



U.S. Paid Parental Leave of Absence Policy

Department:	Human Resources	Initially Effective:	10/21/2019
Responsible Party:	Benefits team	Last Revised:	01/01/2026

Purpose

To give parents (including adoptive parents) flexibility and time to care for and bond with their new child (whether through birth or adoption of a child aged 17 or younger). This policy will run concurrently with Family and Medical Leave Act (FMLA) leave and any applicable state or local leave law.

Scope/Eligibility

To be eligible for paid parental leave, an employee must be:

- A U.S. full-time or part-time regular employee of American Dairy Queen Corp (ADQ) and its subsidiaries and affiliated companies.
- Employed with the company for at least 90 days at the time of delivery or adoption.

Additionally, employees must meet one of the following criteria:

- Be the birthing parent
- Be the non-birthing parent
- Be adopting a child aged 17 or younger

Amount of Parental Leave

- Eligible employees will receive a maximum of 100% pay for up to 5 weeks (up to 200 hours) of paid parental leave for the birth or adoption of a child.
- For part-time employees, parental leave pay will be prorated based on an average of the employees' weekly hours, which will be calculated using a 12-month lookback period.
- Birthing parents are eligible for leave under this policy in addition to any leave for which short-term disability payments are available.
- Employees who are eligible for paid leave through their state's paid leave program will receive a reduced amount under this policy, such that earnings will not exceed 100% of the employee's weekly wages during parental leave under this policy.



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- Employees may only take parental leave under this policy once per birth or adoption event. Multiple children born or adopted at the same time count as the same birth or adoption event. The fact that a multiple birth or adoption occurs (e.g., the birth of twins or the adoption of multiple children at the same time) does not increase the five-week total amount of paid parental leave granted for that event.
- Paid parental leave will be paid along with ADQ's regularly scheduled pay dates.

Coordination of Leave

For non-birthing parents, adoptive parents, and non-benefits eligible birthing parents:

- Paid parental leave must be taken in one continuous period of leave and may be used at any time during the six months immediately following the birth or adoption. Paid parental leave may not be used to extend the six-month time frame. Any unused paid parental leave will be forfeited at the end of the six-month time frame.

For benefits-eligible birthing parents:

- If eligible, short-term disability benefits will begin after a one-week waiting period (the short-term disability Elimination Period). Unused and accrued sick time, vacation time, and/or personal days can be used during this waiting period to make the paycheck whole.
- Paid parental leave must be taken in one continuous period of leave and may be taken immediately upon the conclusion of STD or anytime within the first six months after birth.
- Review and approval for the length of short-term disability benefits will be done by Unum, ADQ's 3rd party insurance carrier.

Note: The company will grant parental leave in accordance with the requirements of applicable federal, state, and local law in effect at the time the leave is granted. Employees will be eligible for the most generous benefits available under applicable law. In states with paid leave laws, company-paid leave will run concurrently with state-paid leave; company leave may supplement state-paid leave but will not increase the period of time the employee is eligible for paid leave unless otherwise required by law.



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Sample Leave Coordination

Birthing Parent Sample Coordination with MN PFML (uncomplicated birth)													
Week	1	2	3	4	5	6	7	8	9	10	11	12	13 - 18
MN PFML	State Paid Medical Leave *6 weeks for natural birth; 8 weeks for c-section* Benefit calculation based on state law						State Paid Family Leave *Bonding with a new child(ren), up to 12 weeks* Benefit calculation based on state law						
Short-Term Disability	Waiting period *No STD*	Short-Term Disability *Top up if the employee's state-paid medical leave is less than 67% of base pay. Maximum of state-paid medical leave + STD = 67% of base pay.					<div style="border: 1px solid black; padding: 5px; text-align: center;">Group benefits must be continued while on state paid leave</div>						
Accrued PTO	Accrued available PTO *Sick time, vacation time, and/or personal days* The employee may use to top up. Maximum of state-paid medical leave + STD + PTO = 100% of base pay.										Accrued PTO *May be used to top up* Max of state-paid family leave + PTO = 100% of base pay		
Paid Parental Leave							Paid Parental Leave *Top up; maximum of state-paid family leave + paid parental leave = 100% of base pay.						
FMLA	FMLA *12 weeks of job-protected, unpaid leave that runs concurrently to all paid leave plans* If ineligible for FMLA, the employee remains on job-protected leave under the Minnesota Pregnancy and Parenting Leave Act												

Birthing Parent Sample Coordination without State-Paid Leave (uncomplicated birth)												
Week	1	2	3	4	5	6	7	8	9	10	11	12
Short-Term Disability	Waiting period *No STD*	Short-Term Disability *5 weeks paid at 67% of base pay*										
Accrued PTO	Accrued available PTO *Sick time, vacation time, and/or personal days* The employee may use to top up STD. Maximum of STD + PTO = 100% of base pay.										Accrued PTO *May be used*	
Paid Parental Leave							Paid Parental Leave *5 weeks paid at 100% of base pay*					
FMLA	FMLA *12 weeks of job-protected, unpaid leave that runs concurrently to all paid leave plans* If ineligible for FMLA, the employee remains on job-protected leave under the Minnesota Pregnancy and Parenting Leave Act											

Non-Birthing Parent Sample Coordination with MN PFML (uncomplicated birth)												
Week	1	2	3	4	5	6	7	8	9	10	11	12
MN PFML	State Paid Family Leave *Bonding with a new child(ren), up to 12 weeks* Benefit calculation based on state law											
Paid Parental Leave	Paid Parental Leave *Top up; maximum of state-paid family leave + paid parental leave = 100% of base pay.						<div style="border: 1px solid black; padding: 5px; text-align: center;">Group benefits must be continued while on state paid leave</div>					
Accrued PTO							Accrued available PTO *Sick time, vacation time, and/or personal days* The employee may use to top up. Maximum of state-paid family leave + PTO = 100% of base pay.					
FMLA	FMLA *12 weeks of job-protected, unpaid leave that runs concurrently to all paid leave plans* If ineligible for FMLA, the employee remains on job-protected leave under the Minnesota Pregnancy and Parenting Leave Act											



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Sample Leave Coordination continued

Non-Birthing Parent Sample Coordination without State-Paid Leave (uncomplicated birth)												
Week	1	2	3	4	5	6	7	8	9	10	11	12
Paid Parental Leave	Paid Parental Leave *5 weeks paid at 100% of base pay*											
Accrued PTO						Accrued available PTO *Sick time, vacation time, and/or personal days* The employee may use. Maximum PTO = 100% of base pay.						
FMLA	FMLA *12 weeks of job-protected, unpaid leave that runs concurrently to all paid leave plans* If ineligible for FMLA, the employee remains on job-protected leave under the Minnesota Pregnancy and Parenting Leave Act											

General Terms of Policy

- Upon termination of the individual’s employment with the company, he or she will not be paid for any unused paid parental leave for which he or she was eligible.
- Paid parental leave taken under this policy will run concurrently with leave under the federal FMLA and/or any applicable state or local leave law; thus, any leave taken under this policy that falls under the definition of circumstances qualifying for leave due to the birth or adoption of a child, the leave will be counted toward the 12 weeks of available federal FMLA or applicable state or local leave. All other requirements and provisions under the federal FMLA and/or applicable state or local leave law will apply. In no case will the total amount of leave—whether paid or unpaid—granted to the employee under the federal FMLA exceed 12 weeks during the 12-month federal FMLA period, except as required by state or local leave law. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.
- This paid parental leave benefit will be reduced by any state-paid leave entitlement. Even if you don’t apply, your parental leave benefit will be reduced based on your eligibility for state-paid benefits.
- The company will maintain all benefits for employees during the paid parental leave period, just as if they were taking any other company-paid leave, such as a paid vacation.
- If a company holiday occurs while the employee is on paid parental leave, such a day will be charged to holiday pay; however, such holiday pay will not extend the total paid parental leave entitlement. Holiday pay will be reduced by any state-paid leave entitlement.



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- An employee who takes paid parental leave that does not qualify for FMLA leave or applicable state or local leave will be afforded the same level of job protection for the period that the employee is on paid parental leave as if the employee were on FMLA-qualifying leave.
- Through the duration of the paid parental leave, employees are encouraged to use the time to focus on their new family situation, not to work during their leave, and if they must, to engage in work during emergency or exceptional situations only.
- The company will grant parental leave in accordance with the requirements of applicable federal, state, and local laws in effect at the time the leave is granted. Employees will be eligible for the most generous benefits available under the applicable law. In states with paid leave laws, company-paid leave will run concurrently with state-paid leave and federal leave laws. Company-paid leave may supplement state-paid leave, up to 100% of the employee's regular base pay, but will not increase the period of time the employee is eligible for paid leave, unless otherwise required by law.

Requesting Parental Leave

The employee must provide his or her manager and the human resource department with notice of the request for leave at least 30 days before the proposed date of the leave (or if the leave was not foreseeable, as soon as possible). The employee must complete the necessary human resources forms and provide all documentation as required by the human resources department or third-party leave management company to substantiate the request. Failure to complete the necessary paperwork may result in the denial of leave.

If an employee is not able to return to work at the end of their leave with or without a reasonable accommodation, or the employee does not return to work after their leave, the employee will be considered to have voluntarily terminated employment.

If you have questions about this policy or other ADQ policies, please contact your ADQ human resources business partner.

See the Leave of Absence resource collection on DQ4U, search "leave of absence".

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