

ADVANCED DRAINAGE SYSTEMS, INC.

Compensation and Management Development Committee Charter

I. Purpose

The primary purpose of the Compensation and Management Development Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Advanced Drainage Systems, Inc. (the “Company”) in fulfilling its oversight responsibilities related to the Company’s compensation and benefits policies, plans and programs in a manner that attracts, retains, develops and motivates employees without leading to unnecessary risk taking by employees that would be reasonably likely to have a material adverse effect on the Company.

As more fully described in Section IV below, the Committee has certain responsibilities for: (a) overseeing the Company’s compensation and benefits policies, plans and programs; (b) compensation of members of the Board (“Directors”); (c) with respect to the Company’s executive officers (“Executive Management”), including the Chief Executive Officer (“CEO”): (i) annual base salary, (ii) annual incentive bonus, (iii) equity-based compensation, (iv) employment agreements, (v) severance arrangements and change-in-control arrangements, and (vi) other compensation or benefits; and (d) preparing the Committee report to shareholders for inclusion in the Company’s annual proxy statement, as required by Item 407(e)(5) of Regulations S-K.

II. Membership and Qualification

Membership: The Committee shall consist of no fewer than three (3) members, the number of which shall be determined by a majority of the total number of Directors then in office; provided, however, that the Committee may operate with fewer than three (3) members as long as such composition complies with applicable laws, rules, regulations and securities exchange listing standards. The Committee members shall be elected by the Board upon the recommendation of the Board’s Nominating and Corporate Governance Committee.

Qualification: Each member of the Committee shall meet the independence and experience requirements of the New York Stock Exchange or any successor thereto (“NYSE”) and shall have no material relationship with the Company and shall otherwise satisfy the independence requirements of the Company and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition to satisfying the requirements necessary to be independent under the listing standards of the NYSE, two or more members of the Committee also shall satisfy all requirements necessary from time to time to be “non-employee directors” under Rule 16b-3 of the Exchange Act of 1934, as amended, (“Rule 16b-3”).

Chairman: Unless the Chairman of the Committee (the “Chairman”) is elected by the full Board, the Committee members may designate a Chairman consistent with any recommendation of the Board’s Nominating and Corporate Governance Committee. The Committee may delegate to its Chairman, to a subcommittee of at least two Committee members, or to management of the Company, such power and authority as the Committee deems to be appropriate, except such

powers and authorities required by law or regulation to be exercised by the whole Committee. In particular, the Committee may delegate the approval of award grants and other transactions and other responsibilities regarding the administration of compensatory programs to a subcommittee consisting solely of members of the Committee who are “non-employee directors” for the purposes of Rule 16b-3.

Resignation, Removal and Replacement: Any member of the Committee may resign from the Committee at any time by submitting an electronic transmission or by delivering written notice of such resignation to the Chairman of the Board, the CEO or the Secretary of the Company. A member who ceases to be independent under the listing standards of NYSE shall promptly resign from the Committee to the extent required for the Company to comply with applicable laws, rules and regulations.

The Board shall have the power pursuant to the Second Amended and Restated Bylaws of the Company (as may be amended, supplemented or otherwise modified from time to time, the “Bylaws”), at any time to remove a member of the Committee with or without cause, to fill all vacancies, and to designate alternate members, upon the recommendation of the Committee, to replace any absent or disqualified members, so long as the Committee shall at all times have at least three members (or such lesser number as long as such composition complies with applicable laws, rules, regulations and securities exchange listing standards) and be composed solely of independent Directors.

III. Meetings and Other Actions

The Committee shall hold such regular or special meetings as its members deem necessary or appropriate. The Chairman (or in the Chairman’s absence, a member of the Committee designated by a majority of the Committee members present at such meeting) shall preside at all meetings of the Committee. All meetings of and other actions by the Committee shall be held and taken pursuant to the Bylaws, including provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent, and other related matters. The Committee may invite any Director who is not a member of the Committee, management, counsel, representatives of service providers or other persons to attend meetings and provide information as the Committee, in its sole discretion, considers appropriate.

IV. Goals, Responsibilities and Authority

The following are the general goals, responsibilities and authority of the Committee and are set forth only for its guidance. The Committee, however, may diverge from these responsibilities and/or may assume such other responsibilities as the Board may delegate from time to time and/or as the Committee may deem necessary or appropriate from time to time in performing its functions in accordance with the Bylaws and other governance documents of the Company and in accordance with applicable law (it being understood that the Committee may condition its approval of any compensation on Board ratification to the extent so required to comply with applicable tax law). Nothing in this Compensation and Management Development Committee Charter (this “Charter”) shall be interpreted as diminishing or derogating the duties, responsibilities or obligations of the Board. Subject to the requirements of the Bylaws:

1. With respect to the CEO, the Committee shall review and recommend to the Board for approval goals, objectives, performance, compensation (including base salary, incentive compensation and equity-based compensation), benefits, employment agreements, severance arrangements and change-in-control arrangements, including any material modifications thereto.
2. With respect to each Executive Management member other than the CEO, the Committee shall review and, in its discretion, approve goals, objectives, performance, compensation (including base salary, incentive compensation and equity-based compensation), benefits, employment agreements, severance arrangements and change-in-control arrangements, including any material modifications thereto.
3. The Committee shall annually review and, if appropriate, revise the peer group of companies used for comparative compensation purposes.
4. The Committee shall annually review and shall oversee any annual incentive bonus plans and/or equity-based compensation plans of the Company, including an evaluation of the design, administration and risk management of the Company's material compensation and benefits policies, plans and programs. The Committee shall receive periodic reports on the Company's incentive compensation risk management program.
5. The Committee shall periodically review and, in its discretion, approve the Company's various employee benefit plans (including any 401(k) plans, employee stock ownership plans and pension plans), including any material modifications thereto.
6. The Committee may seek appropriate assurances from internal and external advisors that all compensation and benefits plans are appropriate, legally permissible and, where required, properly disclosed to the Company's shareholders. This includes consideration of appropriate provisions of the Internal Revenue Code. The Committee shall oversee the Company's policies on structuring compensation programs for members of Executive Management to preserve tax deductibility and, as and when required, establish and certify the attainment of performance goals. The Committee shall retain the flexibility to pay compensation that is not eligible for deductibility of performance-based compensation if it deems such payment(s) to be in the best interests of the Company.
7. The Committee shall annually review and recommend to the Board for approval compensation for Directors.
8. The Committee shall assist the Board and the CEO in developing and evaluating potential candidates for officer positions, and oversee the development of succession plans for officer positions.
9. The Committee shall review and discuss with Executive Management the disclosures made in the Compensation Discussion and Analysis section of the Company's proxy statement for the annual meeting of shareholders and recommend to the Board

whether the Compensation Discussion and Analysis section should be included in the Company's annual report on Form 10-K and the proxy statement for the annual meeting of shareholders. The Committee shall prepare the report required by the rules and regulations of the Securities and Exchange Commission to be included in, or incorporated by reference into, the Company's annual report on Form 10-K.

10. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain: (i) any compensation consultant in order to assist in the evaluation of Executive Management compensation, including the compensation of the CEO; and (ii) legal, accounting or other advisors. The Committee shall have sole authority to oversee the work of any compensation consultant and advisor and approve the compensation consultant's and advisors' fees and other retention terms, including the authority to limit the amount of fees the compensation consultant or an advisor may earn from other services provided to the Company. The Company shall provide appropriate funding, as determined by the Committee, to allow the Committee to perform its functions, including for the fees and expenses of any compensation consultant and advisors to the Committee. The Committee may select a compensation consultant or legal, accounting or other advisor only after taking into consideration all factors relevant to that advisor's independence from Executive Management, including the following:
 - a. the provision of other services to the Company by the person or entity that employs the compensation consultant or legal, accounting or other advisor;
 - b. the amount of fees received from the Company by the person or entity that employs the compensation consultant or legal, accounting or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant or legal, accounting or other advisor;
 - c. the policies and procedures of the person or entity that employs the compensation consultant or legal, accounting or other advisor that are designed to prevent conflicts of interest;
 - d. any business or personal relationship of the compensation consultant or legal, accounting or other advisor with a member of the Committee;
 - e. any stock of the Company owned by the compensation consultant or legal, accounting or other advisor; and
 - f. any business or personal relationship of the compensation consultant or legal, accounting or other advisor or the person employing the compensation consultant or advisor with a member of Executive Management.
11. The Chairman shall report periodically to the Board on the Committee's activities. The Committee shall maintain minutes of its meetings.
12. The Committee shall annually review and assess the adequacy of its Charter and recommend to the Board any changes to this Charter. The Committee shall annually

review its own performance, assessing the skills and resources required to meet its obligations under this Charter, and shall recommend to the Board such enhancements as the Committee deems prudent.

13. The Committee shall carry out such other duties as may be delegated to it by the Board from time to time.

V. Amendments

Any amendments to this Charter must be approved or ratified by a majority vote of the Board, including a majority of independent Directors.

VI. Disclosure of Charter

This Charter will be made available on the Company's website.

Effective Date: This Charter was approved by the Board of Directors on May 7, 2014 and updated on August 5, 2020.