C junior shares with respect to payment of distributions and distribution of the trust's assets upon the trust's liquidation, dissolution or winding up. The Series C Preferred Shares rank equally with any equity securities, including our Series A Preferred Shares, Series B Preferred Shares and other preferred shares, that the trust may issue in the future, the terms of which provide that such securities will rank equally with the Series C Preferred Shares with respect to payment of distributions and distribution of the trust's assets upon its liquidation, dissolution or winding up ("Series C parity shares"). The Series C Preferred Shares rank junior to (i) all of the trust's existing and future indebtedness, and (ii) any of the trust's equity securities, including preferred shares, that the trust or the company may issue in the future, the terms of which

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provide that such securities will rank senior to the Series C Preferred Shares with respect to payment of distributions and distribution of the trust's assets upon its liquidation, dissolution or winding up (such equity securities, "Series C senior shares"). The Series C Preferred Shares rank junior to the company's allocation interests with respect to the payment of distributions prior to dissolution of the company, and equally with the company's allocation interests upon liquidation, dissolution or winding up of the company or the trust; provided however that the rights allocated to the allocation interest may reduce the amount distributable to the Series C Preferred Shares upon the liquidation, dissolution or winding up of the trust. Other than the company's allocation interests, there are no Series C senior shares or interests in the company outstanding.

### ***Maturity***

The Series C Preferred Shares do not have a maturity date, and the trust is not required to redeem or repurchase the Series C Preferred Shares. Accordingly, the Series C Preferred Shares will remain outstanding indefinitely unless the board of directors of the company decides to cause the trust to redeem or repurchase them.

### ***Redemption***

The trust may not redeem the Series C Preferred Shares prior to January 30, 2025. On or after January 30, 2025, the board of directors of the company may cause the trust, at its option, out of funds legally available to redeem the Series C Preferred Shares, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a price of \$25.00 per Series C Preferred Share plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the redemption date.

Immediately prior to any redemption of Series C Preferred Shares, we will pay, in cash, any accumulated and unpaid distributions to, but excluding, the redemption date, unless a redemption date falls after a distribution record date and prior to the corresponding distribution payment date, in which case each holder of Series C Preferred Shares at the close of business on such distribution record date will be entitled to the distribution payable on such shares on the corresponding distribution payment date notwithstanding the redemption of such shares before such distribution payment date. Except as provided above, we will make no payment or allowance for unpaid distributions, whether or not in arrears, on the Series C Preferred Shares to be redeemed.

Unless full cumulative distributions on all Series C 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 C Preferred Shares may be redeemed unless all outstanding Series C Preferred Shares are simultaneously redeemed, and we may not purchase or otherwise acquire directly or indirectly any Series C Preferred Shares (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our common stock or other Series C junior shares we may issue or pursuant to a purchase or exchange offer made on the same terms to all holders of Series C Preferred Shares and all Series C parity shares).

Holders of the Series C Preferred Shares have no right to require the redemption of the Series C Preferred Shares.

### ***Repurchase at the Option of Holders***

If a Series C Fundamental Change (as defined below) occurs, unless, prior to or concurrently with the time the board of directors of the company is required to cause the trust to make a Series C Fundamental Change Offer (as described below), the board of directors of the company has caused the company to previously or concurrently mail or transmit electronically a redemption notice with respect to all of the outstanding Series C Preferred Shares, the board of directors of the company will cause the trust to make an offer to purchase all of the Series C Preferred Shares pursuant to the offer described below (the "Series C Fundamental Change Offer"), out of funds received by the trust on the Series C trust preferred interests and legally available, at a price in cash of \$25.25 per Series C Preferred Share, plus any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the Series C Fundamental Change payment date. If (i) a Series C Fundamental Change occurs and (ii) (x) we do not give notice prior to the 31st day following the Series C Fundamental Change of either (1) a Series C Fundamental Change Offer or (2) the intention to redeem all the outstanding Series C Preferred Shares or (y) we default upon our obligation to repurchase or redeem the Series C Preferred Shares on the Series C Fundamental

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Change payment date or redemption date, the distribution rate per annum on the Series C Preferred Shares will increase by 5.00%, beginning on the 31st day following such Series C Fundamental Change. "Series C Fundamental Change" means (i) the Series C Preferred Shares cease to be listed on a U.S. national securities exchange for a period of 20 consecutive trading days or (ii) the company and the trust 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.

### ***Voting Rights***

Holders of the Series C Preferred Shares generally have no voting rights. However, if and whenever distributions on any Series C Preferred Shares are in arrears for six or more full quarterly distribution periods (whether or not consecutive), the number of directors then constituting the board of directors of the company will 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 Series C parity shares upon which like voting rights have been conferred and are exercisable) and the holders of the Series C Preferred Shares, voting together as a single class with the holders of any other series of Series C parity shares then outstanding upon which like voting rights have been conferred and are exercisable (any such other series, the "Series C voting preferred shares"), will have the right to elect these two additional directors at a meeting of the holders of the Series C Preferred Shares and such other Series C voting preferred shares. When all distributions accumulated on the Series C Preferred Shares for all past distribution periods and the then current distribution period have been fully paid, the right of the holders of the Series C Preferred Shares and any other Series C voting preferred shares to elect these two additional directors will cease and, unless there are other classes or series of Series C parity shares upon which like voting rights have been conferred and are exercisable, the terms of office of these two directors will terminate and the number of directors constituting the board of directors of the company will be reduced accordingly.

The approval of two-thirds of the votes entitled to be cast by the holders of outstanding Series C Preferred Shares and all other series of Series C voting preferred shares, acting as a single class regardless of series, at a meeting of shareholders, is required in order (i) to amend, alter or repeal any provisions of the trust agreement relating to the Series C Preferred Shares or other series of Series C voting preferred shares, whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series C Preferred Shares or other series of Series C voting preferred shares, unless in connection with any such amendment, alteration or repeal, each Series C Preferred Share and any other Series C voting preferred share remains outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for preferred shares of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption thereof substantially similar to those of the Series C Preferred Shares or any other series of Series C voting preferred shares, as the case may be, or (ii) to authorize, create or increase the authorized amount of, any class or series of preferred shares having rights senior to the Series C Preferred Shares with respect to the payment of distributions or amounts upon liquidation, dissolution or winding up; provided, however, that in the case of clause (i) above, if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the classes or series of Series C voting preferred shares (including the Series C Preferred Shares for this purpose), only the consent of the holders of at least two-thirds of the outstanding shares of the classes or series so affected, voting as a class, is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of two-thirds of the Series C voting preferred shares (including the Series C Preferred Shares for this purpose) as a class.

### ***Amount Payable in Liquidation***

Upon any Liquidation, each holder of the Series C Preferred Shares will be entitled to a payment out of the trust's assets available for distribution to the holders of the Series C Preferred Shares following the satisfaction of all claims ranking senior to the Series C Preferred Shares. Such payment will be equal to their preferred capital account balance (the "Series C Preferred Share Liquidation Value").

The capital account balance for each Series C Preferred Share equals \$25.00 initially and is increased each year by an allocation of gross income (excluding capital gains) recognized by us (including any gross income recognized in the year of Liquidation). The allocations of gross income to the capital account balances for the Series C Preferred Shares in any year will not exceed the sum of the amount of distributions paid on the Series C Preferred

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Shares during such year. If the board of directors of the company declares a distribution on the Series C Preferred Shares, the amount of the distribution paid on each such Series C Preferred Share will be deducted from the capital account balance for such Series C Preferred Share, whether or not such capital account balance received an allocation of gross income in respect of such distribution. The allocation of gross income to the capital account balances for the Series C Preferred Shares is intended to entitle the holders of the Series C Preferred Shares to a preference over the holders of outstanding common shares upon the trust's Liquidation, to the extent required to permit each holder of a Series C Preferred Share to receive the Series C Preferred Share Liquidation Value in respect of such share. In addition, a special allocation of gross income (from any source) in the year of Liquidation will be made if necessary so that a holder's preferred capital account balance equals the Series C Preferred Share Liquidation Value. If, however, the trust were to have insufficient gross income to achieve this result, then the amount that a holder of Series C Preferred Shares would receive upon liquidation may be less than the Series C Preferred Share Liquidation Value.

After each holder of Series C Preferred Shares receives a payment equal to the capital account balance for such holder's shares (even if such payment is less than the Series C Preferred Share Liquidation Value of such holder's shares), holders will not be entitled to any further participation in any distribution of the trust's assets.

For any period in which the trust is an association taxable as a corporation for U.S. federal income tax purposes, the capital account balance for each Series C Preferred Share will be deemed equal to the sum of \$25.00 per Series C Preferred Share and declared and unpaid distributions, if any, to, but excluding, the date of the liquidation, dissolution or winding up of the trust on the Series C Preferred Shares, with the intent to provide holders of Series C Preferred Shares the same rights to liquidation proceeds regardless of whether the trust is taxable as a partnership or a corporation for U.S. federal income tax purposes.

### **Conversion**

The Series C Preferred Shares are not convertible into common shares or any other class or series of shares or any other security.

### **Series C Trust Preferred Interests**

Each Series C Preferred Share corresponds to one underlying trust preferred interest of the company held by the trust of the same class and series, and with corresponding rights, powers and duties, as the Series C Preferred Shares (the "Series C Preferred Trust Interests"). Unless the trust is dissolved, it must remain the holder of 100% of the company's trust interests, including the Series C Preferred Trust Interests, and, at all times, the trust will have outstanding the identical number of common shares and preferred shares, including the Series C Preferred Shares, as the number of outstanding trust common interests and trust preferred interests, including the Series C Preferred Trust Interests, of the company that are of the corresponding class and series.

### **Anti-Takeover Provisions**

Certain provisions of the management services agreement, the trust agreement and the LLC agreement may make it more difficult for third parties to acquire control of the trust and the company by various means. These provisions could deprive the shareholders of the trust of opportunities to realize a premium on the shares owned by them. In addition, these provisions may adversely affect the prevailing market price of the shares. These provisions are intended to:

- protect our manager and its economic interests in the company;
- protect the position of our manager and its rights to manage the business and affairs of the company under the management services agreement;
- enhance the likelihood of continuity and stability in the composition of the company's board of directors and in the policies formulated by the company's board of directors;
- discourage certain types of transactions which may involve an actual or threatened change in control of the trust and the company;
- discourage certain tactics that may be used in proxy fights;

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- encourage persons seeking to acquire control of the trust and the company to consult first with the company's board of directors to negotiate the terms of any proposed business combination or offer; and
- reduce the vulnerability of the trust and the company to an unsolicited proposal for a takeover that does not contemplate the acquisition of all of the outstanding shares or that is otherwise unfair to shareholders of the trust.

### ***Anti-Takeover Effects of the Management Services Agreement***

The limited circumstances in which our manager may be terminated means that it will be very difficult for a potential acquirer of the company to take over the management and operation of our business. Under the terms of the management services agreement, our manager may only be terminated by the company in certain limited circumstances.

Furthermore, our manager has the right to resign and terminate the management services agreement upon 180 days' notice. Upon the termination of the management services agreement, seconded officers, employees, representatives and delegates of our manager and its affiliates who are performing the services that are the subject of the management services agreement will resign their respective position with the company and cease to work at the date of our manager's termination or at any other time as determined by our manager. Any appointed director may continue serving on the company's board of directors subject to our Allocation Member's continued ownership of the allocation interests.

If we terminate the management services agreement, the company and the trust will agree, and the company will agree to cause its businesses, to cease using the term "Compass," including any trademarks based on the name of the company and trust owned by our manager, entirely in their businesses and operations within 180 days of such termination. This agreement would require the trust, the company and its businesses to change their names to remove any reference to the term "Compass" or any trademarks owned by our manager.

### ***Anti-Takeover Provisions in the Trust Agreement and the LLC Agreement***

A number of provisions of the trust agreement and the LLC agreement also could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, control of the trust and the company. The trust agreement and the LLC agreement prohibit the merger or consolidation of the trust and the company with or into any limited liability company, corporation, statutory trust, business trust or association, real estate investment trust, common-law trust or any other unincorporated business, including a partnership, or the sale, lease or exchange of all or substantially all of the trust's or the company's property or assets unless, in each case, the company's board of directors adopts a resolution by a majority vote approving such action and unless (i) in the case of the company, such action is approved by the affirmative vote of the holders of a majority of each of the outstanding trust interests and allocation interests entitled to vote thereon or (ii) in the case of the trust, such action is approved by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon.

In addition, the trust agreement and the LLC agreement each contain provisions based on Section 203 of the DGCL which prohibit the company and the trust from engaging in a business combination with an interested shareholder unless (i) in the case of the company, such business combination is approved by the affirmative vote of the holders of 66 2/3% of each of the outstanding trust interests and allocation interests entitled to vote thereon, or (ii) in the case of the trust, such business combination is approved by the affirmative vote of the holders of 66 2/3% of the outstanding shares entitled to vote thereon, in each case, excluding shares or trust interests, as the case may be, held by the interested shareholder or any affiliate or associate of the interested shareholder.

Subject to the right of our manager to appoint directors and any successor in the event of a vacancy, the LLC agreement authorizes the company's board of directors to fill vacancies. This provision could prevent a shareholder of the trust from effectively obtaining an indirect majority representation on the company's board of directors by permitting the existing board of directors to increase the number of directors and to fill the vacancies with its own nominees. The LLC agreement also provides that directors may be removed, with or without cause, only by the affirmative vote of holders of 85% of the outstanding trust interests entitled to vote thereon that so elected or appointed such director. An appointed director may only be removed by the Allocation Member, as holder of the allocation interests.



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The trust agreement does not permit holders of the shares to act by written consent. Instead, shareholders may only take action via proxy, which, when the action relates to the trust's exercise of its rights as a member of the company, may be presented at a duly called annual or special meeting of members of the company and will constitute the vote of the trust. For so long as the trust remains the sole owner of the trust interests, the trust will act as a member of the company by written consent, including to vote its trust interests in a manner that reflects the vote by proxy of the holders of the shares. Furthermore, the trust agreement and the LLC agreement provide that special meetings may only be called by the chairman of the company's board of directors or by resolution adopted by the company's board of directors.

The trust agreement and the LLC agreement also provide that members, or holders of shares, subject to any applicable share designation or trust interest designation, seeking to bring business before an annual meeting of members or to nominate candidates for election as directors at an annual meeting of members of the company, must provide notice thereof in writing to the company not less than 120 days and not more than 150 days prior to the anniversary date of the preceding year's annual meeting of members or as otherwise required by requirements of the Exchange Act. In addition, the member or holder of shares furnishing such notice must be a member or shareholder, as the case may be, of record on both (i) the date of delivering such notice and (ii) the record date for the determination of members or shareholders, as the case may be, entitled to vote at such meeting. The trust agreement and the LLC agreement specify certain requirements as to the form and content of a member's or shareholder's notice, as the case may be. These provisions may preclude members or holders of shares from bringing matters before members or holders of shares at an annual meeting or from making nominations for directors at an annual or special meeting of members.

The company's board of directors is divided into three classes serving staggered three-year terms, which effectively requires at least two election cycles for a majority of the company's board of directors to be replaced. See our definitive Proxy Statement on Schedule 14A filed on April 13, 2021, which is incorporated by reference into this prospectus, for more information about the company's board of directors. In addition, the Allocation Member has certain rights with respect to appointing one or more directors, as discussed above.

Authorized but unissued shares are available for future issuance, without approval of the shareholders of the trust. These additional shares may be utilized for a variety of purposes, including future public offerings to raise additional capital or to fund acquisitions, as well as option plans for employees of the company or its businesses. The existence of authorized but unissued shares could render more difficult or discourage an attempt to obtain control of the trust by means of a proxy contest, tender offer, merger or otherwise. However, the company's board of directors will not, without prior shareholder approval, issue or use any preferred shares for any defensive or anti-takeover purpose or for the purpose of implementing any shareholder rights plan.

In addition, the company's board of directors has broad authority to amend the trust agreement and the LLC agreement, as discussed below. The company's board of directors could, in the future, choose to amend the trust agreement or the LLC agreement to include other provisions which have the intention or effect of discouraging takeover attempts.

### **Amendment of the LLC Agreement**

The LLC agreement (including the distribution provisions thereof) may be amended only by a majority vote of the board of directors of the company, except that amending the following provisions requires an affirmative vote of at least a majority of the outstanding trust interests entitled to vote thereon:

- the purpose or powers of the company;
- the authorization of an increase in trust interests;
- the distribution rights of the trust interests;
- the provisions regarding the right to acquire trust interests after an acquisition exchange described above;
- the right of holders of shares to enforce the LLC agreement or to institute any legal proceeding for any remedy available to the trust;

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- the hiring of a replacement manager following the termination of the management services agreement;
- the merger or consolidation of the company, the sale, lease or exchange of all or substantially all of the company's assets and certain other business combinations or transactions;
- the right of holders of trust interests to vote on the dissolution, winding up and liquidation of the company; and
- the provision of the LLC agreement governing amendments thereof.

provided, however, that the company's board of directors may, without the vote of any outstanding trust interests, adopt any trust interest designation setting forth the terms of the trust preferred interests to be issued, which will amend the LLC agreement, and the board of directors, without the vote of any outstanding trust interests, may otherwise amend the LLC agreement to the extent the board of directors determines that it is necessary or desirable in order to effectuate any issuance of trust preferred interests.

In addition, the Allocation Member, as holder of the allocation interests, will have the rights specified above under “— Voting and Consent Rights.”

### **Amendment of the Trust Agreement**

The trust agreement may be amended, revised, supplemented or otherwise modified, and provisions of the trust agreement waived by the company, as sponsor of the trust, and the regular trustees acting at the company's direction. However, the company may not, without the affirmative vote of a majority of the outstanding shares entitled to vote thereon, enter into or consent to any modification or waiver of the provisions of the trust agreement that would:

- cause the trust to fail or cease to qualify for the exemption from the status of an “investment company” under the Investment Company Act;
- cause the trust to issue a class of common equity securities other than the common shares (as described above under “— Common Shares in the Trust”), or issue any debt securities or any derivative securities or amend the provision of the trust agreement prohibiting any such issuances;
- affect the exclusive and absolute right of our shareholders entitled to vote to direct the voting of the trust, as a member of the company, with respect to all matters reserved for the vote of members of the company pursuant to the LLC agreement;
- effect the merger or consolidation of the trust, the sale, lease or exchange of all or substantially all of the trust's property or assets and certain other business combinations or transactions;
- amend the distribution rights of the shares;
- increase the number of authorized shares; or
- amend the provisions of the trust agreement governing the amendment thereof.

provided, however, that the company's board of directors may, without the vote of any outstanding shares, adopt any share designation setting forth the terms of the preferred shares to be issued, which will amend the trust agreement, and the board of directors, without the vote of any outstanding shares, may otherwise amend the trust agreement to the extent the board of directors determines that it is necessary or desirable in order to effectuate any issuance of preferred shares.

### **Trustees**

Messrs. Elias J. Sabo and Ryan J. Faulkingham currently serve as the regular trustees of the trust, and BNY Mellon Trust of Delaware currently serves as the Delaware trustee of the trust.

### **Transfer Agent and Registrar**

The transfer agent and registrar for the shares and the trust interests is Broadridge Corporate Issuer Solutions, Inc.

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Our common shares are listed on the New York Stock Exchange under the symbol “CODI.” Our 7.250% Series A Preferred Shares, 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Shares and 7.875% Series C Cumulative Preferred Shares are listed on the New York Stock Exchange under the symbols “CODI PR A,” “CODI PR B” and “CODI PR C,” respectively.

## MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

*The following is a summary of material U.S. federal income tax considerations associated with the purchase, ownership and disposition of shares by U.S. Holders (as defined below) and Non-U.S. Holders (as defined below). The following summary is based upon current provisions of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, currently applicable United States Treasury Regulations, which we refer to as Regulations, and judicial and administrative rulings as of the date hereof. This summary is not binding upon the Internal Revenue Service, which we refer to as the IRS, and no rulings have been or will be sought from the IRS regarding any matters discussed in this summary. In addition, legislative, judicial or administrative changes may be forthcoming that could alter or modify the tax consequences, possibly on a retroactive basis.*

This summary does not describe all of the U.S. federal income tax consequences that may be relevant to a holder in light of its particular circumstances. Further, this summary deals only with shares of the trust that are held as capital assets (within the meaning of Section 1221 of the Code) by holders who acquire the shares upon original issuance and does not address (except to the limited extent described below) special situations, such as those of:

- brokers and dealers in securities or currencies;
- financial institutions;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organizations;
- insurance companies;
- persons holding shares as a part of a hedging, integrated or conversion transaction or a straddle, or as part of any other risk reduction transaction;
- certain former citizens or residents of the United States;
- controlled foreign corporations;
- passive foreign investment companies;
- partnerships, S corporations or other pass-through entities;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; or
- persons liable for alternative minimum tax.

A “U.S. Holder” of shares means a beneficial owner of shares that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- a partnership (or other entity treated as a partnership for tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, the interests in which are owned only by U.S. persons;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a federal, state or local court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Regulations to be treated as a U.S. person.

A “Non-U.S. Holder” of shares means a beneficial owner of shares that is not a U.S. Holder.

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If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of the trust, the tax treatment of any non-U.S. partner in such partnership (or other entity) will generally depend upon the status of the partner and the activities of the partnership. If you are a non-U.S. partner of a partnership (or similarly treated entity) that acquires and holds shares of the trust, we urge you to consult your own tax adviser.

This summary does not address the tax consequences arising under any state, local or foreign law. Furthermore, this summary does not consider the effect of the U.S. federal estate or gift tax laws.

No statutory, administrative or judicial authority directly addresses many of the U.S. federal income tax issues pertaining to the treatment of shares or instruments similar to the shares. As a result, we cannot assure you that the IRS or the courts will agree with the positions described in this summary. A different treatment of the shares, the trust or the company from that described below could adversely affect the amount, timing, character and manner for reporting of income, gain or loss in respect of an investment in the shares. **If you are considering the purchase of shares, we urge you to consult your own tax adviser concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of shares, as well as any consequences to you arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local or foreign taxing jurisdiction or under any applicable tax treaty.**

Material U.S. federal income tax considerations specific to the preferred shares will be included in the applicable prospectus supplement in connection with the offering of such preferred shares.

### **Status of the Trust**

The trust has filed an election pursuant to Treasury Regulations § 301.7701-2(b) to be classified as an association taxable as a corporation. The election was filed with the United States Internal Revenue Service on August 25, 2021 with an effective date of September 1, 2021 (the effective date of the election, the “CTB Date”). Prior to the CTB Date the trust was classified as a partnership for U.S. federal income tax purposes. While the trust has not yet received confirmation that the IRS accepted the election to be classified as an association taxable as a corporation, the trust fully anticipates that such election will be approved. The remainder of this discussion assumes that the trust will be treated as an association taxable as a corporation from and after the CTB Date. If for any reason the election is not approved by the IRS (though the trust does not anticipate this to occur), the trust could continue to be classified for US federal income tax purposes as a partnership. A discussion of the tax implications of acquiring interests in a partnership is beyond the scope of this summary, and we urge you to consult your own tax adviser concerning such tax implications to you.

### **Consequences to U.S. Holders**

The following is a summary of material U.S. federal income tax consequences that will apply to a U.S. Holder of trust common shares.

#### ***Distributions***

If we make a distribution in respect of trust common shares, the distribution will be treated as a dividend to the extent it is paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If the distribution exceeds current and accumulated earnings and profits, the excess will be treated as a nontaxable return of capital that reduces the holder’s adjusted tax basis in the common shares to the extent of the holder’s adjusted tax basis in those common shares. A holder’s adjusted tax basis in trust common shares will generally be the amount the holder paid for such shares, subject to certain adjustments. Any remaining excess will be treated as capital gain (the taxation of which is discussed below under “Consequences to U.S. Holders -Sale, exchange or other taxable disposition of common shares”).

If a U.S. Holder is an individual, dividends received by such holder may be subject to a reduced maximum tax rate provided certain holding period and other requirements are met. If a U.S. Holder is a U.S. corporation, it may, if certain conditions are met, be able to claim the deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations equal to a portion of any dividends received, subject to generally

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applicable limitations on that deduction. U.S. Holders should consult their tax advisors regarding the holding period requirements that must be satisfied in order to qualify for the dividends-received deduction and the reduced maximum tax rate on dividends.

### ***Sale, exchange or other taxable disposition of common shares***

A U.S. Holder will generally recognize capital gain or loss on a sale, exchange or other taxable disposition of trust common shares. The U.S. Holder's gain or loss will equal the difference between the amount realized by the U.S. Holder and the U.S. Holder's adjusted tax basis in the common shares. The amount realized by the U.S. Holder will include the amount of any cash and the fair market value of any other property received for the common shares. Gain or loss recognized by a U.S. Holder on a sale or exchange of common shares will be long-term capital gain or loss if the U.S. Holder's holding period in the common shares is more than one year at the time of the sale, exchange or other taxable disposition. Long-term capital gains of non-corporate taxpayers currently are eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

In certain circumstances, amounts received by a U.S. Holder upon the redemption of trust common shares may be treated as a dividend with respect to trust common shares, rather than as a payment in exchange for trust common shares that results in the recognition of capital gain or loss. In these circumstances, the redemption payment would be included in a U.S. Holder's gross income as a dividend to the extent such payment is made out of our earnings and profits (as described above). The determination of whether redemption of common shares will be treated as a dividend, rather than as a payment in exchange for trust common shares, will depend, in part, on whether and to what extent the redemption reduces the U.S. Holder's ownership in the trust (including as a result of certain constructive ownership attribution rules). The rules applicable to redemptions are complex, and each U.S. Holder should consult its own tax advisor to determine the consequences of any redemption.

### ***Additional tax on net investment income***

Non-corporate U.S. persons are generally subject to a 3.8% tax on the lesser of (1) the U.S. person's "net investment income" for the relevant taxable year and (2) the excess of the U.S. person's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's tax return filing status). A U.S. Holder's net investment income will generally include any income or gain recognized by such holder with respect to trust common shares, unless such income or gain is derived in the ordinary course of the conduct of such U.S. Holder's trade or business (other than a trade or business that consists of certain passive or trading activities). Non-corporate U.S. persons should consult their tax advisors on the applicability of this additional tax to their income and gains in respect of their investment in trust common shares.

### ***Information reporting and backup withholding***

The trust or its paying agent must report annually to U.S. Holders and the Internal Revenue Service, or the "IRS," amounts paid to such holders on or with respect to trust common shares during each calendar year, the amount of proceeds from the sale of trust common shares and the amount of tax, if any, withheld from such payments. A U.S. Holder will be subject to backup withholding on dividends paid on trust common shares and proceeds from the sale of trust common shares at the applicable rate (currently 24%) if the U.S. Holder is not otherwise exempt and (i) the holder fails to provide the trust or its paying agent with a correct taxpayer identification number, (ii) the trust or its paying agent are notified by the IRS that the holder provided an incorrect taxpayer identification number, (iii) the trust or its paying agent are notified by the IRS that the holder failed to properly report payments of interest or dividends or (iv) the holder fails to certify under penalty of perjury that it has provided a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding. A U.S. Holder generally may establish that it is exempt from or otherwise not subject to backup withholding by providing a properly completed IRS Form W-9 to the trust or its paying agent. Any amounts withheld under the backup withholding rules will generally be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is properly furnished to the IRS on a timely basis.

### ***Consequences to Non-U.S. Holders***

The following is a summary of the material U.S. federal income tax consequences that will apply to a Non-U.S. Holder of trust common shares.

### ***Distributions***

Distributions on trust common shares will constitute dividends to the extent described above in “—Consequences to U.S. Holders— Distributions.” Any dividends paid to Non-U.S. Holders with respect to the trust common shares will generally be subject to U.S. withholding tax at a 30% rate or such lower rate as specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a Non-U.S. Holder must furnish to the trust or its paying agent a valid IRS Form W-8BEN, W-BEN-E, or other applicable or successor form, certifying such holder’s qualification for the reduced rate. This certification must be provided to the trust or its paying agent prior to the payment of dividends and must be updated periodically. If a Non-U.S. Holder is eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty but fails to timely provide the required certification, the holder may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for such refund or credit with the IRS.

Dividends that are effectively connected with a Non-U.S. Holder’s conduct of a trade or business within the United States (and, where an applicable income tax treaty so requires, are attributable to such Non-U.S. Holder’s permanent establishment in the United States) are generally not subject to U.S. withholding tax, provided the Non-U.S. Holder furnishes to the trust or its paying agent a properly executed IRS Form W-8ECI (or applicable successor form) prior to the payment of dividends. Instead, dividends that are effectively connected with a Non-U.S. Holder’s conduct of a U.S. trade or business (and, where an applicable income tax treaty so requires, are attributable to such Non-U.S. Holder’s permanent establishment in the United States), are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as specified by an applicable income tax treaty. Non-U.S. Holders should consult their tax advisors regarding the potential application of tax treaties and their eligibility for income tax treaty benefits.

### ***Sale, exchange or other taxable disposition of common shares***

Subject to the discussions below under “Information reporting and backup withholding” and “Foreign Account Tax Compliance Act,” any gain realized by a Non-U.S. Holder upon the sale, exchange or other taxable disposition of trust common shares generally will not be subject to U.S. federal income tax unless:

- that gain is effectively connected with such Non-U.S. Holder’s conduct of a trade or business in the United States (and, where an applicable income tax treaty so requires, is attributable to such Non-U.S. Holder’s permanent establishment in the United States);
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a “United States real property holding corporation” for U.S. federal income tax purposes at any time within the shorter of the five-year period ending on the date of disposition or the period that such Non-U.S. Holder held trust common shares and either trust common shares were not regularly traded on an established securities market at any time during the calendar year in which the disposition occurs, or the Non-U.S. Holder owns or owned (actually or constructively) more than five percent of the total fair market value of trust common shares at any time during the five-year period ending on the date of disposition. A corporation is a “U.S. real property holding corporation” if the fair market value of its U.S. real property interests is at least 50% of the sum of the fair market value of (1) its U.S. real property interests, (2) its interest in real property located outside the United States and (3) any other assets used in a trade or business. We do not believe that we are, and do not anticipate that we will become, a “U.S. real property holding corporation” for U.S. federal income tax purposes.

A Non-U.S. Holder described in the first bullet point above will generally be subject to U.S. federal income tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates or such lower rate as specified by an applicable income tax treaty. A Non-U.S. Holder that is a foreign corporation may, in addition, be

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subject to a branch profits tax at a 30% rate or a lower rate specified by an applicable income tax treaty. An individual Non-U.S. Holder described in the second bullet point above will generally be subject to a flat 30% U.S. federal income tax on the gain derived from the sale, which may be offset by U.S. source capital losses. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, any gain described in the second bullet point will be subject to U.S. federal income tax in the manner specified by the income tax treaty and generally will only be subject to such tax if such gain is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States. To claim the benefit of any applicable income tax treaty, a Non-U.S. Holder must properly submit an IRS Form W-8BEN, W-8BEN-E or other applicable or successor form. Non-U.S. Holders should consult their tax advisors regarding the potential application of income tax treaties and their eligibility for income tax treaty benefits.

As described above in “—Consequences to U.S. Holders—Sale, exchange or other taxable disposition of common shares,” in certain circumstances amounts received upon the redemption of trust common shares may be treated as a dividend (the taxation of which is described above under “Consequences to Non-U.S. Holders – Distributions”) and not as a payment in exchange for trust common shares that results in the recognition of capital gain or loss. The rules applicable to redemptions are complex, and each non-U.S. Holder should consult its own tax advisor to determine the consequences of a redemption to it.

### ***Information reporting and backup withholding***

We must report annually to the IRS the amount of dividends or other distributions we pay to Non-U.S. Holders on trust common shares and the amount of tax we withhold on these distributions. These information reporting requirements apply even if no withholding was required. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under the provisions of an applicable income tax treaty or other agreement. A Non-U.S. Holder generally will not be subject to backup withholding (but may be subject to other withholding as described above) on dividends the Non-U.S. Holder receives on trust common shares provided that we do not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code, and we have received from the holder a properly completed IRS Form W-8BEN, W-8BEN-E or other applicable or successor form, or the holder otherwise establishes an exemption.

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale of trust common shares outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if a Non-U.S. Holder sells trust common shares through a U.S. broker or the U.S. office of a foreign broker, the broker will be required to report the amount of proceeds paid to the Non-U.S. Holder to the IRS and also backup withhold on that amount unless the Non-U.S. Holder provides to the broker a properly completed IRS Form W-8BEN, W-8BEN-E or other applicable or successor form or otherwise establishes an exemption, and the broker does not have actual knowledge or reasons to know that the holder is a U.S. person, as defined under the Code.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or a credit against a Non-U.S. Holder’s U.S. federal income tax liability provided the required information is properly furnished to the IRS on a timely basis.

### ***Foreign Account Tax Compliance Act***

Sections 1471 through 1474 of the Code, Treasury regulations promulgated thereunder and applicable administrative guidance (collectively, “FATCA”) impose a 30% withholding tax on payments of dividends on trust common shares made to (i) a “foreign financial institution,” as defined under such rules, unless such institution enters into an agreement with the Department of Treasury to, among other things, collect and provide to it substantial information regarding such institution’s United States financial account holders, including certain account holders that are foreign entities with United States owners or, in the case of a foreign financial institution in a jurisdiction that has entered into an intergovernmental agreement with the United States, such institution complies with the requirements of such agreement and (ii) a “non-financial foreign entity,” as defined under such rules, unless such entity provides the paying agent with a certification that it does not have any substantial United States owners or a certification identifying the direct and indirect substantial United States owners of the entity, unless in each case, an exemption applies.



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FATCA would have also imposed a 30% withholding tax on the gross proceeds from a sale or other disposition of trust common shares after December 31, 2018. However, proposed Treasury regulations have been issued that, when finalized, will provide for the repeal of this 30% withholding tax. In the preamble to the proposed regulations, the government provided that taxpayers may rely upon this repeal until the issuance of final regulations.

Holder are encouraged to consult with their own tax advisors regarding the possible implications of these rules for their investment in trust common shares.

**The foregoing discussion of material U.S. federal income tax considerations is for general information purposes only and is not tax or legal advice. You should consult your own tax advisor as to the particular tax consequences to you of owning and disposing of trust common shares, including the applicability and effect of any U.S. federal, state or local or non-U.S. tax laws, and of any changes or proposed changes in applicable law.**

### LEGAL MATTERS

The validity of the shares being offered hereby will be passed upon for us by Richards, Layton & Finger, P.A., Wilmington, Delaware. Certain legal matters in connection with the shares being offered hereby will be passed upon for us by Squire Patton Boggs (US) LLP, Cincinnati, Ohio. Attorneys at Squire Patton Boggs (US) LLP own an aggregate of approximately 2,000 common shares of the trust. The underwriters, dealers or agents, if any, will be represented by their own legal counsel in connection with any underwritten offering hereby.

### EXPERTS

The audited consolidated financial statements and schedule and management's assessment of the effectiveness of internal control over financial reporting of Compass Diversified Holdings incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited historical financial statements of Boa Technology Inc. included in Exhibit 99.1 of Compass Diversified Holdings' Current Report on Form 8-K/A dated December 28, 2020 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION**

The estimated expenses in connection with the distribution of the securities being registered, all of which are to be paid by us, are as follows:

Securities and Exchange Commission Registration Fee	\$ (1)(2)
Listing Fees and Expenses	(1)
Printing Expenses	(1)
Legal Fees and Expenses	(1)
Accounting Fees and Expenses	(1)
Miscellaneous Fees and Expenses	(1)
Total	\$ (1)

- (1) Estimated expenses are not presently known.
- (2) Deferred in accordance with Rule 456(b) and Rule 457(r) of the Securities Act, except for the \$20,764.24 of registration fees that have previously been paid, which may continue to be applied to \$178,694,000 aggregate initial offering price of unsold common shares pursuant to Rule 415(a)(6).

**ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Certain provisions of our LLC agreement are intended to be consistent with Section 145 of the DGCL, which provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is, or is threatened to be made, a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceedings, if such person had no reasonable cause to believe his conduct was unlawful; provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances.

Our LLC agreement includes a provision that eliminates the personal liability of our directors and officers for monetary damages for breach of fiduciary duty as a director or officer, except for liability:

- for any breach of the director or officer's duty of loyalty to the company or its members;
- for acts or omissions not in good faith or a knowing violation of law; or
- for any transaction from which the director or officer derived an improper benefit.

Our LLC agreement provides that:

- we must indemnify our directors and officers to the equivalent extent permitted by the DGCL;
- we may indemnify our other employees and agents to the same extent that we indemnify our officers and directors, unless otherwise determined by the company's board of directors;
- we must advance expenses, as incurred, to our directors and executive officers in connection with a legal proceeding to the extent permitted by Delaware law and may advance expenses as incurred to our other employees and agents, unless otherwise determined by the company's board of directors.

The indemnification provisions contained in our LLC agreement are not exclusive of any other rights to which a person may be entitled by law, agreement, vote of members or disinterested directors or otherwise.

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In addition, we maintain insurance on behalf of our directors and executive officers and certain other persons insuring them against any liability asserted against them in their respective capacities or arising out of such status.

### **ITEM 16. EXHIBITS**

The list of exhibits is set forth under “Exhibit Index” at the end of this registration statement and is incorporated herein by reference.

### **ITEM 17. UNDERTAKINGS**

A. The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*Provided, however, That*

paragraphs (1)(i), (1)(ii) and (1)(iii) above do not apply if the registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act

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of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by a director, officer or controlling person of us in a successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to the court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Exhibit</b>
1.1	Underwriting Agreement (1)
4.1	<a href="#">Certificate of Trust of Compass Diversified Trust (incorporated by reference to Exhibit 3.1 of the Form S-1 filed on December 14, 2005 (File No. 333-130326)).</a>
4.2	<a href="#">Certificate of Amendment to Certificate of Trust of Compass Diversified Trust (incorporated by reference to Exhibit 3.1 of the 8-K filed on September 13, 2007 (File No. 000-51937)).</a>
4.3	<a href="#">Certificate of Formation of Compass Group Diversified Holdings LLC (incorporated by reference to Exhibit 3.3 of the Form S-1 filed on December 14, 2005 (File No. 333-130326)).</a>
4.4	<a href="#">Third Amended and Restated Trust Agreement of Compass Diversified Trust dated August 3, 2021 (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.5	<a href="#">Sixth Amended and Restated Operating Agreement of Compass Group Diversified Holdings LLC, dated August 3, 2021 (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.6	<a href="#">Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.7	<a href="#">Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on June 28, 2017 (File No. 001-34927)).</a>
4.8	<a href="#">Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.9	<a href="#">Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 13, 2018 (File No. 001-34927)).</a>
4.10	<a href="#">Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.11	<a href="#">Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 13, 2018 (File No. 001-34927)).</a>
4.12	<a href="#">Specimen Certificate evidencing a common share of trust of Compass Diversified Holdings (incorporated by reference to Exhibit A of Exhibit 3.1 of the Current Report on Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.13	Specimen Certificate evidencing a preferred share of Compass Diversified Holdings (1)
4.14	<a href="#">Specimen LLC Interest Certificate evidencing a trust common interest of Compass Group Diversified Holdings LLC (incorporated by reference to Exhibit A of Exhibit 3.2 of the Current Report on Form 8-K filed on August 4, 2021 (File No. 000-34927)).</a>
4.15	<a href="#">Form of 7.250% Series A Preferred Share Certificate (incorporated by reference to Appendix A of Exhibit 3.3 of the Current Report on Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>
4.16	<a href="#">Form of 7.875% Series B Fixed-to-Floating Rate Cumulative Preferred Share Certificate (incorporated by reference to Appendix A of Exhibit 3.4 of the Current Report on Form 8-K filed on August 4, 2021 (File No. 001-34927)).</a>

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- 4.17 [Form of 7.875% Series C Cumulative Preferred Share Certificate \(incorporated by reference to Appendix A of Exhibit 3.5 of the Current Report on Form 8-K filed on August 4, 2021 \(File No. 001-34927\)\)](#).
- 5.1 [Legality Opinion of Richards, Layton & Finger, P.A. as the trust \(2\)](#).
- 5.2 [Legality Opinion of Richards, Layton & Finger, P.A. as to the company \(2\)](#).
- 8.1 [Opinion of Squire Patton Boggs \(US\) LLP regarding certain tax matters \(2\)](#).
- 23.1 [Consent of Grant Thornton LLP \(2\)](#).
- 23.2 [Consent of PricewaterhouseCoopers LLP \(2\)](#).
- 23.3 [Consent of Richards, Layton & Finger, P.A. \(included in Exhibits 5.1 and 5.2\)](#).
- 23.4 [Consent of Squire Patton Boggs \(US\) LLP \(included in Exhibit 8.1\)](#).
- 24.1 [Powers of Attorney \(included on signature page\)](#).

- 
- (1) To be filed as an exhibit to a Current Report on Form 8-K to be filed by the Registrant in connection with a specific offering.
  - (2) Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Westport, State of Connecticut, on the 7<sup>th</sup> day of September, 2021.

COMPASS DIVERSIFIED HOLDINGS

By: /s/ RYAN J. FAULKINGHAM

Ryan J. Faulkingham  
Regular Trustee

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Westport, State of Connecticut, on the 7<sup>th</sup> day of September, 2021.

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ RYAN J. FAULKINGHAM

Ryan J. Faulkingham  
Chief Financial Officer  
*(Principal Financial and Accounting Officer)*

## POWER OF ATTORNEY

The registrant and each person whose signature appears below constitutes and appoints Ryan J. Faulkingham and Elias J. Sabo and each of them singly, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file any and all amendments (including post-effective amendments) to this Registration Statement, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Elias J. Sabo</u> Elias J. Sabo	Chief Executive Officer and Director (Principal Executive Officer)	September 7, 2021
<u>/s/ Ryan J. Faulkingham</u> Ryan J. Faulkingham	Chief Financial Officer (Principal Financial and Accounting Officer)	September 7, 2021
<u>/s/ James Bottiglieri</u> James Bottiglieri	Director	September 7, 2021
<u>/s/ Gordon M. Burns</u> Gordon M. Burns	Director	September 7, 2021
<u>/s/ C. Sean Day</u> C. Sean Day	Director	September 7, 2021
<u>/s/ Harold S. Edwards</u> Harold S. Edwards	Director	September 7, 2021
<u>/s/ Larry L. Enterline</u> Larry L. Enterline	Director	September 7, 2021
<u>/s/ D. Eugene Ewing</u> D. Eugene Ewing	Director	September 7, 2021
<u>/s/ Sarah G. McCoy</u> Sarah G. McCoy	Director	September 7, 2021



[Letterhead of Richards, Layton & Finger, P.A.]

September 7, 2021

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 to 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 of the Trust, dated as of November 18, 2005 among Compass Diversified Holdings LLC (now named "Compass Group 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 thereto, dated as of May 25, 2007, as further amended by the Second Amendment thereto, dated as of September 14, 2007 as further amended by the Third Amendment thereto, dated as of December 21, 2007 and effective as of January 1, 2007, as further amended by the Fourth Amendment thereto, dated as of November 1, 2010, as amended and

restated by the Second Amended and Restated Trust Agreement of the Trust, dated as of December 6, 2016, as further amended and restated by the Third Amended and Restated Trust Agreement of the Trust, dated as of August 3, 2021, as supplemented and amended by the Amended and Restated Share Designation of Series A Preferred Shares, dated August 3, 2021, as further supplemented and amended by the Amended and Restated Share Designation of Series B Preferred Shares, dated August 3, 2021, and as further supplemented and amended by the Amended and Restated Share Designation of Series C Preferred Shares, dated August 3, 2021 (as so amended, restated and supplemented, the "Trust Agreement") (including the form of Share certificate attached thereto as Exhibit A);

- (c) The Registration Statement on Form S-3, filed by the Trust and the Company with the Securities and Exchange Commission (the "SEC") on September 7, 2021 (the "Registration Statement"), including a related prospectus, the "Prospectus"), relating to the registration of (i) Common Shares and Preferred Shares of the Trust representing beneficial interests in the assets of the Trust which, at the time of sale pursuant to the Registration Statement, have been previously issued by the Trust and owned by certain selling shareholders of the Trust identified in the Prospectus or to be named in one or more prospectus supplements (each, a "Selling Shareholder Share", and collectively the "Selling Shareholder Shares"), (ii) Common Shares of the Trust representing beneficial interests in the assets of the Trust to be issued by the Trust pursuant to the Registration Statement (the "New Common Shares"), and (iii) Preferred Shares of the Trust representing beneficial interests in the assets of the Trust (the "New Preferred Shares", and collectively with the New Common Shares, each a "New Share" and collectively the "New Shares") (the New Shares, together with the Selling Shareholder Shares, are hereinafter referred to each as a "Share", and collectively as the "Shares");
- (d) A certificate of the secretary of the Company in its capacity as Sponsor, including certain resolutions of the board of directors of the Company and committees thereof attached thereto (the "Resolutions"); and
- (e) A Certificate of Good Standing for the Trust, dated September 7, 2021, 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 (e) 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 as of the date on which any Selling Shareholder Shares were issued by the Trust, the Certificate of Trust and the trust agreement of the Trust in effect at the time of such issuance were in full force and effect and had not been amended, (ii) that as of the date on which any New Shares are issued by the Trust, the Certificate of Trust and the Trust Agreement will be in full force and effect and will not have been amended, (iii) 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, (iv) the legal capacity of natural persons who are signatories to the documents examined by us, (v) 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, (vi) 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, (vii) the receipt by each Person to whom a Share was or will be issued by the Trust 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 of the Trust in effect at such time of issuance, the Registration Statement and any applicable sale agreement, (viii) that the Selling Shareholder Shares that have been issued by the Trust were issued and sold to the holders thereof in accordance with the trust agreement of the Trust in effect at such time of issuance and any applicable sale agreement, (ix) that any New Shares will be issued and sold to the holders thereof in accordance with the Trust Agreement, the Registration Statement and any applicable sale agreement, (x) that after the issuance and sale of any Shares under the Registration Statement, the Trust Agreement and any applicable sale agreement, the aggregate number of Common Shares issued by the Trust will not exceed 500,000,000, and the aggregate number of Preferred Shares issued by the Trust will not exceed 50,000,000, and (xi) 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 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 that are currently in effect (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.

Based upon the foregoing 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 New Shares of the Trust will be validly issued, fully paid and nonassessable beneficial interests in the assets of the Trust.
3. The Selling Shareholder Shares are or will be validly issued, fully paid and nonassessable beneficial interests in the assets of the Trust.
4. 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 SEC as an exhibit to the Registration Statement. We also 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 SEC thereunder.

Very truly yours,

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

MVP/EDF

[Letterhead of Richards, Layton & Finger, P.A.]

September 7, 2021

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;

(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, entered into between the Trust and Sostratus LLC, as the members of the LLC;

(h) The Sixth Amended and Restated Operating Agreement of the LLC, dated as of August 3, 2021, entered into between the Trust and Sostratus LLC, as the members of the LLC, as amended and supplemented by the Trust Interest Designation of Series A Trust Preferred Interests, dated June 28, 2017, as further amended and supplemented by the Trust Interest Designation of Series B Trust Preferred Interests, dated March 13, 2018, and as further amended and supplemented by the Trust Interest Designation of Series C Trust Preferred Interests, dated November 20, 2019 (as so amended and supplemented, the "LLC Agreement");

(i) The Registration Statement on Form S-3, filed with the Securities and Exchange Commission (the "SEC") on September 7, 2021 (the "Registration Statement"), including a related prospectus, the "Prospectus"), relating to the registration of (i) common shares representing beneficial interests in the assets of the Trust ("Common Shares") which, at the time of sale pursuant to the Registration Statement, will be previously issued by the Trust and owned by certain selling shareholders of the Trust identified in the Prospectus or to be named in one or more prospectus supplements (the "Selling Shareholders' Common Shares"), and underlying common limited liability company interests in the LLC ("Trust Common Interests") that were or will be issued to the Trust at the same time and in connection with the issuance of the Selling Shareholders' Common Shares (collectively, the "Outstanding Trust Common Interests"), (ii) preferred shares representing beneficial interests in the assets of the Trust ("Preferred Shares") which, at the time of sale pursuant to the Registration Statement, will be previously issued by the Trust and owned by certain selling shareholders of the Trust identified in the Prospectus or to be named in one or more prospectus supplements (the "Selling Shareholders' Preferred Shares", and together with the Selling Shareholders' Common Shares, the "Selling Shareholder Shares"), and underlying preferred limited liability company interests in the LLC ("Trust Preferred Interests") that were or will be issued to the Trust at the same time and in connection with the issuance of the Selling Shareholders' Preferred Shares (collectively, the "Outstanding Trust Preferred Interests", and together with the Outstanding Trust Common Interests, the "Outstanding Trust Interests"), (iii) Common Shares to be issued by the Trust pursuant to the Registration Statement (the "New Common Shares"), and underlying Trust Common Interests to be issued by the LLC to the Trust in exchange for such New Common Shares pursuant to the Registration Statement (the "New Trust Common Interests"), and (iv) Preferred Shares to be issued by the Trust pursuant to the Registration Statement ("New Preferred Shares"), and underlying Trust Preferred Interests to be

issued by the LLC to the Trust in exchange for such New Preferred Shares pursuant to the Registration Statement (the “New Trust Preferred Interests”, and together with the New Trust Common Interests, the “New Trust Interests”) (the Outstanding Trust Interests, together with the New Trust Interests, are hereinafter referred to each as a “Trust Interest” and collectively as the “Trust Interests”);

(j) A certificate of the secretary of the Company as to certain matters, including certain resolutions of the board of directors of the Company and committees thereof attached thereto (the “Resolutions”); and

(k) A Certificate of Good Standing for the LLC, dated September 7, 2021, 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 (k) 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 as of the date on which any Outstanding Trust Interests were issued by the LLC, the LLC Certificate and the limited liability company agreement of the LLC in effect at the time of such issuance were in full force and effect and had not been amended, (ii) that as of the date that any New Trust Interests are issued by the LLC, the LLC Certificate and the LLC Agreement will be in full force and effect and will not have been amended, (iii) 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, (iv) the legal capacity of natural persons who are signatories to the documents examined by us, (v) 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, (vi) the due authorization, execution and delivery by the parties thereto of the documents examined by us, (vii) that each Person to whom a Trust Interest was or will be issued by the LLC (each, a “Trust Interest Holder” and collectively, the “Trust Interest Holders”) received or will receive a Trust Interest Certificate for such Trust Interest and paid or will pay for such Trust Interest acquired by it, in accordance with the Registration Statement and the limited liability

company agreement of the LLC in effect at the time of such issuance, (viii) that the books and records of the LLC set forth or will set forth the names and addresses of all Persons admitted or to be admitted as members of the LLC, the dollar value of each such member's contributions to the LLC, and the number and type of Trust Interests owned by each Trust Interest Holder, (ix) that the Outstanding Trust Interests that have been issued by the LLC were issued and sold to the Trust Interest Holders in accordance with the limited liability company agreement of the Company in effect at the time of such issuance and any applicable sale agreement, (x) that any New Trust Interests will be issued and sold to the Trust Interest Holders in accordance with the LLC Agreement, the Registration Statement and any applicable sale agreement, and (xi) that after the issuance and sale of any Trust Interests under the Registration Statement and the LLC Agreement, the aggregate number of Trust Common Interests issued by the LLC will not exceed 500,000,000, and the aggregate number of Trust Preferred Interests issued by the LLC will not exceed 50,000,000. We have not participated in the preparation of the Registration Statement, other than 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 that are currently in effect (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.

Based upon the foregoing, 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 Outstanding Trust Common Interests have been or will be validly issued and, subject to the qualifications set forth in paragraph 6 below, fully paid and nonassessable limited liability company interests in the LLC.
3. The Outstanding Trust Preferred Interests have been or will be validly issued and, subject to the qualifications set forth in paragraph 6 below, fully paid and nonassessable limited liability company interests in the LLC.
4. The New Trust Common Interests will be validly issued and, subject to the qualifications set forth in paragraph 6 below, fully paid and nonassessable limited liability company interests in the LLC.
5. The New Trust Preferred Interests will be validly issued and, subject to the qualifications set forth in paragraph 6 below, fully paid and nonassessable limited liability company interests in the LLC.



6. 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 note that a Trust Interest Holder may be obligated pursuant to the LLC Agreement to provide the Transfer Agent sufficient indemnity in connection with the issuance of replacement Trust Interest Certificates.

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 SEC thereunder.

Very truly yours,

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

MVP/EDF



Squire Patton Boggs (US) LLP  
201 E. Fourth St., Suite 1900  
Cincinnati, Ohio 45202

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September 7, 2021

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: Registration Statement on Form S-3

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 and filing with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), of the Registration Statement on Form S-3 (the "Registration Statement"), which is being filed with the Commission on the date hereof, and of which the prospectus forms a part (the "Prospectus"). The Registration Statement relates to the offering of common and preferred shares representing beneficial interests in the Trust (respectively, the "Common Shares" and "Preferred Shares"). Each Common Share of the Trust corresponds to one common trust interest of the Company held by the Trust. Each Preferred Share of the Trust corresponds to one trust preferred interest 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 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 caption "Material U.S. Federal Income Tax Considerations" in the Registration Statement 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 or the Registration Statement. Our opinion is based on current provisions of the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, published pronouncements of the Internal Revenue Service and case law, any of which may be changed at any time with retroactive effect. Any change in applicable laws, or any inaccuracy in the statements, facts, assumptions or representations upon which we have relied, may affect the continuing validity of our opinion as set forth herein.

We are furnishing this opinion in connection with the filing of the Registration Statement and this opinion is not to be used or relied upon for any other purpose without our prior express written consent. We hereby consent to the use of this letter as an exhibit to the Registration Statement and to references therein to us. 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

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have issued our reports dated February 24, 2021 with respect to the consolidated financial statements and internal control over financial reporting of Compass Diversified Holdings included in the Annual Report on Form 10-K for the year ended December 31, 2020, which are incorporated by reference in this Registration Statement. We consent to the incorporation by reference of the aforementioned reports in this Registration Statement, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

New York, New York  
September 7, 2021

## CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of Compass Diversified Holdings of our report dated April 28, 2020, except for the effects of the revisions discussed under Adjustments to Financial Statements in Note 1 to the consolidated financial statements, as to which the date is December 28, 2020, relating to the financial statements of Boa Technology, Inc., which appears in Compass Diversified Holdings Current Report on Form 8-K/A dated December 28, 2020. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP  
Denver, Colorado  
September 7, 2021