



FAMILY AND MEDICAL LEAVE ACT (FMLA) POLICY

Advanced Drainage Systems, Inc. (ADS) offers eligible employees an unpaid Family and Medical Leave of Absence (FMLA). The following information is intended as a general guideline of our policy regarding FMLA and is subject to modification or clarification by ADS. An employee desiring an FMLA should contact the Human Resources Department to determine his/her potential eligibility, requirements, and the duration of leave.

Definitions

For purposes of this policy, the following definitions and clarification apply:

- A “child” means a biological, adopted, foster, step, legal ward, or child of a person standing in loco parentis who is either: (a) under 18 years of age, or (b) an adult dependent child.
- A “parent” means a biological, foster or adoptive parent, stepparent, legal guardian or other person who stood in loco parentis to the employee when the employee was a child. In-laws are excluded.
- Any applicable law requiring additional leave beyond that provided in this policy will be allowed and will be reviewed with employees as required.
- Leave year is the 12-month backward rolling period beginning with the first date of the leave.
- An employee’s entitlement to leave for the birth, placement or adoption of a child expires at the end of the 12-month period beginning on the date of the birth or placement...

Eligibility

An eligible employee is an employee who works for ADS and who:

- Has been employed for at least 12 months by ADS from when leave is requested (determined as of the date leave commences); and
- Has worked at least 1,250 hours for ADS during the previous 12-month period (determined as of the date leave commences).

Time Off Allowed

Unless otherwise provided by state law, employees may be eligible for an unpaid family medical leave of absence for up to 12 weeks in any 12-month period.

Qualifying Events

Leave may be granted for the following reasons:

- For the birth and care of employee’s newborn child and in order to care for such child;
- For the placement with the employee of a child for adoption or foster care;

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- For the employee's own serious health condition that makes the employee unable to perform the essential functions of the job; or
- To care for a member of the employee's immediate family (i.e., spouse, child, parent) with a serious health condition.
- For any qualifying exigency arising out of the fact that the employee's spouse, child, or parent is a covered military member on active military duty or has been notified of an impending call to active duty status, in support of a contingency operation.
- To care for the employee's spouse, child, parent, or next of kin who is a covered member of the armed services recovering a serious illness or injury sustained in the line of duty, an employee may be entitled to up to 26 weeks of leave.

Application and Certification for Leave

An eligible employee applying for leave must request and complete an Application For Family or Medical Leave. No leave may be taken unless the employee submits the completed application to Human Resources at least 30 days in advance of the leave or, if the leave is not foreseeable, within 1 or 2 business days of discovering the need for leave.

ADS also reserves its right to designate leave, paid or unpaid, as FMLA leave as soon as ADS discovers that the reason for the leave qualifies under FMLA.

If the employee is requesting leave for the purpose of caring for a spouse, child, or parent or for the employee's own serious health condition, the employee must provide a certification issued by the employee's health care provider certifying that the employee is, as appropriate, either (i) needed to care for his or her spouse, child, or parent because the family member has a serious medical condition or (ii) is unable to perform the functions of his or her position due to a serious health condition. An eligible employee must request the applicable Health Care Provider Certification, and have it completed by the appropriate health care provider before leave begins if the employee has given 30 days notice of leave or within 15 days after the request for leave, unless it is not practicable despite the employee's diligent good faith efforts.

If ADS has reason to doubt the validity of the certification provided, it may require the employee to obtain, at ADS's expense, a second opinion from a physician selected by ADS. If the second opinion is in conflict with the first, ADS may require the employee, at ADS's expense, to see a mutually agreed upon health care provider to give a final and binding opinion.

If ADS learns that an employee is abusing leave by engaging in unauthorized work while on leave, the employee will be subject to disciplinary action up to and including termination.

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Exceptions

Key Employees - may be denied job restoration if such denial is necessary to prevent "substantial and grievous economic injury" to ADS operations.

Key employees are those who are:

- Salaried
- FMLA-eligible
- Among the highest paid 10% of all employees employed within 75 miles of the employee's worksite. (Use year-to-date earnings excluding incentives valued in the future.)

Key employee's status will be determined at the time notice of the needed leave is given (or as soon as practicable).

Spouses Employed By ADS - employees who are married and both work for ADS are entitled to only a combined 12 weeks of FMLA for the same leave situation. (For example, the birth or adoption of a child.).

Intermittent or Reduced Leave Schedule

- Intermittent Leave Schedule – intermittent leave in blocks or intervals of time not less than one hour in length.
- Reduced Leave Schedule – reduced daily or weekly work schedule.
- If leave is taken intermittently or on a reduced leave schedule, employees may be temporarily transferred to an available alternative position which will better accommodate the recurring periods of leave. The alternative position will have equivalent pay and benefits. Any employee taking such leave must make a reasonable effort to schedule the treatment so as not to unduly disrupt the company's business.
- Eligible employees will not be permitted to take intermittent leave or leave on a reduced leave schedule for the birth or placement of a child for adoption or foster care.

Exhaustion of Paid Leave

- An employee must first exhaust all available paid leave to which he or she is entitled for unpaid FMLA leave. Incidental pay, vacation pay, and short term disability must be used up during FMLA leave and offset the leave allowed. Vacation is not required to be used if the reason for the leave is for the employee's own health issues. Workers' compensation benefits shall run concurrently with an employee's FMLA leave.
- For leave taken because of the birth or the placement of a child: Unless the employee is disabled, the employee is required to first exhaust all accrued paid vacation and any eligible paid time off days as a part of the 12-week period. Any remaining portion of the 12-week period will be unpaid.

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- For leave taken to care for a spouse, child, or parent: The employee is required to use all accrued vacation, and the remaining portion of the 12-week period will be unpaid. For leave for the employee's own serious health condition sick leave will run concurrent with the 12-week period.
- If the employee uses paid leave, the Company will provide only enough unpaid leave to total 12 weeks.
- The employee will make a reasonable effort to schedule any leave taken for the purpose of caring for a spouse, child, or parent or for the employee's own serious health condition so as not to unduly disrupt the Company's operation.

Benefits

The employee's status, salary, and benefits will be maintained during leave to the extent required by law. ADS will continue to provide group health insurance coverage, but employee must continue to pay any required premium as applicable. If the employee is being paid during the leave, regular premium withholdings will continue.

Requirements While on Leave

- In addition to the initial certification, ADS will require a re-certification every 30 days. In certain cases, ADS will waive the re-certification rule. Human Resources will let employee know if the 30-day certifications are not necessary.
- ADS will also require employee to contact Human Resources monthly to provide an update on employee's status and whether or not he/she intends to return to work when the FMLA ends.

Returning from Leave

- If employee is taking FMLA for employee's own serious health condition, he/she will be required to submit a Physician's Medical Treatment Report completed to ADS's satisfaction stating that employee is able to return to work and perform job duties on a full-time basis with or without restrictions.
- Whenever possible, the employee should notify the Human Resources Department one week prior to his/her scheduled return.
- Upon employee's return from leave, he/she will be placed in the same job or an equivalent job to the extent required by law.
- Employees who do not return to work at the end of their leave will be administratively terminated on the day they are required to return. If employee is not able to return, he/she may apply for another type of leave, which request will be considered at ADS' discretion.

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