

The Compass Group

Overview

Compass Group Management LLC manages the day to day business and operations of Compass Diversified Holdings (NYSE: CODI), a publicly traded holding company. CODI seeks to generate superior risk adjusted returns for its shareholders through the acquisition and control of a diverse set of North American middle market businesses. We identify, evaluate, negotiate, and where appropriate, consummate acquisition opportunities on behalf of CODI.

As a result of our management of CODI, we have access to substantial financial resources committed to the acquisition and management of middle market businesses. Upon completion of an acquisition, we immediately begin to work with the acquired company's management team to identify the most critical and time sensitive needs and opportunities and to address them aggressively.

Unlike private equity firms who seek third-party acquisition financing on a transaction-by-transaction basis, our relationship with CODI allows for the efficient and quick consummation of transactions on its behalf, without financing contingencies. In addition, companies acquired by CODI have ongoing access to substantial growth capital. Finally, CODI's ownership perspective as a holding company is not impacted by artificial timing criteria such as fund life. Rather, we continuously work with management of CODI's subsidiary companies to evaluate strategic alternatives and assess the appropriate individual course of action for each of those companies, without regard to external and unrelated factors.

Investment Criteria

We will consider acquiring controlling interests in companies with the following characteristics:

- Leading niche industrial or branded consumer companies headquartered in North America;
- Preferred transaction size of \$100mm to \$700mm;
- Positive and stable EBITDA of at least \$10mm per annum;
- Highly defensible positions in their markets and with their customers (i.e. has a reason to exist and their absence from the market place would disrupt the category);
- Operating in industries with favorable long term macroeconomic trends;
- Strong management teams, either currently in place or previously identified.

Compass Investment Team

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Current CODI Subsidiary Companies

Industrial — Protective Packaging



Foam Fabricators is a leading designer and manufacturer of custom molded protective foam solutions and OEM components made from expanded polymers such as expanded polystyrene (EPS) and expanded polypropylene (EPP). www.foamfabricatorsinc.com

ACQUIRED FROM FOUNDER/ENTREPRENEUR

Consumer — Outdoor Recreation



Velocity Outdoor is a designer and manufacturer of airguns, archery products, and other shooting sports accessories marketed under a portfolio of leading brands including Crosman and Benjamin Airguns, Ravin Crossbows, CenterPoint Archery and Optics, and LaserMax, among others. www.velocity-outdoor.com

Consumer — Tactical Apparel



5.11 is a leading designer and marketer of purpose built tactical apparel and gear serving a wide range of customers including first responders, the military and outdoor enthusiasts through outdoor retailers, military exchanges, company-owned retail, online, and a global network of dealers and distributors. www.511tactical.com

Industrial — Foodservice



Sterno is a manufacturer and marketer of portable food warming fuel and creative table lighting solutions for the foodservice industry, and is a leader in flameless candles and outdoor lighting products through its Candle Impressions, Paradise Garden Lights and ScentSationals brands. www.sterno.com

Industrial — Magnetic Components



Arnold Magnetic Technologies is a global manufacturer of engineered permanent magnets and precision magnetic assemblies that are mission critical in motors, generators, sensors and other systems and components. www.arnoldmagnetics.com

Consumer — Juvenile Products



Ergobaby is a premier designer, marketer and distributor of babywearing products, travel systems and accessories. Ergobaby products are sold through approximately 900 retailers in the United States and 20 countries internationally. www.ergobaby.com

ACQUIRED FROM FOUNDER/ENTREPRENEUR

Industrial — Printed Circuit Boards



Advanced Circuits is the preeminent North American manufacturer of quick-turn, prototype and production rigid printed circuit boards ("PCBs"). Customers include research and development professionals from corporations and academic institutions in the United States and Canada. www.4pcb.com

Consumer — Safety & Security



Liberty Safe is a designer and manufacturer of home and gun safes and accessories. Products are marketed under the Liberty® brand, as well as a portfolio of licensed and private label brands, including Cabela's® and John Deere®. www.libertysafe.com

Select Prior CODI Subsidiary Companies

Industrial — Environmental Services



Clean Earth is a provider of environmental services for a variety of contaminated materials including soils, dredged materials, hazardous waste and drill cuttings. www.cleanearthinc.com

Consumer — Food



Manitoba Harvest is a pioneer and global leader in hemp-based foods, both under its own brand and as an ingredients supplier. The company is the world's largest vertically-integrated hemp food manufacturer and is strategically located near its supply base in Canada. www.manitobaharvest.com

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Consumer — Outdoor Recreation



FOX (NASDAQ: FOXF) designs, engineers, manufactures and markets high-performance suspension products for customers world-wide. www.ridefox.com

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Consumer — Outdoor Recreation



CamelBak is a designer of hydration packs, reusable BPA-free water bottles, performance hydration accessories, purification and filtration products and specialized gloves for outdoor, recreation and military use. www.camelbak.com

Industrial — Specialty Chemical



Silvue is a developer and manufacturer of proprietary, high-performance coating systems for polycarbonate, glass, acrylic, metals and other substrate materials used in the premium eyewear, aerospace, automotive and industrial markets.

Industrial — Capital Equipment



Aeroglide is a leading global designer and manufacturer of industrial drying and cooling equipment. Aeroglide's specialized thermal processing equipment is designed to remove moisture and heat from, as well as roasting, toasting, and baking a variety of processed products.

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