ADS THIRD PARTY CODE OF CONDUCT

Purpose

Advanced Drainage Systems, Inc. (“ADS”) is committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable laws at all times. We have developed this Third Party Code of Conduct to explain how our Code of Business Conduct and Ethics and our Global Anticorruption Policy relate to those our Third Parties¹, who assist us in conducting our business worldwide.

The laws of most every country in the world outlaw bribery. These laws are broadly worded and make the payment, offer of a payment, or receipt of a bribe, kickback or other corrupt payment a crime that can have severe civil and criminal consequences for ADS and its employees as individuals. Many laws specifically prohibit bribery of government officials, including the U.S. Foreign Corrupt Practices Act (the “FCPA”).

Other countries, including the United Kingdom, China, Russia, and India, have recently enacted laws that prohibit bribery of both government officials and non-governmental parties. Countries are increasingly enforcing these laws despite what was “customary” in the past.

Scope

This Third Party Code of Conduct does not replace our Code of Business Conduct and Ethics or our Global Anticorruption Policy, available on ADS’ website. It provides an overview of our requirements for working with us. This Third Party Code of Conduct applies to every Third Party working on our behalf. We expect our Third Parties to adhere to the requirements of this Code and if a Third Party violates it or applicable laws, we will review that Third Party and take appropriate action, such as terminating our relationship within our contractual rights and applicable law.

Our Expectations of You

We expect you to conduct business done on our behalf in an ethical manner that is compliant with all applicable laws and our internal policies and procedures. Our specific expectations of you are based on the requirements in our Code of Business Conduct and Ethics and our Global Anticorruption Policy.

¹ The term “Third Party” includes distributors, sales agents, dealers, joint venture partners, agents, customs clearance agents, consultants, and any other person acting for or on behalf of ADS.

Advanced Drainage Systems                               Third Party Code of Conduct
Our expectations are based on the following principles:

- **Honesty**: we expect you to always be honest and comply with all applicable laws and regulations.
- **Professionalism**: we expect you to engage with us, our customers, and other business partners in a prompt and professional manner.
- **Core Values**: we expect you to abide by certain “core values,” as summarized below, centered upon ensuring quality throughout our organization for long-term growth and profitability.

Consider these expectations before you make a decision or take any actions on our behalf - and seek guidance from your ADS contact before you take any action you think may violate them. The expectations below summarize the requirements of ADS’ Code of Business Conduct and Ethics and our Global Anticorruption Policy.

**Fair Dealing**

ADS expects its Third Party business partners to compete in the marketplace in a fair and honest manner, gaining competitive advantages through superior performance and execution, rather than through unethical or illegal practices.

**No Bribery or Corruption of Any Kind**

*Bribery, in any form or context, to anyone, anywhere in the world is prohibited.*

This prohibition applies:
- Worldwide, without exception.
- Without regard to regional customs, local practices or competitive conditions.
- To the indirect payment of any such bribe, kickback or other corrupt payment that may be carried out through third parties, such as representatives, consultants, brokers, contractors, suppliers, joint ventures or affiliates, or any other intermediary or agent acting on behalf of any ADS Company.

ADS strictly prohibits bribery and corruption by its own employees and we hold our Third Parties to this same high standard. **No Third Party will be penalized for any delay or loss of business resulting from a refusal to make a corrupt payment.**

It is never okay to corruptly provide, either directly or indirectly, anything of value to any other party for the purpose of obtaining or retaining business or preferential treatment for ADS or anyone else. This prohibition also applies to payments that agents, representatives or other business partners may make on your behalf. It is ADS’ strict policy not to make any payment that violates applicable law, including the U.S. Foreign Corrupt Practices Act and we expect our Third Parties to ensure that they do not take any actions that could be considered a violation of any anti-corruption law. If you are contemplating a transaction that may even appear to be improper, you should consult with your ADS contact who will provide guidance.

**What is prohibited: what is a bribe?**

The idea of a bribe is construed very *broadly* under anti-corruption laws. It includes an offer, promise, payment, or gift (including the authorization of an offer, promise, payment, or gift) of not only money but “anything of value,” including, but not limited to, gifts, stored-value cards, gift certificates, meals, entertainment (for example, concert, theater, sports, or other events), lodging,
tuition, job offers, charitable donations, and travel in exchange for an improper business advantage.

Once a commitment to make an illegal payment or gift has been made, a violation has occurred. The offer does not have to be accepted, and the money or gift does not have to change hands. The offered “bribe” also need not succeed in its purpose.

Indirect “payments” also suffice. For example, promising to construct a building in a Government Official’s honor or contribute toward her favorite charity, even if the building is never built or the contribution never made, would be a promise of payment, and a violation.

A kickback is a particular kind of bribe. It is the unethical or illegal return of part of a payment already made as part of a legitimate business transaction. For example, an unethical supplier might agree to pay a purchasing manager some amount of money in exchange for the award of a supply contract by that manager.

What is not prohibited: what is not a bribe?

Expenditures for modest, reasonable and bona fide (i.e. promotional) gifts, meals or entertainment incurred by, or for the benefit of, a Government Official or other business person are allowed as long as such expenditures directly relate to the promotion, demonstration or explanation of a company’s products or services.

In general, the more lavish the gifts, meals or entertainment the more likely that it would be interpreted as a bribe. Lavish gifts can come in the form of a single, large expenditure or the cumulative amount of a number of smaller expenditures.

Take Extra Precautions in Relationships with Governments

You may deal with government officials in the course of conducting business with ADS. All interactions with Government Officials while on ADS business must be professional and compliant with all applicable laws and regulations. Anti-corruption policies tend to focus on transactions with Government Officials because they are higher risk. For this reason it is important for you to recognize who a Government Official is so that you can take extra precautions when interacting with a Government Official.

A “Government Official” includes:

- A person employed by any department, agency, military branch, court or legislature of a government
- A person employed by state-owned or controlled business, including nationalized utilities, energy companies, banks, sovereign wealth funds, hospitals, transportation facilities, or social service agencies
- A tribal chief or elder or a member of a royal family
- A person employed by a public international organization, such as the European Union, United Nations, World Bank and other development banks
- A private individual who has the ability to influence how contracts are awarded or other government decisions or one working on behalf of a government or state-owned or controlled business
- A political party, including candidates and party officials

Any payment of cash, property, or services that is, or could reasonably be interpreted as, a bribe, kickback, or improper gift is strictly prohibited. Please seek further guidance from your ADS contact in
managing your relationships with Government Officials and entities.

**Compliance with Laws, Rules and Regulations**

ADS takes its responsibility to comply with all laws, rules and regulations affecting our business very seriously and expects you, as our business partner, to do the same. We expect you to respect and obey the laws of the cities, states, and countries where you do business and take the time to familiarize yourself with those requirements.

**Maintain Accurate Books and Records**

Our Third Parties should not make deliberate misrepresentations regarding ADS or our business operations, and should not create any false or misleading entry in books and records related to ADS business.

**Avoid Conflicts of Interest**

A conflict of interest exists when an individual’s private interest interferes, or appears to interfere, with the interests of ADS or your company. Conflicts of interest include the improper use of information or position for personal gain or competition with ADS.

**Protect Confidential Information**

Our Third Parties must maintain the integrity of confidential information and ensure that such information is used only for intended purposes. This includes information provided by ADS or by customers and others related to our business, which is competitively sensitive and not generally known to the public.

**Reporting any Illegal or Unethical Behavior**

If you become aware of any illegal or unethical behavior or believe that an applicable law, rule, or regulation has been violated, you should promptly report the matter to ADS. You may contact:

- Your ADS contact.
- ADS’ Compliance Manager at compliance@ads-pipe.com.
- ADS’ reporting Hotline at 888-234-4790 (you may remain anonymous).
- Via the internet at: www.ads-pipe.alertline.com (you may remain anonymous).