



CRN Board Policy for Members Owned by Private Equity

Who Can Be A Member?

- If a company is owned at least 50% by an outside investment (private equity) firm, the company may choose whether to join CRN as an individual company, or as part of the PE portfolio of companies acting as a single member.
- Either the company or the PE firm may qualify as a Voting Member.

Individual P.E.-Owned Companies as Members:

- If one or more companies in the same PE portfolio join on their own, then each company in the portfolio is eligible to run for the Board of Directors, or may qualify for a permanent board spot based on its annual sales.
- In this situation, each company pays dues based on the dues rate applicable to its own annual sales (not the collective sales of the PE portfolio).

PE Firms as Members:

Alternatively, the PE firm may join CRN as a single member on behalf of its portfolio companies. In this case:

- Portfolio companies whose majority ownership (50% or greater) is held by a single outside investment firm or holding company may calculate their dues based on the rate applicable to their combined revenue.
- The PE firm (and its holdings) are eligible for only one board seat for the combined holdings.
- If the PE firm becomes a member, all majority-owned dietary supplement and functional food concerns in its portfolio must be counted toward its dues.

Adopted by the Board of Directors, December 9, 2021