



COMPASS DIVERSIFIED HOLDINGS  
COMPASS GROUP DIVERSIFIED HOLDINGS LLC

SHARE OWNERSHIP GUIDELINES

***Purpose***

The Board of Directors (the “**Board**”) of Compass Group Diversified Holdings LLC (the “**Company**”) believes that non-employee directors of the Company should own meaningful amounts of the common shares of Compass Diversified Holdings (the “**Trust**”) to promote a long-term perspective and confidence in the Company and to ensure alignment with shareholders, capital markets and public interests. To meet this objective, the Board has established these Share Ownership Guidelines (these “**Guidelines**”) for the non-employee directors of the Board (each a “**Covered Director**”), who are subject to these Guidelines.

***Ownership Guidelines***

Each Covered Director is expected to acquire and continue to hold during his or her term as a director of the Company, common shares of the Trust (NYSE:CODI) (“**Shares**”) having a value equal to five (5) times such director’s annual cash retainer, excluding any additional retainer for service as the chair of the Board, chair of any of its standing committees, or as its independent lead director, as applicable, rounded up to the nearest 500 shares (the “**Ownership Requirement**”). The annual cash retainer for Covered Directors shall be established by the Compensation Committee on an annual basis and approved by the Board and may be amended from time to time.

***Retention***

After achievement of the Ownership Requirement, Covered Directors must continue to retain enough Shares to maintain such level while serving as a director.

***Timeframe***

Covered Directors are required to achieve the applicable Ownership Requirement within five (5) years after their first full year of service on the Company’s Board. If the Ownership Requirement is changed or reset, Covered Directors are required to achieve the applicable Ownership Requirement within five (5) years of any such change to the Ownership Requirement.

***Definitions of Ownership***

Share holdings that count towards the Ownership Requirement include:

- Shares held directly by the Covered Director.
- Shares held by the spouse or dependent children of the Covered Director.



- Shares held in trust for the economic benefit of the Covered Director, or the spouse or dependent children of the Covered Director.

### ***Share Ownership Requirement Calculation***

Share prices of all companies are subject to market volatility. The Board believes that using an average of the closing price of CODI common trust shares over the last 30-trading days of the preceding fiscal year (the "**Average Market Price**") is the best way to calculate share prices for these Guidelines while accounting for market volatility.

The Ownership Requirement will be established as of the beginning of the fiscal year in which the Guidelines are adopted using the Average Market Price. As set forth above, the Ownership Requirement will be a multiple of the Covered Director's annual cash retainer in effect as of the first day of the fiscal year for which the Guidelines are set, as applicable, and will be rounded up to the nearest 500 Shares. If there is a change in the Covered Director's annual cash retainer, the Ownership Requirement will be reset using the Average Market Price at the beginning of the fiscal year following such change in compensation.

The Covered Directors' compliance with the Ownership Requirement will be assessed at the end of each fiscal year and not on a running basis. The Covered Directors will be notified each year of their standing with respect to these Guidelines.

### ***Administration***

The Nominating and Corporate Governance Committee shall be responsible for monitoring the application of these Guidelines.

### ***Compliance***

Once the Covered Director satisfies the applicable Ownership Requirement, he or she is considered to have satisfied the Guidelines irrespective of any future Share price changes. However, if the Covered Director falls below the Ownership Requirement as a result of selling of Shares, then he or she is not in compliance.

In the event of an increase in the annual cash retainer payable to directors, a Covered Director will have five (5) years from the reset of the Ownership Requirement to acquire any additional Shares required to meet the new, incremental Ownership Requirement.

If a Covered Director falls below the applicable Ownership Requirement due solely to a decline in the value of the Shares, he or she will not be required to acquire additional Shares to meet the Guidelines but will be required to retain all Shares then held until such time as he or she again attains the applicable multiple.



The Nominating and Corporate Governance Committee will evaluate whether exceptions from these Guidelines should be made for personal hardship or other circumstances and has the discretion to grant a waiver to the Guidelines on a case-by-case basis.

***Review and Amendment***

The Nominating and Corporate Governance Committee shall review these Guidelines on a periodic basis and will recommend to the Board modifications to the Guidelines and Ownership Requirements from time-to-time as it deems appropriate. The Board shall have the authority to amend these Guidelines from time-to-time as it deems appropriate.

\*\*\*\*\*

*Adopted by the Board of Directors of Compass Group Diversified Holdings LLC*

*Effective: February 16, 2023*

*Last Updated: February 16, 2023*