

**ATTACHMENT TO IRS FORM 9937 – PART II
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the tax-free "check the box" election to be treated as a corporation (as defined below) on a stockholder's tax basis in the common stock of Compass Diversified Holdings. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Compass Diversified Holdings does not provide tax advice to its stockholders. The descriptions in questions 14-19 below are being provided pursuant to Section 6045B of the Code and as a convenience to stockholders and their tax advisors when establishing their specific tax position. You are urged to consult your own tax advisor regarding the particular consequences of the tax-free election to you, including the applicability and effect of all U.S. federal, state, and local and foreign tax laws.

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

Compass Diversified Holdings is organized as a trust under the Delaware Statutory Trust Act. Prior to September 1, 2021, Compass Diversified Holdings was classified as a partnership for federal (and applicable state) income tax purposes and that its trust unit holders (beneficial owners) were treated as limited partners in the partnership. On September 1, 2021, CODI elected to be classified as a corporation for federal (and applicable state) income tax purposes rather than as a partnership. As a result, the Taxpayer terminated pursuant to IRC § 708(b)(1) and will be treated as a corporation effective time on September 1, 2021.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

As a result of the election to be taxed as a corporation, the unitholders will be treated as receiving stock in a liquidating distribution and should qualify for the non-recognition of gain or loss for U.S. federal income tax purposes. However, a unitholder could recognize gain to the extent that the unitholder's share of the Partnership's liabilities exceeds its outside basis in the common units. The unitholders will take basis in the common and preferred stock of the Corporation equal to their basis in the units of the Partnership immediately prior to the election, reduced by their share of liabilities.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

Not applicable

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:

Sections 351(a), 358, 708, 731, 732(b)

18. Can any resulting loss be recognized?

No loss may be recognized in connection with the election.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The U.S. federal income tax consequences of the check the box election is taken into account in the tax year of each unitholder that includes September 1, 2021. The final Schedule K-1 filed by the Partnership for the period beginning January 1, 2020 and ending at the time of the election on September 1, 2021 may contain tax information relevant to a unitholder's basis adjustments resulting from the election.