

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended December 29, 2017

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission File Number 1-7463

JACOBS ENGINEERING GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

95-4081636
(I.R.S. Employer Identification Number)

1999 Bryan Street, Suite 1200, Dallas, Texas
(Address of principal executive offices)

75201
(Zip Code)

(214) 583 – 8500
(Registrant's telephone number, including area code)

Indicate by check-mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: ☒ Yes ☐ No

Indicate by check-mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check-mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒ Accelerated filer	☐
Non-accelerated filer	☐ Smaller reporting company	☐
Emerging growth company	☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check-mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Number of shares of common stock outstanding at January 24, 2018: 141,671,364

JACOBS ENGINEERING GROUP INC.

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Part I - FINANCIAL INFORMATION
Item 1. Financial Statements.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share information)

	December 29, 2017 (Unaudited)	September 29, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,059,839	\$ 774,151
Receivables	3,293,502	2,102,543
Prepaid expenses and other	193,614	119,486
Total current assets	4,546,955	2,996,180
Property, Equipment and Improvements, net	574,034	349,911
Other Noncurrent Assets:		
Goodwill	5,720,875	3,009,826
Intangibles, net	921,000	332,920
Miscellaneous	928,893	692,022
Total other noncurrent assets	7,570,768	4,034,768
	<u>\$ 12,691,757</u>	<u>\$ 7,380,859</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	\$ 5,450	\$ 3,071
Accounts payable	947,199	683,605
Accrued liabilities	1,472,865	939,687
Billings in excess of costs	637,542	299,864
Total current liabilities	3,063,056	1,926,227
Long-term Debt	2,587,933	235,000
Other Deferred Liabilities	1,079,021	732,281
Commitments and Contingencies		
Stockholders' Equity:		
Capital stock:		
Preferred stock, \$1 par value, authorized - 1,000,000 shares; issued and outstanding - none	—	—
Common stock, \$1 par value, authorized - 240,000,000 shares; issued and outstanding—141,556,705 shares and 120,385,544 shares as of December 29, 2017 and September 29, 2017, respectively	141,557	120,386
Additional paid-in capital	2,628,012	1,239,782
Retained earnings	3,728,527	3,721,698
Accumulated other comprehensive loss	(628,985)	(653,514)
Total Jacobs stockholders' equity	5,869,111	4,428,352
Noncontrolling interests	92,636	58,999
Total Group stockholders' equity	5,961,747	4,487,351
	<u>\$ 12,691,757</u>	<u>\$ 7,380,859</u>

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
For the Three Months Ended December 29, 2017 and December 30, 2016
(In thousands, except per share information)
(Unaudited)

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenues	\$ 2,750,311	\$ 2,551,604
Direct cost of contracts	(2,263,131)	(2,132,292)
Gross Profit	487,180	419,312
Selling, general and administrative expenses	(439,536)	(330,684)
Operating Profit	47,644	88,628
Other Income (Expense):		
Interest income	3,834	1,486
Interest expense	(7,092)	(3,518)
Miscellaneous expense, net	(2,470)	(716)
Total other expense, net	(5,728)	(2,748)
Earnings Before Taxes	41,916	85,880
Income Tax Expense	(39,355)	(24,727)
Net Earnings of the Group	2,561	61,153
Net Earnings Attributable to Noncontrolling Interests	(398)	(617)
Net Earnings Attributable to Jacobs	<u>\$ 2,163</u>	<u>\$ 60,536</u>
Net Earnings Per Share:		
Basic	<u>\$ 0.02</u>	<u>\$ 0.50</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.50</u>

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended December 29, 2017 and December 30, 2016
(In thousands)
(Unaudited)

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Net Earnings of the Group	\$ 2,561	\$ 61,153
Other Comprehensive Income (Loss):		
Foreign currency translation adjustment	20,168	(287,524)
Gain (loss) on cash flow hedges	890	(942)
Change in pension liabilities	3,596	24,753
Other comprehensive income (loss) before taxes	24,654	(263,713)
Income Tax Expense:		
Cash flow hedges	—	(82)
Change in pension liabilities	(125)	(4,522)
Income Tax Expense:	(125)	(4,604)
Net other comprehensive income (loss)	24,529	(268,317)
Net Comprehensive Income (Loss) of the Group	27,090	(207,164)
Net Earnings Attributable to Noncontrolling Interests	(398)	(617)
Net Comprehensive Income (Loss) Attributable to Jacobs	\$ 26,692	\$ (207,781)

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended December 29, 2017 and December 30, 2016
(In thousands)
(Unaudited)

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Cash Flows from Operating Activities:		
Net earnings attributable to the Group	\$ 2,561	\$ 61,153
Adjustments to reconcile net earnings to net cash flows provided by operations:		
Depreciation and amortization:		
Property, equipment and improvements	24,832	16,621
Intangible assets	14,695	11,914
Debt Issuance Costs	218	—
(Gain) Loss on sales of business	(444)	822
Stock based compensation	24,619	10,205
Tax deficiency from stock based compensation		(1,205)
Equity in earnings of operating ventures, net	(3,631)	(902)
(Gain) Losses on disposals of assets, net	(20)	2,847
Change in pension plan obligations	(10,227)	(5,301)
Pension Settlement Charge	3,819	—
Change in deferred compensation plans	(985)	463
Deferred income taxes	(11,951)	(565)
Changes in assets and liabilities, excluding the effects of businesses acquired:		
Receivables	15,749	(19,627)
Prepaid expenses and other current assets	(1,550)	(2,612)
Accounts payable	(38,875)	(10,782)
Accrued liabilities	(110,140)	(69,638)
Billings in excess of costs	71,587	111,862
Other deferred liabilities	5,997	(576)
Non-current assets and other, net	60,632	5,748
Net cash provided by operating activities	46,886	110,427
Cash Flows Used for Investing Activities:		
Additions to property and equipment	(22,450)	(21,054)
Disposals of property and equipment	104	4
Purchases of investments	(370)	—
Additions to intangibles	(237)	—
Acquisitions of businesses, net of cash acquired	(1,365,809)	—
Sales of business	—	(2,036)
Net cash used for investing activities	(1,388,762)	(23,086)
Cash Flows Provided by Financing Activities:		
Proceeds from long-term borrowings	2,733,475	314,460
Repayments of long-term borrowings	(1,090,329)	(303,128)
Proceeds from short-term borrowings	721	669
Repayments of short-term borrowings	(721)	—
Proceeds from issuances of common stock	14,454	37,396
Common stock repurchases	—	(30,221)
Excess tax benefits from stock based compensation	—	1,205
Taxes paid on vested restricted stock	(13,780)	(5,053)
Cash dividends	(18,143)	—
Net cash provided by financing activities	1,625,677	15,328
Effect of Exchange Rate Changes	1,887	(21,839)
Net Increase in Cash and Cash Equivalents	285,688	80,830
Cash and Cash Equivalents at the Beginning of the Period	774,151	655,716
Cash and Cash Equivalents at the End of the Period	\$ 1,059,839	\$ 736,546

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED
December 29, 2017

1. Basis of Presentation

Unless the context otherwise requires:

- References herein to “Jacobs” are to Jacobs Engineering Group Inc. and its predecessors;
- References herein to the “Company”, “we”, “us” or “our” are to Jacobs Engineering Group Inc. and its consolidated subsidiaries; and
- References herein to the “Group” are to the combined economic interests and activities of the Company and the persons and entities holding noncontrolling interests in our consolidated subsidiaries.

The accompanying consolidated financial statements and financial information included herein have been prepared pursuant to the interim period reporting requirements of Form 10-Q. Consequently, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted. Readers of this Quarterly Report on Form 10-Q should also read our consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended September 29, 2017 (“2017 Form 10-K”).

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of our consolidated financial statements at December 29, 2017, and for the three-month period ended December 29, 2017.

Our interim results of operations are not necessarily indicative of the results to be expected for the full fiscal year.

Please refer to Note 17 *Definitions* of Notes to Consolidated Financial Statements included in our 2017 Form 10-K for the definitions of certain terms used herein.

2. Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires us to employ estimates and make assumptions that affect the reported amounts of certain assets and liabilities, the revenues and expenses reported for the periods covered by the accompanying consolidated financial statements, and certain amounts disclosed in these Notes to the Consolidated Financial Statements. Although such estimates and assumptions are based on management’s most recent assessment of the underlying facts and circumstances utilizing the most current information available and past experience, actual results could differ significantly from those estimates and assumptions. Our estimates, judgments, and assumptions are evaluated periodically and adjusted accordingly. Please refer to Note 2 *Significant Accounting Policies* of Notes to Consolidated Financial Statements included in our 2017 Form 10-K for a discussion of the significant estimates and assumptions affecting our consolidated financial statements.

3. Fair Value and Fair Value Measurements

Certain amounts included in the accompanying consolidated financial statements are presented at “fair value.” Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants as of the date fair value is determined (the “measurement date”). When determining fair value, we consider the principal or most advantageous market in which we would transact, and we consider only those assumptions we believe a typical market participant would consider when pricing an asset or liability. In measuring fair value, we use the following inputs in the order of priority indicated:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets included in Level 1, such as (i) quoted prices for similar assets or liabilities; (ii) quoted prices in markets that have insufficient volume or infrequent transactions (e.g., less active markets); and (iii) model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the fair value measurement.

Please refer to Note 2 *Significant Accounting Policies* of Notes to Consolidated Financial Statements included in our 2017 Form 10-K for a more complete discussion of the various items within the consolidated financial statements measured at fair value and the methods used to determine fair value.

The net carrying amounts of cash and cash equivalents, trade receivables and payables, and notes payable approximate Fair Value due to the short-term nature of these instruments. Similarly, we believe the carrying value of long-term debt also approximates Fair Value based on the interest rates and scheduled maturities applicable to the outstanding borrowings.

4. New Accounting Pronouncements

Revenue Recognition

From time to time, the Financial Accounting Standards Board (“FASB”) issues accounting standards updates (each being an “ASU”) to its Accounting Standards Codification (“ASC”), which constitutes the primary source of U.S. GAAP. The Company regularly monitors ASUs as they are issued and considers their applicability to its business. All ASUs applicable to the Company are adopted by the due date and in the manner prescribed by the FASB.

In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers*. The new guidance provided by ASU 2014-09 is intended to remove inconsistencies and perceived weaknesses in the existing revenue requirements, provide a more robust framework for addressing revenue issues, improve comparability, provide more useful information and simplify the preparation of financial statements. ASU 2014-09 was initially effective for annual and interim reporting periods beginning after December 15, 2016. On July 9, 2015, the FASB approved a one-year deferral of the effective date of this standard. The revised effective date for the standard is for annual reporting periods beginning after December 15, 2017 and interim periods therein. The FASB also approved changes allowing for early adoption of the standard as of the original effective date.

The Company’s adoption activities will be performed over three phases: (i) assessment, (ii) design, and (iii) implementation. Our assessment phase is complete. We have established a cross-functional team to implement ASU 2014-09. We have identified and are in the process of implementing changes to our systems, processes and internal controls to meet the standard’s updated reporting and disclosure requirements. The following are the potential significant differences identified during the assessment phase:

Performance Obligations

Under current U.S. GAAP, the Company typically considers engineering and construction services as separate performance obligations. Under ASU 2014-09, the Company has determined, in most instances, it is likely that engineering and construction services will be required to be combined into a single performance obligation. In these instances, this will likely change the timing and pattern of revenue recognition.

Contract Modifications

In many instances, the Company enters into contracts for construction services subsequent to entering in to engineering services contracts (“Phased Projects”). Under ASU 2014-09, the construction services contract may be deemed to modify the engineering contract, or may be required to be combined with the engineering contract. This modification or combination of contracts may result in a cumulative catchup adjustment, which will have an immediate impact on the Company’s results of operations in the period the contract combination or modification occurs. In addition, it will change the timing and pattern of revenue recognition after the period the contracts have been combined or modified. The Company analyzed its current Phased Projects and concluded that a significant number of these arrangements would be combined under ASU 2014-09.

The Company currently intends to adopt the new standard using the Modified Retrospective application. This standard could have a significant impact on the Company’s Consolidated Financial Statements and an administrative impact on its operations and will depend on the magnitude of the items discussed above. The Company will continue to evaluate the impact through the design and implementation phases.

Lease Accounting

In February 2016, the FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires lessees to recognize assets and liabilities for most leases. ASU 2016-02 is effective for public entity financial statements for annual periods beginning after December 15, 2018, and interim periods within those annual periods. Early adoption is permitted, including adoption in an interim period. The guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Company is evaluating the impact of the new guidance on its consolidated

financial statements. This standard could have a significant administrative impact on its operations, and the Company will further assess the impact through its implementation program.

Hedge Accounting

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. ASU No. 2017-12 makes targeted improvements to the current guidance on accounting for hedges so that it provides a better view of an entity's risk management activities and how the entity's hedging strategies are being used to manage risk. In addition, ASU No. 2017-12 further simplifies the application of certain aspects of hedge accounting, including the measurement of hedge effectiveness. The revised guidance becomes effective for fiscal years beginning after December 15, 2018. The Company is evaluating the impact of the new guidance on its consolidated financial statements. It is not expected that the updated guidance will have a significant impact on the Company's consolidated financial statements.

5. Business Combinations

On December 15, 2017, the Company completed the acquisition of CH2M HILL Companies, Ltd. (CH2M), an international provider of engineering, construction, and technical services, by acquiring 100% of the outstanding shares of CH2M common stock and preferred stock. The purpose of the acquisition is to further diversify the Company's presence in the water, nuclear and environmental remediation sectors and to further the Company's profitable growth strategy. The Company paid total consideration of approximately \$1.8 billion in cash and issued approximately \$1.4 billion of Jacobs' common stock, or 20.7 million shares, to the former stockholders and certain equity award holders of CH2M. In connection with the acquisition, the Company also assumed CH2M's revolving credit facility and second lien notes, including a \$20 million prepayment penalty, which totaled approximately \$700 million of long-term debt. Immediately following the effective time of the acquisition, the Company repaid CH2M's revolving credit facility and second lien notes including the related prepayment penalty.

The following summarizes the estimated fair values of CH2M assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 315.2
Receivables	1,201.9
Prepaid expenses and other	72.7
Property, equipment and improvements, net	225.6
Goodwill	2,698.8
Identifiable intangible assets:	
Customer relationships, contracts and backlog	557.0
Trade name	40.0
Lease intangible assets	5.9
Total identifiable intangible assets	602.9
Miscellaneous	277.4
Total Assets	\$ 5,394.5
Liabilities	
Notes payable	2.2
Accounts payable	309.6
Accrued liabilities	659.0
Billings in excess of costs	263.5
Identifiable intangible liabilities:	
Lease intangible liabilities	9.6
Long-term debt	702.3
Other deferred liabilities	382.7
Total Liabilities	2,328.9
Noncontrolling interests	(40.9)
Net assets acquired	\$ 3,024.7

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Customer relationships, contracts and backlog represent the fair value of existing contracts, the underlying customer relationships and backlog of consolidated subsidiaries and have lives ranging from 5 to 13 years (weighted average life of approximately 8 years). The fair value of the acquired trade name has an estimated life of three years. Other intangible assets and liabilities primarily consist of the fair value of office leases and have a weighted average life of approximately 12 years.

Estimated fair value measurements relating to the CH2M acquisition are made using Level 3 inputs including discounted cash flow techniques. Fair value is estimated using inputs primarily from the income approach, which include the use of both the multiple period excess earnings method and the relief from royalties method. The significant assumptions used in estimating fair value include (i) the estimated life the asset will contribute to cash flows, such as attrition rate of customers or remaining contractual terms, (ii) profitability and (iii) the estimated discount rate that reflect the level of risk associated with receiving future cash flows. The estimated fair value of land has been determined using the market approach, which arrives at an indication of value by comparing the site being valued to sites that have been recently acquired in arm's-length transactions. Personal property assets with an active and identifiable secondary market are valued using the market approach. Buildings and land improvements are valued using the cost approach using a direct cost model built on estimates of replacement cost. Other personal property assets such as furniture, fixtures and equipment are valued using the cost approach which is based on replacement or reproduction costs of the asset less depreciation.

Other deferred liabilities were comprised of pensions and other long-term employee related liabilities totaling approximately \$291.0 million.

The purchase price allocation is based upon preliminary information and is subject to change when additional information is obtained. Goodwill recognized largely results from a substantial assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. None of the goodwill recognized is expected to be deductible for tax purposes. The Company has not completed its final assessment of the fair values of purchased receivables, intangible assets and liabilities, property and equipment, tax balances, contingent liabilities, long-term leases or acquired contracts. The final purchase price allocation will result in adjustments to certain assets and liabilities, including the residual amount allocated to goodwill. See Note 18, *Commitments and Contingencies*, relating to CH2M contingencies.

From the acquisition date of December 15, 2017 through the end of the first fiscal quarter of 2018, CH2M contributed approximately \$131 million in revenue and \$15.7 million in net earnings included in the accompanying consolidated statement of earnings. Included in these results were approximately \$30 million in pre-tax restructuring and transaction costs.

Transaction costs associated with the CH2M acquisition in the accompanying consolidated statements of operations for the three months ended December 29, 2017 are comprised of the following (in millions):

Personnel costs	\$	41,222
Professional service, real estate-related, and other expenses		26,675
Total	\$	<u>67,897</u>

The following presents summarized unaudited pro forma operating results assuming that the Company had acquired CH2M at October 1, 2016. These pro forma operating results are presented for illustrative purposes only and are not indicative of the operating results that would have been achieved had the related events occurred (in millions):

See note 1	Three Months Ended	
	December 29, 2017	December 30, 2016
Revenues	\$ 3,778	\$ 3,652
Net earnings (loss)	\$ 25.8	\$ (47.0)
Net earnings (loss) attributable to Jacobs	\$ 23.2	\$ (56.6)
Net earnings (loss) attributable to Jacobs per share:		
Basic earnings (loss) per share	\$ 0.16	\$ (0.40)
Diluted earnings (loss) per share	\$ 0.16	\$ (0.40)

- ¹ Included in the unaudited pro forma operating results are charges relating to transaction expenses, severance expense and other items that are removed from the three months ended December 29, 2017 and are reflected in the three months ended December 30, 2016 due to the assumed timing of the transaction. Also, income tax expense (benefit) for the three month pro forma periods ended December 29, 2017 and December 30, 2016 were \$67.4 million and (\$78.6) million, respectively.

6. Goodwill and Intangibles

The carrying value of goodwill by reportable segment appearing in the accompanying Consolidated Balance Sheets at December 29, 2017 and September 29, 2017 were as follows (in millions):

	Aerospace & Technology	Buildings & Infrastructure	Industrial	Petroleum & Chemicals	Total
Balance September 29, 2017	\$ 1,025.8	\$ 751.4	\$ 561.8	\$ 670.8	\$ 3,009.8
Acquired	945.2	1,417.9	—	335.7	2,698.8
Foreign Exchange Impact	4.2	3.1	2.3	2.7	12.3
Balance December 29, 2017	<u>\$ 1,975.2</u>	<u>\$ 2,172.4</u>	<u>\$ 564.1</u>	<u>\$ 1,009.2</u>	<u>\$ 5,720.9</u>

During the preparation of the Form 10-Q for the first fiscal quarter of 2017, the Company determined that its prior financial statements contained immaterial misstatements related to incorrect translation of the Company's non-U.S. goodwill balances from local currency to the U.S. Dollar reporting currency. It was determined that the Company had incorrectly used historical translation rates for the U.S. Dollar in place at the time of the Company's recording of its foreign goodwill balances rather than using current translation rates at each balance sheet date in accordance with U.S. GAAP. The error dated back to the time of our initial reporting of non-US goodwill balances in the late 1990s and affected our historical quarterly and annual reporting periods through the first fiscal quarter of 2017. Goodwill and accumulated other comprehensive income in the Company's September 30, 2016 consolidated balance sheet (which have not been adjusted) were each overstated by \$209.9 million and was corrected in the first fiscal quarter of 2017 foreign currency translation adjustment. Consequently, the correction was a direct component of the overall translation adjustment amount of \$287.5 million that was reported for the three months ended December 30, 2016. These adjustments had no impact on the Company's Consolidated Statements of Earnings or Cash Flows.

The following table provides certain information related to the Company's acquired intangibles in the accompanying Consolidated Balance Sheets at December 29, 2017 and September 29, 2017 (in thousands):

	Customer Relationships, Contracts, and Backlog	Developed Technology	Trade Names	Patents	Lease Intangible Assets	Other	Total
Balances, September 29, 2017	\$ 301,468	\$ 14,462	\$ 6,699	\$ 10,180	\$ -	\$ 111	\$ 332,920
Acquisitions and additions	557,000	237	40,000	-	5,951	-	603,188
Amortization	(12,852)	(384)	(1,344)	(104)	-	(11)	(14,695)
Foreign currency translation	(346)	-	26	(93)	-	-	(413)
Balances, December 29, 2017	<u>\$ 845,270</u>	<u>\$ 14,315</u>	<u>\$ 45,381</u>	<u>\$ 9,983</u>	<u>\$ 5,951</u>	<u>\$ 100</u>	<u>\$ 921,000</u>

In addition, we acquired \$9.6 million in lease intangible liabilities in connection with the CH2M acquisition.

The following table presents estimated amortization expense of intangible assets for the remainder of fiscal 2018 and for the succeeding years. The amounts below include preliminary amortization estimates for the CH2M opening balance sheet fair values that are still preliminary and are subject to change.

Fiscal Year	(in millions)
2018 (nine months remaining)	\$ 90.5
2019	119.2
2020	117.1
2021	102.3

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2022	98.2
Thereafter	384.1
Total	<u>\$ 911.4</u>

7. Segment Information

The Company's operations are organized around four global lines of business ("LOBs"), which also serve as the Company's operating segments: Aerospace & Technology, Buildings & Infrastructure, Industrial and Petroleum & Chemicals. The Company's LOB leadership and internal reporting structures report to the Chief Executive Officer, who is also the Chief Operating Decision Maker ("CODM"), and enable the CODM to evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. For purposes of the Company's goodwill impairment testing, it has been determined that the Company's operating segments are also its reporting units based on management's conclusion that the components comprising each of its operating segments share similar economic characteristics and meet the aggregation criteria in accordance with ASC 350, *Intangibles-Goodwill and Other*.

Under the current organization, each LOB has a president that reports directly to the CODM. In addition, the sales function, which had been managed centrally for many years, is managed on an LOB basis, and accordingly, the associated cost is embedded in the new segments and reported to the respective LOB presidents. In addition, a portion of the costs of other support functions (e.g., finance, legal, human resources, and information technology) is allocated to each LOB using methodologies which, we believe, effectively attribute the cost of these support functions to the revenue generating activities of the Company on a rational basis. The cost of the Company's cash incentive plan, the Management Incentive Plan ("MIP") and the expense associated with the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan ("1999 SIP") have likewise been charged to the LOBs except for those amounts determined to relate to the business as a whole (which amounts remain in corporate's results of operations).

Financial information for each LOB is reviewed by the CODM to assess performance and make decisions regarding the allocation of resources. The Company generally does not track assets by LOB, nor does it provide such information to the CODM.

The CODM evaluates the operating performance of our LOBs using segment operating profit, which is defined as margin less "corporate charges" (e.g., the allocated amounts described above). The Company incurs certain Selling, General and Administrative costs ("SG&A") that relate to its business as a whole which are not allocated to the LOBs.

On December 15, 2017, the Company completed the acquisition of CH2M. For purposes of the Company's first quarter fiscal 2018 segment reporting, the operating financial information of CH2M has been categorized within the Company's existing LOB business structure, with its sales and operating profit results for the time period during which CH2M has been under the ownership of the Company (December 15, 2017 - December 29, 2017) being allocated to the Company's A&T, B&I and P&C lines of business under a transitional business organization structure. Additionally, the preliminary purchase accounting for the acquisition, including opening balance sheet fair value determinations as well as final segment categorizations are still in process.

The following tables present total revenues and segment operating profit for each reportable segment (in thousands) and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit by including certain corporate-level expenses and expenses relating to the Restructuring and other charges and CH2M transaction and integration costs (in thousands).

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenues from External Customers:		
Aerospace & Technology	\$ 721,567	\$ 577,436
Buildings & Infrastructure	658,466	580,617
Industrial	749,321	751,738
Petroleum & Chemicals	620,957	641,813
Total	<u>\$ 2,750,311</u>	<u>\$ 2,551,604</u>

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	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Segment Operating Profit:		
Aerospace & Technology	\$ 65,820	\$ 51,087
Buildings & Infrastructure	45,273	38,797
Industrial	38,113	25,129
Petroleum & Chemicals	27,557	23,652
Total Segment Operating Profit	176,763	138,665
Other Corporate Items	(42,129)	(18,296)
Restructuring and Other Charges	(19,349)	(31,741)
CH2M Transaction Costs	(67,641)	—
Total U.S. GAAP Operating Profit	47,644	88,628
Total Other Expense (1)	(5,728)	(2,748)
Earnings Before Taxes	<u>\$ 41,916</u>	<u>\$ 85,880</u>

(1) Includes amortization of deferred financing fees related to the CH2M acquisition of \$256 thousand for the three-month period ended December 29, 2017.

During the fourth fiscal quarter of 2017, the Company implemented certain restructuring activities (primarily severance related activities) associated with the Company's announced definitive agreement to acquire CH2M. Following the closing of the CH2M acquisition, these activities have continued into the first fiscal quarter of 2018 and include associated charges for professional services, personnel costs, severance and costs associated with co-locating Jacobs and CH2M offices, amounting to approximately \$19.3 million in pre-tax charges during first quarter ended December 29, 2017. These activities are expected to continue through 2019. These activities are not expected to involve the exit of any service types or client end-markets.

Transaction costs associated with the CH2M acquisition in the accompanying consolidated statements of operations for the three months ended December 29, 2017 are comprised of the following (in millions):

Personnel costs	\$ 41,222
Professional service, real estate-related, and other expenses (1)	26,675
Total	<u>\$ 67,897</u>

(1) Includes deferred financing fees related to the CH2M acquisition of \$256 thousand for the three months ending December 29, 2017.

Included in "other corporate items" in the above table are costs and expenses which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of the Management Incentive Plan and the 1999 SIP relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of purchased business combinations; (iv) the quarterly variances between the Company's actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company's international defined benefit pension plans. In addition, "other corporate items" includes adjustments to contract margins (both positive and negative) associated with projects where it has been determined, in the opinion of management, that such adjustments are not indicative of the performance of the related LOB and therefore should not be attributed to the LOB.

We provide a broad range of technical, professional, and construction services including engineering, design, and architectural services; construction and construction management services; operations and maintenance services; and process, scientific, and systems consulting services. We provide our services through offices and subsidiaries located primarily in North America, South America, Europe, the Middle East, India, Australia, Africa, and Asia. We provide our services under cost-reimbursable and fixed-price contracts.

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The following tables present total services revenues for each reportable segment for the three months ended December 29, 2017 and December 30, 2016 (in thousands).

	For the Three Months Ended				
	December 29, 2017				
	Aerospace & Technology	Buildings & Infrastructure	Industrial	Petroleum & Chemicals	Total
Technical Professional Services Revenues					
Project Services	\$ 274,945	615,238	67,672	401,166	1,359,021
Process, Scientific, and Systems Consulting	244,128	-	-	6,945	251,073
Total Technical Professional Services Revenues	519,073	615,238	67,672	408,111	1,610,094
Field Services Revenues					
Construction	121,869	42,653	496,632	212,415	873,569
Operations and Maintenance ("O&M")	80,625	575	185,017	431	266,648
Total Field Services Revenues	202,494	43,228	681,649	212,846	1,140,217
Total Revenues	\$ 721,567	\$ 658,466	\$ 749,321	\$ 620,957	\$ 2,750,311

	For the Three Months Ended				
	December 30, 2016				
	Aerospace & Technology	Buildings & Infrastructure	Industrial	Petroleum & Chemicals	Total
Technical Professional Services Revenues					
Project Services	\$ 176,464	\$ 509,849	\$ 2,616	\$ 369,262	\$ 1,058,191
Process, Scientific, and Systems Consulting	199,829	—	—	6,917	206,746
Total Technical Professional Services Revenues	376,293	509,849	2,616	376,179	1,264,937
Field Services Revenues					
Construction	82,787	66,641	535,336	262,183	946,947
Operations and Maintenance ("O&M")	118,356	4,127	213,786	3,451	339,720
Total Field Services Revenues	201,143	70,768	749,122	265,634	1,286,667
Total Revenues	\$ 577,436	\$ 580,617	\$ 751,738	\$ 641,813	\$ 2,551,604

8. Receivables

The following table presents the components of receivables appearing in the accompanying Consolidated Balance Sheets at December 29, 2017 and September 29, 2017, as well as certain other related information (in thousands):

	December 29, 2017	September 29, 2017
Components of receivables:		
Amounts billed, net	\$ 1,691,229	\$ 949,060
Unbilled receivables and other	1,577,005	1,118,144
Retentions receivable	25,268	35,339
Total receivables, net	\$ 3,293,502	\$ 2,102,543
Other information about receivables:		
Amounts due from the United States federal government, included above, net of advanced billings	\$ 314,543	\$ 226,236
Claims receivable	\$ 4,600	\$ 4,600

Amounts billed, net consist of amounts invoiced to clients in accordance with the terms of our client contracts and are shown net of an allowance for doubtful accounts. We anticipate that substantially all of such billed amounts will be collected over the next twelve months.

Unbilled receivables and other and Retentions receivable represent reimbursable costs and amounts earned and reimbursable under contracts in progress as of the respective balance sheet dates. Such amounts become billable according to the contract terms, which usually provide that such amounts become billable upon the passage of time, achievement of certain milestones, or completion of the project. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next twelve months.

Claims receivable are included in receivables in the accompanying Consolidated Balance Sheets and represent certain costs incurred on contracts to the extent it is probable that such claims will result in additional contract revenue and the amount of such additional revenue can be reliably estimated.

9. Property, Equipment and Improvements, Net

Property, Equipment and Improvements, Net in the accompanying Consolidated Balance Sheets at December 29, 2017 and September 29, 2017 consist of the following (in thousands):

	December 29, 2017	September 29, 2017
Land	\$ 20,644	\$ 17,197
Buildings	137,336	93,313
Equipment	777,361	627,609
Leasehold improvements	274,141	220,295
Construction in progress	22,372	21,300
	1,231,854	979,714
Accumulated depreciation and amortization	(657,820)	(629,803)
	<u>\$ 574,034</u>	<u>\$ 349,911</u>

10. Restructuring and Other Charges

During the fourth fiscal quarter of 2017, the Company implemented certain restructuring activities (primarily severance related activities) associated with the Company's announced definitive agreement to acquire CH2M.

Following the closing of the CH2M acquisition, these activities have continued into the first fiscal quarter of 2018 and include associated charges for professional services, personnel costs, severance and costs associated with co-locating Jacobs and CH2M offices amounting to approximately \$19.3 million in pre-tax charges during first quarter ended December 29, 2017. These activities are expected to continue through 2019. These activities are not expected to involve the exit of any service types or client end-markets.

During the second fiscal quarter of 2017, the Company entered into strategic business restructuring activities associated with realignment of its Europe, U.K. and Middle East regional operations in our B&I segment. Pre-tax net charges of \$22.6 million were recorded associated mainly with net realizable value write-offs on contract accounts receivable of \$16.5 million, with additional charges recorded for statutory redundancy and severance costs of \$1.4 million and other liabilities of \$4.7 million which are both expected to be paid or settled within the next 12 months. Additional charges of \$1.2 million were recorded under this business exit during third quarter fiscal 2017 associated mainly with contract accounts receivable charges.

During the second fiscal quarter of 2015, the Company began implementing a series of initiatives intended to improve operational efficiency, reduce costs, and better position itself to drive growth of the business in the future. We refer to these initiatives, in the aggregate, as the "2015 Restructuring". These activities evolved and developed over time as management identified and evaluated opportunities for changes in the Company's operations (and related areas of potential cost savings), as economic conditions changed and as the realignment of the Company's operations into its four global LOBs was implemented. Actions related to the 2015 Restructuring included involuntary terminations, the abandonment of certain leased offices, combining operational organizations, and the colocation of employees into other existing offices. These activities did not involve the exit of any service types or client end-markets. The 2015 Restructuring was completed in fiscal 2017 although related cash payments continue to be made under the related obligations recorded in connection with these activities.

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Collectively, the above mentioned restructuring activities are referred to as “Restructuring and other charges.”

The following table summarizes the impacts of the Restructuring and other charges on the Company’s reportable segment income by line of business in connection with the CH2M acquisition for the three months ended December 29, 2017 and the 2015 Restructuring for the three months ended December 30, 2016 (in thousands):

	Three Months Ended	
	December 29, 2017	December 30, 2016
Aerospace & Technology	\$ 289	\$ 170
Buildings & Infrastructure	2,879	7,908
Industrial	435	2,524
Petroleum & Chemicals	3,363	13,584
Corporate	12,383	7,555
Total	<u>\$ 19,349</u>	<u>\$ 31,741</u>

The activity in the Company’s accrual for the Restructuring and other activities for the three-month period ended December 29, 2017 is as follows (in thousands):

Balance at September 29, 2017	\$ 174,343
CH2M Charges	19,349
Payments	(34,226)
Balance at December 29, 2017	<u>\$ 159,466</u>

The following table summarizes the Restructuring and other activities by major type of costs in connection with the CH2M acquisition for the three-month period ended December 29, 2017 and the 2015 Restructuring for the three months ended December 30, 2016 (in thousands):

	Three Months Ended	
	December 29, 2017	December 30, 2016
Lease Abandonments	\$ 3,363	\$ 17,555
Involuntary Terminations	2,184	11,332
Outside Services	8,590	1,291
Other Restructuring Related	5,212	1,563
Total	<u>\$ 19,349</u>	<u>\$ 31,741</u>

Cumulative amounts incurred to date for Restructuring and other activities by each major type of cost as of December 29, 2017 are as follows (in thousands):

Lease Abandonments	\$ 242,222
Involuntary Terminations	186,763
Outside Services	32,957
Other restructuring related	14,145
Total	<u>\$ 476,087</u>

11. Long-term Debt

At December 29, 2017 and September 29, 2017, long-term debt consisted of the following:

	December 29, 2017	September 29, 2017
Term Loan Facility	\$ 1,500,000	\$ -
Less: Deferred Financing Fees	(3,779)	-
Revolving Credit Facility	1,085,159	235,000
Equipment Financing	6,553	-
Total Long-term debt, net	<u>\$ 2,587,933</u>	<u>\$ 235,000</u>

On February 7, 2014, Jacobs and certain of its subsidiaries entered into a \$1.6 billion long-term unsecured, revolving credit facility (the “Revolving Credit Facility”) with a syndicate of large U.S. and international banks and financial institutions. The Revolving Credit Facility provides an accordion feature that allows the Company and the lenders to increase the facility amount to \$2.1 billion.

The total amount outstanding under the Revolving Credit Facility in the form of direct borrowings at December 29, 2017 was \$1,085.2 million. The Company has issued \$2.5 million in letters of credit under the Revolving Credit Facility, leaving \$ 512.3 million of available borrowing capacity under the Revolving Credit Facility at December 29, 2017. In addition, the Company had issued \$491.6 million under separate, committed and uncommitted letter-of-credit facilities for total issued letters of credit of \$494.1 million at December 29, 2017.

The Revolving Credit Facility expires in February 2020 and permits the Company to borrow under two separate tranches in U.S. dollars, certain specified foreign currencies, and any other currency that may be approved in accordance with the terms of the Revolving Credit Facility. Depending on the Company’s Consolidated Leverage Ratio (as defined in the credit agreement governing the Revolving Credit Facility), borrowings under the Revolving Credit Facility bear interest at either a eurocurrency rate plus a margin of between 1.0% and 1.5% or a base rate plus a margin of between 0% and 0.5%. The Revolving Credit Facility also provides for a financial letter of credit sub facility of \$300.0 million, permits performance letters of credit, and provides for a \$50.0 million sub facility for swing line loans. Letters of credit are subject to fees based on the Company’s Consolidated Leverage Ratio at the time any such letter of credit is issued. The Company pays a facility fee of between 0.100% and 0.250% per annum depending on the Company’s Consolidated Leverage Ratio. Amounts outstanding under the Revolving Credit Facility may be prepaid at the option of the Company without premium or penalty, subject to customary breakage fees in connection with the prepayment of euro currency loans. The Revolving Credit Facility contains affirmative, negative, and financial covenants customary for financings of this type including, among other things, limitations on certain indebtedness, loans and investments, liens, mergers, asset sales and transactions with affiliates.

In addition, the Revolving Credit Facility contains customary events of default. We were in compliance with our debt covenants at December 29, 2017.

On September 28, 2017, the Company entered into a Second Amendment to the Revolving Credit Facility, which provides for, among other things, an amendment to certain financial definitions used in the Revolving Credit Facility, including “Consolidated EBITDA”. These amendments were effective upon the consummation of the acquisition of CH2M in December 2017.

On September 28, 2017, the Company entered into a \$1.5 billion unsecured delayed-draw term loan facility (the “Term Loan Facility”) with a syndicate of financial institutions as lenders and letter of credit issuers and BNP Paribas as administrative agent, TD Bank, N.A. and U.S. Bank National Association as co-documentation agent, BNP Paribas Securities Corp., The Bank of Nova Scotia and Wells Fargo Securities, LLC as joint book runners, and as joint arrangers.

We incurred loans under the Term Loan Facility on December 15, 2017 in connection with the closing of the CH2M acquisition in order to pay cash consideration for the acquisition, and to pay fees and expenses related to the acquisition and the Term Loan Facility. The Term Loan Facility matures in December 2020 and permits the Company to borrow in U.S. dollars at a base rate or a eurocurrency rate. Depending on the Company’s consolidated leverage ratio, borrowings under the Term Loan Facility bear interest at either a eurocurrency rate plus a margin of between 1.00% and 1.50% or a base rate plus a margin of between 0.00% and 0.50%. Amounts outstanding under the Term Loan Facility may be prepaid at the option of the Company without premium or penalty, subject to customary breakage fees in connection with the prepayment of eurocurrency loans.

The Term Loan Facility contains affirmative, negative and financial covenants customary for financings of this type, including, among other things, limitations on certain other indebtedness, investments, liens, mergers, asset sales and transactions with affiliates. In addition, the Term Loan Facility contains customary events of default. We were in compliance with these covenants at December 29, 2017.

In conjunction with the acquisition of CH2M, the Company assumed certain equipment financing that was incurred by CH2M prior to the acquisition. The balance of the equipment financing as of December 29, 2017 was \$6.6 million and is due in monthly installments through September 2021. The financing bears interest at rates ranging from 0.22% to 3.29%. The financing is secured by certain equipment.

12. Revenue Accounting for Contracts / Accounting for Joint Ventures

We recognize revenue earned on our technical professional and field services projects under the percentage-of-completion method described in ASC 605-35, *Construction-Type and Production-Type Contracts*. In general, we recognize revenues at the time we provide services. Pre-contract costs are generally expensed as incurred. Contracts are generally segmented between types of services, such as project services and construction, and accordingly, gross margin related to each activity is recognized as those separate services are rendered. For multiple contracts with a single customer we account for each contract separately.

The percentage-of-completion method of accounting is applied by comparing contract costs incurred to date to the total estimated costs at completion. On cost-reimbursable contracts, the cost of materials and subcontracts are generally excluded from the calculation of the measure of progress towards completion to provide a more meaningful allocation of income. Contract losses are provided for in their entirety in the period they become known, without regard to the percentage-of-completion.

Unapproved change orders are included in the contract price to the extent it is probable that such change orders will result in additional contract revenue and the amount of such additional revenue can be reliably estimated. Claims meeting these recognition criteria are included in revenues only to the extent of the related costs incurred. The percentage of revenues realized by the Company by type of contract during fiscal 2017 can be found in Note 1 *Description of Business and Basis of Presentation* of Notes to Consolidated Financial Statements included in our 2017 Form 10-K.

Certain cost-reimbursable contracts include incentive-fee arrangements. These incentive fees can be based on a variety of factors but the most common are the achievement of target completion dates, target costs, and/or other performance criteria. Failure to meet these targets can result in unrealized incentive fees. We recognize incentive fees based on expected results using the percentage-of-completion method of accounting. As the contract progresses and more information becomes available, the estimate of the anticipated incentive fee that will be earned is revised as necessary. We bill incentive fees based on the terms and conditions of the individual contracts. In certain situations, we are allowed to bill a portion of the incentive fees over the performance period of the contract. In other situations, we are allowed to bill incentive fees only after the target criterion has been achieved. Incentive fees which have been recognized but not billed are included in receivables in the accompanying Consolidated Balance Sheets.

Certain cost-reimbursable contracts with government customers as well as certain commercial clients provide that contract costs are subject to audit and adjustment. In this situation, revenues are recorded at the time services are performed based upon the amounts we expect to realize upon completion of the contracts. Revenues are not recognized for non-recoverable costs. In those situations where an audit indicates that we may have billed a client for costs not allowable under the terms of the contract, we estimate the amount of such non-billable costs and adjust our revenues accordingly.

When we are directly responsible for subcontractor labor or third-party materials and equipment, we reflect the costs of such items in both revenues and costs (and we refer to such costs as “pass-through” costs). On those projects where the client elects to pay for such items directly and we have no associated responsibility for such items, these amounts are not reflected in either revenues or costs.

The following table sets forth pass-through costs included in revenues for each of the three months ended December 29, 2017 and December 30, 2016 (in thousands):

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Pass-through costs included in revenues	\$ 596,169	\$ 672,979

As is common to the industry, we execute certain contracts jointly with third parties through various forms of joint ventures and consortiums. Although the joint ventures own and hold the contracts with the clients, the services required by the contracts are typically performed by us and our joint venture partners, or by other subcontractors under subcontracting agreements with the joint ventures. The assets of our joint ventures, therefore, consist almost entirely of cash and receivables (representing amounts due from clients), and the liabilities of our joint ventures consist almost entirely of amounts due to the joint venture partners (for services provided by the partners to the joint ventures under their individual subcontracts) and other subcontractors. In general, at any given time, the equity of our joint ventures represents the undistributed profits earned on contracts the joint ventures hold with clients. Very few of our joint ventures have employees. None of our joint ventures have third-party debt or credit facilities. Under U.S. GAAP, our share of profits and losses associated with the contracts held by the joint ventures is reflected in our Consolidated Financial Statements.

Certain of our joint ventures meet the definition of a variable interest entity (“VIE”). In evaluating our VIEs for possible consolidation, we perform a qualitative analysis to determine whether or not we have a “controlling financial interest” in the VIE as defined by U.S. GAAP. We consolidate only those VIEs over which we have a controlling financial interest and are the primary beneficiary.

For the Company’s unconsolidated joint ventures, we use either the equity method of accounting or proportionate consolidation. There were no changes in facts and circumstances during the period that caused the Company to reassess the method of accounting for its VIEs.

13. Defined Pension Benefit Obligations

Jacobs UK Limited (“JUK”) is the sponsor of certain pension plans in the UK (“UK Plans”). The UK Plans currently have an estimated funding deficit of approximately \$201.3 million. Given the current estimated funding deficit, the Company replaced JUK’s current recovery plan with an intercompany asset backed pension contribution arrangement.

The contribution arrangement establishes funding for the UK pension plans via a 15-year long term note issued by Jacobs through a non-US affiliate to the UK pension plans. The Note is USD denominated with a stated principal of approximately \$131.6 million. Payments of principal and interest on the note are approximately \$12.5 million per year.

In connection with the acquisition of CH2M on December 15, 2017, the Company has preliminarily recorded estimates of CH2M’s pension plan assets and liabilities which are reflected in the amounts of \$1.1 billion and (\$1.2 billion), respectively as of December 29, 2017. CH2M sponsors several defined benefit pension plans primarily in the U.S. and the United Kingdom (“U.K.”). In the U.S., CH2M has three noncontributory defined benefit pension plans. Plan benefits are generally based on years of service and compensation during the span of employment.

The following table presents the components of net periodic benefit cost recognized in earnings during the three months ended December 29, 2017 and December 30, 2016 (in thousands):

Component:	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Service cost	\$ 3,063	\$ 2,216
Interest cost	16,071	8,728
Expected return on plan assets	(26,004)	(15,588)
Amortization of previously unrecognized items	2,453	3,556
Settlement (gain) loss	3,819	43
Net periodic benefit expense (income)	<u>\$ (597)</u>	<u>\$ (1,045)</u>

In December 2017, the Company incurred a settlement loss of approximately \$3.8 million related to its Sverdrup pension plan in the U.S.

The following table presents certain information regarding the Company’s cash contributions to our pension plans for fiscal 2018 (in thousands):

Cash contributions made during the first three months of fiscal 2018	\$ 5,811
Cash contributions we expect to make during the remainder of fiscal 2018	21,083
Total	<u>\$ 26,895</u>

14. Share-based Payments

During the first quarter of fiscal year 2018, the Company adopted ASU No 2016-09, *Improvements to Employee Share Based Payment Accounting*. As a result, the cash paid by the Company to taxing authorities as a result of withholding shares for the exercise of employee stock awards is classified as financing activity and this change is adopted retrospectively. The Company paid \$13.8 million for the three months ended December 29, 2017 and \$5.1 million for the three months ended December 30, 2016 in these taxes. Additionally, all excess tax benefits related to share-based payments in our provision for income taxes are now classified as an operating activity along with other income taxes in the statement of cash flows and this change is applied prospectively. These items were historically recorded in additional paid-in capital and in financing activities. The Company recognized \$0.9 million of excess tax benefits related to share-based payments in our provision for income taxes for the three months ended December 29, 2017.

Finally, we have elected to begin accounting for share-based compensation award forfeitures when they occur instead of estimating the number of forfeitures expected in accordance with the new guidance. This change in accounting policy for share-based compensation award forfeitures resulted in a \$1.8 million cumulative effect of change in accounting principle to retained earnings in the Company's consolidated balance sheets.

15. Other Comprehensive Income

The following table presents amounts reclassified from change in pension liabilities in other comprehensive income to direct cost of contracts and SG&A expenses in the Company's Consolidated Statements of Earnings for the three months ended December 29, 2017 and December 30, 2016 related to the Company's defined benefit pension plans (in thousands):

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Amortization of Defined Benefit Items:		
Actuarial losses	\$ 3,596	\$ (3,556)
Prior service cost		77
Total Before Income Tax	3,596	(3,479)
Income Tax Benefit	(125)	803
Total reclassifications, after-tax	\$ 3,471	\$ (2,676)

16. Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was enacted in the United States. The Act reduces the top corporate U.S. federal statutory tax rate from 35% to 21% starting on January 1, 2018, resulting in a blended statutory tax rate for fiscal year filers. The Company's blended federal statutory tax rate for fiscal 2018 is 24.6%. It also requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries, places limitations and exclusions on varied tax deductions and creates new taxes on certain foreign sourced earnings. The majority of the tax provisions, excluding the change in corporate tax rates, are effective for the first tax year beginning after January 1, 2018. For Jacobs that will be the Company's taxable year beginning October 1, 2018.

Given the significance of the legislation, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which allows registrants to record provisional amounts during a one year "measurement period" similar to that used when accounting for business combinations. However, the measurement period is deemed to have ended earlier when the registrant has obtained, prepared and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared or analyzed.

SAB 118 summarizes a three-step process to be applied at each reporting period to account for and qualitatively disclose: (1) the effects of the change in tax law for which accounting is complete; (2) provisional amounts (or adjustments to provisional amounts) for the effects of the tax law where accounting is not complete, but that a reasonable estimate has been determined; and (3) a reasonable estimate cannot yet be made and therefore taxes are reflected in accordance with law prior to the enactment of the Act.

As of the end of the first quarter of fiscal 2018, December 29, 2017, we had not completed our accounting for the tax effects of the enactment of the Act. However, we have made a provisional estimate of the effects of the statutory tax rate reduction impact on our existing deferred tax balances and the one-time transition tax. We are not yet able to make a reasonable estimate on the other aspects of the Act and continue to account for those items based on our existing accounting under ASC 740, Income Taxes, and the provisions of the tax laws that were in effect immediately prior to enactment of the Act.

For the deferred tax balances, we remeasured the U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. The Company's provisional remeasurement resulted in a \$24 million net favorable discrete benefit to income tax expense for the period. In addition, the Company has reached a preliminary conclusion that it should record a valuation allowance with respect to certain foreign tax credit deferred tax assets in the current quarter as a result of the Tax Act. The estimated amount of the valuation allowance is \$53 million and is treated as a discrete charge for the period. We are still analyzing many aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax assets and liabilities.

The Act calls for a one-time tax on deemed repatriation of foreign earnings. This one-time transition tax is based on our total post-1986 earnings and profits (E&P) of certain of our foreign subsidiaries. We have made a provisional estimate of the transition tax. Based upon our review of the Company's historical foreign tax credit position and post-1986 E&P, it is estimated at this time that the Company should not have any liability for the transition tax. However, we are still in the process of completing our calculation of the total post-1986 E&P for the newly acquired foreign subsidiaries related to the recent CH2M acquisition. Our estimate may change when we finalize the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and finalize the amounts held in cash or other specified assets.

The Company's consolidated effective income tax rate for the three months ended December 29, 2017 was 93.9%, an increase from 28.8% for the corresponding period last year. The increase in the quarterly effective tax rate is due to \$29 million in net discrete charges during the current year quarter, comprised of a \$24 million benefit from the provisional remeasurement of the deferred tax items in the U.S., offset by a corresponding valuation allowance charge of \$53 million.

The amount of income taxes the Company pays is subject to ongoing audits by tax jurisdictions around the world. In the normal course of business, the Company is subject to examination by tax authorities throughout the world, including such major jurisdictions as Australia, Canada, India, the Netherlands, the United Kingdom and the United States. Our estimate of the potential outcome of any uncertain tax issue is subject to our assessment of the relevant risks, facts, and circumstances existing at the time. The Company believes that it has adequately provided for reasonably foreseeable outcomes related to these matters. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, which may impact our effective tax rate.

It is reasonably possible that, during the next 12 months, we may realize a decrease in our uncertain tax positions of approximately \$7 million as a result of concluding various tax audits and closing tax years.

On December 15, 2017 the Company completed the acquisition of CH2M. For income tax purposes, the transaction was accounted for as a stock purchase. As a result of the acquisition, the Company adjusted its U.S. GAAP opening balance sheet of CH2M to reflect preliminary estimates of the fair value of the net assets acquired. For income tax purposes, the tax attributes and basis of net assets acquired carryover without any step-up to fair value. The Company has made preliminary estimates and recorded deferred taxes associated with the purchase accounting. It is expected that the Company will make adjustments to the purchase accounting over the relevant measurement period as allowed by ASC 805.

17. Earnings Per Share and Certain Related Information

Basic and diluted earnings per share ("EPS") are computed using the two-class method, which is an earnings allocation method that determines EPS for common shares and participating securities. The undistributed earnings are allocated between common shares and participating securities as if all earnings had been distributed during the period. Participating securities and common shares have equal rights to undistributed earnings. Net earnings used for the purpose of determining basic and diluted EPS is determined by taking net earnings, less earnings available to participating securities.

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The following table reconciles the denominator used to compute basic EPS to the denominator used to compute diluted EPS for the three months ended December 29, 2017 and December 30, 2016 (in thousands):

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Numerator for Basic and Diluted EPS:		
Net income	\$ 2,163	\$ 60,536
Net income allocated to participating securities	(15)	—
Net income allocated to common stock for EPS calculation	\$ 2,148	\$ 60,536
Denominator for Basic and Diluted EPS:		
Weighted average basic shares	124,122	119,438
Effect of dilutive securities:		
Stock compensation plans	1,023	1,477
Restricted stock	886	936
Diluted shares	126,031	121,851
Shares allocated to participating securities	(886)	—
Shares used for calculating diluted EPS attributable to common stock	125,145	121,851
Basic EPS	\$ 0.02	\$ 0.50
Diluted EPS	\$ 0.02	\$ 0.50

Share Repurchases

On July 23, 2015, the Company's Board of Directors authorized a share repurchase program of up to \$500 million of the Company's common stock. The following table summarizes the activity under this program from the authorization date (in thousands, except per-share amounts):

Amount Authorized	Average Price Per Share (1)	Total Shares Retired	Shares Repurchased
\$ 500,000	\$ 48.44	5,156	5,156

(1) Includes commissions paid and calculated at the average price per share since the repurchase program authorization date.

There were no share repurchases during the first fiscal quarter of 2018.

Share repurchases may be executed through various means including, without limitation, open market transactions, privately negotiated transactions or otherwise. The share repurchase program does not obligate the Company to purchase any shares and expires on July 22, 2018. The authorization for the share repurchase program may be terminated, increased or decreased by the Company's Board of Directors in its discretion at any time. The timing of share repurchases may depend upon market conditions, other uses of capital, and other factors.

Dividend Program

On December 1, 2016, the Company announced that the Board of Directors approved the initiation of a cash dividend program. A quarterly dividend of \$0.15 per share was paid on November 10, 2017 to shareholders of record as of the close of business on September 27, 2017. There were no dividends paid in the corresponding period of fiscal 2017.

On January 18, 2018, the Company's Board of Directors declared a quarterly dividend of \$0.15 per share of the Company's common stock that will be paid on March 16, 2018, to shareholders of record on the close of business on February 16, 2018. Future dividend payments are subject to review and approval by the Company's Board of Directors.

18. Commitments and Contingencies

In the normal course of business, we are subject to certain contractual guarantees and litigation. The guarantees to which we are a party generally relate to project schedules and plant performance. Most of the litigation in which we are involved has us as a defendant in workers' compensation, personal injury, environmental, employment/labor, professional liability, and other similar lawsuits.

We maintain insurance coverage for various aspects of our business and operations. Our insurance programs have varying coverage limits and maximums, and insurance companies may seek to not pay any claims we might make. We have also elected to retain a portion of losses that occur through the use of various deductibles, limits, and retentions under our insurance programs. As a result, we may be subject to future liability for which we are only partially insured or completely uninsured. We intend to mitigate any such future liability by continuing to exercise prudent business judgment in negotiating the terms and conditions of our contracts. Our insurers are also subject to business risk and, as a result, one or more of them may be unable to fulfill their insurance obligations due to insolvency or otherwise.

Additionally, as a contractor providing services to the U.S. federal government and several of its agencies, we are subject to many levels of audits, investigations, and claims by, or on behalf of, the U.S. federal government with respect to our contract performance, pricing, costs, cost allocations, and procurement practices. Furthermore, our income, franchise, and similar tax returns and filings are also subject to audit and investigation by the Internal Revenue Service, most states within the U.S., as well as by various government agencies representing jurisdictions outside the U.S.

We record in our Consolidated Balance Sheets amounts representing our estimated liability relating to such claims, guarantees, litigation, and audits and investigations. We perform an analysis to determine the level of reserves to establish for insurance-related claims that are known and have been asserted against us, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations.

The Company believes, after consultation with counsel, that such guarantees, litigation, U.S. government contract-related audits, investigations and claims, and income tax audits and investigations should not have any material adverse effect on our consolidated financial statements.

On September 30, 2015, Nui Phao Mining Company Limited ("NPMC") commenced arbitration proceedings against Jacobs E&C Australia Pty Limited ("Jacobs E&C"). The arbitration is pending in Singapore before the Singapore International Arbitration Centre. In March 2011, Jacobs E&C was engaged by NPMC for the provision of management, design, engineering, and procurement services for the Nui Phao mine/mineral processing project in Vietnam. In the Notice of Arbitration and in a subsequently filed Statement of Claim and Supplementary Statement of Claim dated February 1, 2016 and February 26, 2016, respectively, NPMC asserts various causes of action and alleges that the quantum of its claim exceeds \$167 million. Jacobs has denied liability and is vigorously defending this claim. A three week hearing on the merits concluded on December 15, 2017 and a decision is expected later this year. The Company does not expect the resolution of this matter to have a material adverse effect on its financial condition, results of operations and/or cash flows.

On December 7, 2009, the Judicial Council of California, Administrative Office of the Courts ("AOC") initiated an action in the San Francisco County Superior Court against Jacobs Facilities Inc. ("JFI") and Jacobs Project Management ("JPM") and subsequently added Jacobs as a defendant. The action arises out of a contract between AOC and JFI pursuant to which JFI provided regular maintenance and repairs at certain AOC court facilities. AOC has alleged, among other things, that the Jacobs entities are required

under California's Contractors' State License Law ("CSLL") to disgorge certain fees paid by AOC, and the Jacobs entities have, among other things, cross-claimed for unpaid sums for work performed. On May 2, 2012, the jury returned a special verdict in favor of the Jacobs entities finding, among other things, JPM was owed approximately \$4.7 million in unpaid fees and that JFI was not required to disgorge the approximate \$18.3 million that AOC had paid for work performed. On August 20, 2015, the California Court of Appeal reversed the jury's verdict, holding that JFI had violated the CSLL. The Court of Appeal remanded to the San Francisco County Superior Court for an evidentiary hearing to determine whether the JFI had "substantially complied" with the CSLL under California Business and Professions Code Section 7031(e). Establishing "substantial compliance" would prevent \$18.3 million in disgorgement against Jacobs and permit Jacobs to recover \$4.7 million. The evidentiary hearing on substantial compliance was conducted between July 18 and August 5, 2016. On December 29, 2016, the court issued a Statement of Decision in favor of the Company, finding that Jacobs Facilities had substantially complied with the CSLL, and entered a judgment in favor of JPM in the amount of \$4.7 million plus prejudgment interest. On January 30, 2017, AOC filed a notice of appeal. The Company does not expect the resolution of this matter to have a material adverse effect on its financial condition, results of operations and/or cash flows.

In 2012, CH2M HILL Australia Pty Limited, a subsidiary of CH2M, entered into a 50/50 integrated joint venture with Australian construction contractor UGL Infrastructure Pty Limited. The JV entered into a Consortium Agreement with General Electric and GE Electrical International Inc. The Consortium was awarded a subcontract by JKC Australia LNG Pty Limited for the engineering, procurement, construction and commissioning of a 360 MW Combined Cycle Power Plant for INPEX Operations Australia Pty Limited at Blaydin Point, Darwin, NT, Australia. In January 2017, the Consortium terminated the Subcontract because of JKC's repudiatory breach and demobilized from the work site. JKC claimed the Consortium abandoned the work and itself purported to terminate the Subcontract. The Consortium and JKC are now in dispute over the termination. In August 2017, the Consortium filed an International Chamber of Commerce arbitration against JKC for \$665.5 million for repudiatory breach or, in the alternative, seeking damages for unresolved contract claims and change orders. JKC has provided a preliminary estimate of the monetary value of its claims in the amount of approximately \$1.66 billion. If the Consortium is found liable, this matter could have a material adverse effect on the Company's business, financial condition, results of operations and/or cash flows, particularly in the short term. However, the Consortium has denied liability and is vigorously defending these claims, and based on the information currently available, the Company does not expect the resolution of this matter to have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.General

The purpose of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide a narrative analysis explaining the reasons for material changes in the Company's (i) financial condition from the most recent fiscal year-end to December 29, 2017, and (ii) results of operations during the current fiscal period(s) as compared to the corresponding period(s) of the preceding fiscal year. In order to better understand such changes, readers of this MD&A should also read:

- The discussion of the critical and significant accounting policies used by the Company in preparing its consolidated financial statements. The most current discussion of our critical accounting policies appears in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* of our 2017 Form 10-K, and the most current discussion of our significant accounting policies appears in Note 2, *Significant Accounting Policies* in Notes to Consolidated Financial Statements of our 2017 Form 10-K;
- The Company's fiscal 2017 audited consolidated financial statements and notes thereto included in our 2017 Form 10-K; and
- Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2017 Form 10-K.

In addition to historical information, this MD&A and other parts of this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not directly relate to any historical or current fact. When used herein, words such as "expects," "anticipates," "believes," "seeks," "estimates," "plans," "intends," "future," "will," "would," "could," "can," "may," and similar words are intended to identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Although such statements are based on management's current estimates and expectations, and/or currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause our actual results to differ materially from what may be inferred from the forward-looking statements. Some of the factors that could cause or contribute to such differences include, but are not limited to, those listed and discussed in Item 1A, *Risk Factors* included in this quarterly report on Form 10-Q and our 2017 Form 10-K. We undertake no obligation to release publicly any revisions or updates to any forward-looking statements. We encourage you to read carefully the risk factors described in this quarterly report on Form 10-Q and our 2017 Form 10-K and in other documents we file from time to time with the United States Securities and Exchange Commission.

Lines of Business

The Company's operations are organized around four global lines of business ("LOBs"), which also serve as the Company's operating segments: Aerospace & Technology, Buildings & Infrastructure, Industrial and Petroleum & Chemicals. The Company's LOB leadership and internal reporting structures report to the Chief Executive Officer, who is also the Chief Operating Decision Maker ("CODM"), and enable the CODM to evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. For purposes of the Company's goodwill impairment testing, it has been determined that the Company's operating segments are also its reporting units based on management's conclusion that the components comprising each of its operating segments share similar economic characteristics and meet the aggregation criteria in accordance with ASC 350, *Intangibles-Goodwill and Other*.

Under the current organization, each LOB has a president that reports directly to the CODM. In addition, the sales function is managed on an LOB basis, and accordingly, the associated cost is embedded in the new segments and reported to the respective LOB presidents. In addition, a portion of the costs of other support functions (e.g., finance, legal, human resources, and information technology) is allocated to each LOB using methodologies which, we believe, effectively attribute the cost of these support functions to the revenue generating activities of the Company on a rational basis. The cost of the Company's cash incentive plan, the Management Incentive Plan ("MIP") and the expense associated with the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan ("1999 SIP") have likewise been charged to the LOBs except for those amounts determined to relate to the business as a whole (which amounts remain in corporate's results of operations).

Aerospace and Technology (A&T) – We provide an in-depth range of scientific, engineering, construction, nuclear and technical support services to the aerospace, defense, technical and automotive industries in several countries. Long-term clients include the Ministry of Defence in the U.K., the UK Nuclear Decommissioning Authority, NASA, the U.S. Department of Defense ("DoD"), the U.S. Special Operations Command ("USSOCOM"), the U.S. Intelligence community, and the Australian Department of Defence. Specific to NASA, one of our major government customers in the U.S., is our ability to design, build, operate, and maintain

highly complex facilities relating to space systems, including test and evaluation facilities, launch facilities, and support infrastructure. We provide environmental characterization and restoration services to commercial and government customers both in the U.S. and U.K. This includes designing, building and operating high hazard remediation systems including for radiologically contaminated media.

In addition, we design and build aerodynamic, climatic, altitude and acoustic facilities in support of the automotive industry, as well as provide a wide range of services in the telecommunications market.

Our experience in the defense sector includes military systems acquisition management and strategic planning; operations and maintenance of test facilities and ranges; test and evaluation services in computer, laboratory, facility, and range environments; test facility computer systems instrumentation and diagnostics; and test facility design and build. We also provide systems engineering and integration of complex weapons and space systems, as well as hardware and software design of complex flight and ground systems.

We have provided advanced technology engineering services to the DoD for more than 50 years, and currently support major defense programs in the U.S. and internationally. We operate and maintain several DoD test centers and provide services and assist in the acquisition and development of systems and equipment for Special Operations Forces, as well as the development of biological, chemical, and nuclear detection and protection systems.

We maintain enterprise information systems for government and commercial clients worldwide, ranging from the operation of complex computational networks to the development and validation of specific software applications. We also support the DoD and the intelligence community in a number of information technology programs, including network design, integration, and support; command and control technology; development and maintenance of databases and customized applications; and cyber security solutions.

Also, the A&T segment includes professional services related to the Federal business of CH2M which adds substantial capabilities in Environmental and Nuclear remediation businesses.

Buildings & Infrastructure (B&I) – We provide services to transit, aviation, built environment, mission critical, rail, and civil construction projects throughout North America, Europe, India, the Middle East, Australia, and Asia. Our representative clients include national government departments/agencies in the U.S., U.K., Australia, and Asia, state and local departments of transportation within the U.S, and private industry freight transport firms.

Typical projects include providing development/rehabilitation plans for highways, bridges, transit, tunnels, airports, railroads, intermodal facilities, and maritime or port projects. Our interdisciplinary teams can work independently or as an extension of the client's staff. We have experience with alternative financing methods, which have been used in Europe through the privatization of public infrastructure systems.

Our water infrastructure group aids emerging economies, which are investing heavily in water and wastewater systems, and governments in North America and Europe, which are addressing the challenges of drought and an aging infrastructure system. We develop or rehabilitate critical water resource systems, water/wastewater conveyance systems, and flood defense projects.

We also plan, design, and construct buildings for a variety of clients and markets. We believe our global presence and understanding of contracting and delivery demands keep us well positioned to provide professional services worldwide. Our diversified client base encompasses both public and private sectors and relates primarily to institutional, commercial, government and corporate buildings, including projects at many of the world's leading medical and research centers, and universities. We focus our efforts and resources in two areas: where capital-spending initiatives drive demand, and where changes and advances in technology require innovative, value-adding solutions. We also provide integrated facility management services (sometimes through joint ventures with third parties) for which we assume responsibility for the ongoing operation and maintenance of entire commercial or industrial complexes on behalf of clients.

We have specific capabilities in energy and power, master planning, and commissioning of office headquarters, aviation facilities, mission-critical facilities, municipal and civic buildings, courts and correctional facilities, mixed-use and commercial centers, healthcare and education campuses, and recreational complexes. For advanced technology clients, who require highly specialized buildings in the fields of medical research, nano science, biotechnology, and laser sciences, we offer total integrated design and construction management solutions. We also have global capabilities in the pharma-bio, data center, government intelligence, corporate headquarters/interiors, and science and technology-based education markets. Our government building projects include large, multi-year programs in the U.S. and Europe supporting various U.S. and U.K. government agencies

Our B&I segment also includes additional capabilities from the CH2M acquisition including Water, Remediation Consulting, Design Build and Conveyance capabilities.

Industrial – We provide engineering, procurement, project management, construction, and on-site maintenance to our global clients in the Life Sciences, Mining & Minerals, Specialty Chemicals & Manufacturing and Field Services markets. We provide our Life Sciences clients single-point consulting, engineering, procurement, construction management, and validation project delivery, enabling us to execute capital programs on a single-responsibility basis. Typical projects in the life sciences sector include laboratories, research and development facilities, pilot plants, bulk active pharmaceutical ingredient production facilities, full-scale biotechnology production facilities, and tertiary manufacturing facilities.

We provide services relating to modular construction, as well as other consulting and strategic planning to help our clients complete capital projects faster and more efficiently.

In addition, we offer services in containment, barrier technology, locally controlled environments, building systems automation, and off-the-site design and fabrication of facility modules, as well as vaccine production and purification, and aseptic processing.

Our mining and minerals business targets the non-ferrous and ferrous metal markets, precious metals, energy minerals (uranium, coal, oil sands), and industrial and fertilizer minerals (borates, trona, phosphates and potash). We work with many resource companies undertaking new and existing facility upgrades, process plant and underground and surface material handling and infrastructure developments.

We offer project management, front-end studies, full engineering, procurement and construction management (“EPCM”) and engineering, procurement and construction (“EPC”) capabilities, and completions, commissioning and start-up services specializing in new plant construction, brownfield expansions, and sustaining capital and maintenance projects. We are also able to deliver value to our mining clients by providing distinctive adjacent large infrastructure capabilities to support their mining operations.

We provide a wide range of services, technology and manufactured equipment through our specialty chemicals group, where we own and license our proprietary technology. Our specialty chemicals areas are focused on sulfuric acid, sulphur, bleaching chemicals for pulp & paper, and synthetic chemicals, and manufactured equipment. Our manufacturing business areas include the Food & Beverage, Consumer Products, Semi-Conductor, and Pulp & Paper markets.

Our global Field Services unit supports construction and operations and maintenance (“O&M”) across the company, and performs our direct hire services.

Our construction activities include providing both construction management services and traditional field construction services to our clients. Historically, our field construction activities focused primarily on those construction projects where we perform much of the related engineering and design work (EPC/EPCM). However, we deliver construction-only projects when we have negotiated pricing and other contract terms we deem acceptable and which result in a fair return for the degree of risk we assume.

In our O&M business, we provide all services required to operate and maintain large, complex facilities on behalf of clients including asset management, direct hire maintenance and operations, complex turn-around planning and execution, and small capital programs. We provide key management and support services over all aspects of the operations of a facility, including managing subcontractors and other on-site personnel.

Petroleum & Chemicals (P&C) – We provide integrated delivery of complex projects for our Oil and Gas, Refining, and Petrochemicals clients. Bridging the upstream, midstream and downstream industries, our services encompass consulting, engineering, procurement, construction, maintenance, and project management.

We provide services relating to onshore and offshore oil and gas production facilities, including fixed and floating platforms and subsea tie-backs, as well as full field development solutions, including processing facilities, gathering systems, transmission pipelines and terminals. Our heavy oil experience makes us a leader in upgrading, steam-assisted gravity drainage and in-situ oil sands projects. We have developed modular well pad and central processing facility designs. We also provide fit-for-purpose and standardized designs in the onshore conventional and unconventional space, paying particular attention to water and environmental issues.

In addition, we provide our refining customers with feasibility/economic studies, technology evaluation and conceptual engineering, front end loading (FEED), detailed engineering, procurement, construction, maintenance and commissioning services. We deliver installed EPC solutions as to grass root plants, expansions and revamps of existing units. Our focus is on both

the inside the battery limit (ISBL) processing units as well as utilities and off-sites. We have engineering alliances and maintenance programs that span decades with core clients. With the objective of driving our clients' total installed costs down, we endeavor to leverage emerging market sourcing and high value engineering. Our Comprimo Sulfur Solutions® is a significant technology for gas treatment and sulfur recovery plants around the world.

We provide services as to technically complex petrochemical facilities; from new manufacturing complexes, to expansions and modifications and management of plant relocations. We have experience with many licensed technologies, integrated basic petrochemicals, commodity and specialty chemicals projects, and olefins, aromatics, synthesis gas and their respective derivatives.

CH2M Acquisition

On December 15, 2017, the Company completed the acquisition of CH2M. For purposes of the Company's first quarter fiscal 2018 segment reporting, the operating financial information of CH2M has been categorized within the Company's existing LOB business structure, with its sales and operating profit results for the time period during which CH2M has been under the ownership of the Company (December 15, 2017-December 29, 2017) being allocated to the Company's A&T, B&I and P&C lines of business under a transitional business organization structure. As part of the integration of the CH2M businesses into the Company's business operating structures, the Company expects to realign its business financial reporting framework into three global business lines by no later than the second half of fiscal 2018 under the following new lines of business:

- Aerospace, Technology, Environmental and Nuclear (ATEN): serving global aerospace, automotive, defense, telecommunications, nuclear and environmental clients and the U.S. intelligence community.
- Buildings, Infrastructure and Advanced Facilities (BIAF): serving broad sectors including buildings, water, transportation (roads, rail, aviation and ports), and advanced facilities for life sciences, semiconductors, data centers, consumer products and other advanced manufacturing operations.
- Energy, Chemicals and Resources (ECR): serving energy, chemicals and resources sectors, including upstream, midstream and downstream oil, gas, refining, chemicals and mining and minerals industries.

Restructuring and Other Charges

During the fourth fiscal quarter of 2017, the Company implemented certain restructuring activities (primarily severance related activities) associated with the Company's announced definitive agreement to acquire CH2M. Following the closing of the CH2M acquisition, these activities have continued into the first fiscal quarter of 2018 and include associated charges for professional services, personnel costs, severance and costs associated with co-locating Jacobs and CH2M offices and have amounted to approximately \$19.3 million in pre-tax charges during first quarter ended December 29, 2017. These activities are expected to continue through 2019. These activities are not expected to involve the exit of any service types or client end-markets. The Company is targeting to achieve annual cost savings of \$150 million upon the completion of these activities.

During the second fiscal quarter of 2017, the Company entered into strategic business restructuring activities associated with realignment of its Europe, U.K. and Middle East regional operations in our B&I segment. Pre-tax net charges of \$22.6 million were recorded associated mainly with net realizable value write-offs on contract accounts receivable of \$16.5 million, with additional charges recorded for statutory redundancy and severance costs of \$1.4 million and other liabilities of \$4.7 million which are both expected to be paid or settled within the next 12 months. Additional charges of \$1.2 million were recorded under this business exit during third quarter fiscal 2017 associated mainly with contract accounts receivable charges.

During the second fiscal quarter of 2015, the Company began implementing a series of initiatives intended to improve operational efficiency, reduce costs, and better position itself to drive growth of the business in the future. We refer to these initiatives, in the aggregate, as the "2015 Restructuring". These activities evolved and developed over time as management identified and evaluated opportunities for changes in the Company's operations (and related areas of potential cost savings), as economic conditions changed and as the realignment of the Company's operations into its four global LOBs was implemented. Actions related to the 2015 Restructuring included involuntary terminations, the abandonment of certain leased offices, combining operational organizations, and the colocation of employees into other existing offices. These activities did not involve the exit of any service types or client end-markets. The 2015 Restructuring was completed in fiscal 2017 although related cash payments continue under the related obligations recorded in connection with these activities.

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Collectively, the above mentioned restructuring activities are referred to as “Restructuring and other charges.”

The following table summarizes the impacts of the Restructuring and other charges on the Company's reportable segment income by line of business in connection with the CH2M acquisition for the three months ended December 29, 2017 and the 2015 Restructuring for the three months ended December 30, 2016 (in thousands):

	Three Months Ended	
	December 29, 2017	December 30, 2016
Aerospace & Technology	\$ 289	\$ 170
Buildings & Infrastructure	2,879	7,908
Industrial	435	2,524
Petroleum & Chemicals	3,363	13,584
Corporate	12,383	7,555
Total	\$ 19,349	\$ 31,741

The activity in the Company's accrual for the Restructuring and other activities for the three-month period ended December 29, 2017 is as follows (in thousands):

Balance at September 29, 2017	\$ 174,343
CH2M Charges	19,349
Payments	(34,226)
Balance at December 29, 2017	\$ 159,466

The following table summarizes the Restructuring and other activities by major type of costs in connection with the CH2M acquisition for the three-month period ended December 29, 2017 and the 2015 Restructuring for the three months ended December 30, 2016 (in thousands):

	Three Months Ended	
	December 29, 2017	December 30, 2016
Lease Abandonments	\$ 3,363	\$ 17,555
Involuntary Terminations	2,184	11,332
Outside Services	8,590	1,291
Other Restructuring Related	5,212	1,563
Total	\$ 19,349	\$ 31,741

Cumulative amounts incurred to date for Restructuring and other activities by each major type of costs as of December 29, 2017 are as follows (in thousands):

Lease Abandonments	\$ 242,222
Involuntary Terminations	186,763
Outside Services	32,957
Other restructuring related charges	14,145
Total	\$ 476,087

Results of Operations for the three months ended December 29, 2017 and December 30, 2016

(in thousands, except per share information)

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenues	\$ 2,750,311	\$ 2,551,604
Direct cost of contracts	(2,263,131)	(2,132,292)
Gross Profit	487,180	419,312
Selling, general and administrative expenses	(439,536)	(330,684)
Operating Profit	47,644	88,628
Other Income (Expense):		
Interest income	3,834	1,486
Interest expense	(7,092)	(3,518)
Miscellaneous expense, net	(2,470)	(716)
Total other expense, net	(5,728)	(2,748)
Earnings Before Taxes	41,916	85,880
Income Tax Expense	(39,355)	(24,727)
Net Earnings of the Group	2,561	61,153
Net Earnings Attributable to Noncontrolling Interests	(398)	(617)
Net Earnings Attributable to Jacobs	\$ 2,163	\$ 60,536
Net Earnings Per Share:		
Basic	\$ 0.02	\$ 0.50
Diluted	\$ 0.02	\$ 0.50

Overview – Three Months Ended December 29, 2017

Net earnings for the first fiscal quarter of 2018 ended December 29, 2017 were \$2.2 million (or \$0.02 per diluted share), a decrease of \$58.4 million from \$60.5 million (or \$0.50 per diluted share) for the corresponding period last year. Included in the Company's operating results for the 2018 quarterly period were \$14.7 million (or \$0.11 per share) in after tax Restructuring and Other Charges, \$51.4 million (or \$0.41 per share) in transaction costs associated with the Company's December 15, 2017 acquisition of CH2M HILL Companies, Ltd. ("CH2M") and \$28.8 million in income tax charges associated with the Tax Cuts and Jobs Act (the "Act"). Our first quarter fiscal 2017 results included \$22.8 million (or \$0.18 per share) after tax charges associated with the 2015 Restructuring.

On December 15, 2017, the Company completed the acquisition of CH2M, an international provider of engineering, construction, and technical services, by acquiring 100% of the outstanding shares of CH2M common stock and preferred stock. The purpose of the acquisition was to further diversify the Company's market presence in the water, nuclear and environmental remediation sectors and to further the Company's growth strategy. The Company paid total consideration of approximately \$1.8 billion in cash and issued approximately \$1.4 billion of Jacobs' common stock to the former stockholders and certain equity award holders of CH2M.

Consolidated Results of Operations

Revenues for the first fiscal quarter of 2018 were \$2.75 billion, an increase of \$198.7 million, or 7.8% from \$2.55 billion for the corresponding period last year. The increase in revenues was due primarily to favorable impacts from the CH2M acquisition, which contributed approximately \$131 million in incremental revenue for the quarter. Also, higher volumes in our legacy A&T and B&I businesses also contributed to the increase, partly offset by lower revenues in P&C and with Industrial revenues being flat for the comparative periods. Pass-through costs included in revenues for the first fiscal quarter of 2018 were \$596.2 million, a decrease of \$76.8 million, or 11.4%, from \$673.0 million for the corresponding period last year.

Gross profit for first quarter 2018 was \$487.2 million, up \$67.9 million, or 16.2% from \$419.3 million from the corresponding quarter in 2017. Our gross profit margins were 17.7% and 16.4% for the three month periods ended December 29, 2017 and December 30, 2016, respectively. The higher volume impacts seen in our A&T and B&I business, incremental benefits of the CH2M businesses acquired, and our continuing strategic focus on realigning our portfolio to higher margin businesses and project execution drove improving gross profit and margins for the year over year periods across our lines of business.

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SG&A expenses for the three months ended December 29, 2017 were \$439.5 million, an increase of \$108.9 million, or 32.9%, from \$330.7 million for the corresponding period last year. The increase in SG&A expenses for the three month comparative periods was due mainly to CH2M transaction costs of \$67.6 million, Restructuring and other associated costs of \$19.3 million and higher year over year personnel costs during first quarter fiscal 2018, offset in part by \$31.7 million in charges during first quarter fiscal 2017 from the 2015 Restructuring which concluded at the end of fiscal 2017. Also, incremental SG&A expense from the acquired CH2M businesses approximated \$20 million during the three-month 2018 period.

Net interest expense for the three months ended December 29, 2017 was \$3.3 million, an increase of \$1.3 million from \$2.0 million for the corresponding period last year. The increase in net interest expense for the three months ended December 29, 2017 as compared to the corresponding period last year was due primarily to higher levels of average debt balances outstanding related to financing activities for the acquisition of CH2M, which was partially funded with term loan financing of \$1.5 billion and increased revolving credit line borrowings of \$850.2 million.

Miscellaneous expense, net for the three months ended December 29, 2017 was \$2.5 million, up \$1.8 million from \$0.7 million for the corresponding period last year. The increase was due primarily to unfavorable year over year impacts from unrealized gains and losses from foreign exchange.

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was enacted in the United States. The Act reduces the top corporate US federal statutory tax rate from 35% to 21% starting on January 1, 2018, resulting in a blended statutory tax rate for fiscal year filers. The Company’s blended federal statutory tax rate for fiscal 2018 is 24.6%. It also requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries, places limitations and exclusions on varied tax deductions and creates new taxes on certain foreign sourced earnings. The majority of the tax provisions are effective for the first tax year beginning after January 1, 2018. For Jacobs that will be the Company’s taxable year beginning October 1, 2018.

The Company’s consolidated effective income tax rate for the three months ended December 29, 2017 was 93.9%, an increase from 28.8% for the corresponding period last year. The increase in the quarterly effective tax rate is due to \$29 million in net discrete charges during the current year quarter resulting from the Act, comprised of a \$24 million benefit from the provisional remeasurement of the deferred tax items in the U.S., offset by a corresponding valuation allowance charge of \$53 million.

It is reasonably possible that, during the next 12 months, we may realize a decrease in our uncertain tax positions of approximately \$7 million (being realized as a reduction in income tax expense) as a result of concluding various tax audits and closing tax years.

Segment Financial Information

The following table provides selected financial information for our operating segments and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit by including certain corporate-level expenses and expenses relating to Restructuring and Other Charges (in thousands).

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenues from External Customers:		
Aerospace & Technology	\$ 721,567	\$ 577,436
Buildings & Infrastructure	658,466	580,617
Industrial	749,321	751,738
Petroleum & Chemicals	620,957	641,813
Total	<u>\$ 2,750,311</u>	<u>\$ 2,551,604</u>

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	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Segment Operating Profit:		
Aerospace & Technology	\$ 65,820	\$ 51,087
Buildings & Infrastructure	45,273	38,797
Industrial	38,113	25,129
Petroleum & Chemicals	27,557	23,652
Total Segment Operating Profit	176,763	138,665
Other Corporate Expenses	(42,129)	(18,296)
Restructuring and Other Charges	(19,349)	(31,741)
CH2M Transaction Costs	(67,641)	—
Total U.S. GAAP Operating Profit	47,644	88,628
Total Other Expense (1)	(5,728)	(2,748)
Earnings Before Taxes	\$ 41,916	\$ 85,880

(1) Includes deferred financing fees related to the CH2M acquisition of \$256 thousand for the three months ending December 29, 2017.

During the fourth fiscal quarter of 2017, the Company implemented certain restructuring activities (primarily severance related activities) associated with the Company's announced definitive agreement to acquire CH2M. Following the closing of the CH2M acquisition, these activities have continued into the first fiscal quarter of 2018 and include associated charges for professional services, personnel costs, severance and costs associated with co-locating Jacobs and CH2M offices, amounting to approximately \$19.3 million in pre-tax charges during first quarter ended December 29, 2017. These activities are expected to continue through 2019. These activities are not expected to involve the exit of any service types or client end-markets.

Transaction costs associated with the CH2M acquisition in the accompanying consolidated statements of operations for the three months ended December 29, 2017 are comprised of the following (in millions):

Personnel costs	\$ 41,222
Professional service, real estate-related, and other expenses (1)	26,675
Total	\$ 67,897

(1) Includes deferred financing fees related to the CH2M acquisition of \$256 thousand for the three months ending December 29, 2017.

In evaluating the Company's performance by operating segment, the CODM reviews revenues and operating profit. As discussed above, segment operating profit includes not only local SG&A expenses but the SG&A expenses of the Company's support groups that have been allocated to the segments. In addition, the Company attributes each LOB's specific incentive compensation plan costs to the LOBs. The revenues of certain LOBs are more affected by pass-through revenues than other LOBs. The methods for recognizing revenue, incentive fees, project losses, and change orders are consistent among the LOBs.

On December 15, 2017, the Company completed the acquisition of CH2M. For purposes of the Company's first quarter fiscal 2018 segment reporting, the operating financial information of CH2M has been categorized within the Company's existing LOB structure, with its sales and operating profit results for the stub period from December 15, 2017 through December 29, 2017 being allocated to the Company's A&T, B&I and P&C lines of businesses under a transitional business organization structure.

Aerospace & Technology

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenue	\$ 721,567	\$ 577,436
Segment Operating Profit	65,820	51,087

Aerospace & Technology segment revenues for the three months ended December 29, 2017 were \$721.6 million, up \$144.1 million, or 25%, from \$577.4 million for the corresponding period last year. The increase was due in large part to approximately \$84 million in incremental nuclear and environmental revenue resulting from the CH2M acquisition. Also, our revenues were positively

impacted by year over year revenue volume growth across our legacy portfolio, highlighted by increased spending by customers in the U.S. government business sector. Year over year impacts on revenues from unfavorable foreign currency were not material.

Operating profit for the segment was \$65.8 million for the three months ended December 29, 2017, up \$14.7 million, or 28.8% from \$51.1 million for the corresponding period last year. In addition to incremental operating profit benefits from the CH2M acquisition, the increase from the prior year was primarily attributable to improvements in our nuclear and defense unit in the U.K. and fee income with our AWE business. Additionally, segment SG&A was up approximately \$10 million for the three months ended December 29, 2017 of which approximately half of this increase was attributable to incremental SG&A coming with the CH2M business acquired.

Buildings & Infrastructure

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenue	\$ 658,466	\$ 580,617
Segment Operating Profit	45,273	38,797

Revenues for the Buildings & Infrastructure segment for the three months ended December 29, 2017 were \$658.5 million, up \$77.8 million, or 13.4%, from \$580.6 million for the corresponding period last year. The year over year increase in revenues for the three months was in part due to favorable impacts from the CH2M acquisition of approximately \$30 million in the period, together with revenue increases in Australian and U.K. client spending levels in the project-management/construction-management ("PMCM") market. Impacts on revenues from favorable foreign currency were approximately \$10 million for the three-month period of 2018 vs. the corresponding prior year period.

Operating profit for Buildings & Infrastructure for the three months ended December 29, 2018 was \$45.3 million, an increase of \$6.5 million, or 16.7%, from \$38.8 million for the comparative period in 2017. The year over year increases in operating profit for the three months was spread across all regions of Buildings & Infrastructure with the exception of the Middle East where we completed and closed a number of projects during the quarter. Also, SG&A was up for the segment by approximately \$20 million for the year over year periods, due mainly to incremental cost associated with the CH2M business of \$13 million with the remainder due mainly to higher personnel costs.

Industrial

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenue	\$ 749,321	\$ 751,738
Segment Operating Profit	38,113	25,129

Industrial revenues for the three months ended December 29, 2017 were \$749.3 million, a slight decrease of \$2.4 million versus \$751.7 million from the corresponding period last year. The slight decrease in revenues for the three-month comparative periods was due mainly to declines in the Field Services business offset in part by improved performance in our Life Sciences business group. Additionally, foreign currency impacts were favorable in the current year three-month period of approximately \$11 million compared to the corresponding period in the prior year.

Operating profit for the three months ended December 29, 2017 was \$38.1 million, an increase of \$13.0 million, or 51.7%, compared to \$25.1 million for the corresponding period last year. The increase in profitability for the comparative three-month period in the current year was due mainly to improved project performance in the Mining and Minerals business as well as improved profitability in Life Sciences based on higher revenues. Declines in lower margin Field Services revenues were largely offset by improved project execution and favorable mix. Also, SG&A for the segment was roughly flat between the periods.

Petroleum & Chemicals

	For the Three Months Ended	
	December 29, 2017	December 30, 2016
Revenue	\$ 620,957	\$ 641,813
Segment Operating Profit	27,557	23,652

Petroleum & Chemicals revenues for the three months ended December 29, 2017 were \$620.9 million, a decrease of \$20.9 million, or 3.2%, from \$641.8 million for the corresponding period last year. The decrease in revenues for the three months ended December 29, 2017 as compared to the prior year was due primarily to the completion or wind-down of several projects with significant pass through revenue as well as awarded delays of large post front-end engineering and design projects, as clients continue to evaluate their capital spending plans. Both of these factors resulted in lower field service revenues compared with the prior year period, while client investment spending continues primarily on compliance, maintenance and sustaining capital programs. Additionally, foreign currency impacts were favorable by approximately \$12 million for the three-month period of 2018 versus the corresponding period of 2017.

Operating profit for the three months ended December 29, 2017 was \$27.6 million, an increase of \$3.9 million or 16.5% from \$23.6 million for the corresponding period last year, with the increase in profitability due to improving business mix. SG&A was up approximately \$7 million due mainly to incremental operating general and administrative expense coming with the CH2M acquisition with otherwise flat SG&A spend for the year over year periods due to the continued strong focus on cost control.

Other Corporate Expenses

Other corporate expenses for the three months ended December 29, 2017 was \$42.1 million, an increase of \$23.8 million from \$18.3 million for the corresponding period last year. While first quarter fiscal 2018 G&A costs were up year over year, approximately half of the increase was driven by a partial lump sum pension settlement, discrete personnel cost accrual adjustments and increased legal fees. The increase in other corporate expenses for the three month comparative periods was due mainly to higher professional service fees, personnel related costs and settlement charges associated with the Sverdrup U.S. pension plan amounting to \$3.8 million, partially offset by savings associated with the 2015 Restructuring program.

Included in other corporate expenses in the above table are costs and expenses which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of our incentive compensation plans relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of purchased business combinations; (iv) the quarterly variances between the Company's actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company's international defined benefit pension plans. In addition, other corporate expenses may also include from time to time certain adjustments to contract margins (both positive and negative) associated with projects where it has been determined, in the opinion of management, that such adjustments are not indicative of the performance of the related LOB.

Backlog Information

We include in backlog the total dollar amount of revenues we expect to record in the future as a result of performing work under contracts that have been awarded to us. Our policy with respect to O&M contracts, however, is to include in backlog the amount of revenues we expect to receive for one succeeding year, regardless of the remaining life of the contract. For national government programs (other than national government O&M contracts), our policy is to include in backlog the full contract award, whether funded or unfunded, excluding option periods. Because of the nature, size, expected duration, funding commitments, and the scope of services required by our contracts, the timing of when backlog will be recognized as revenues can vary greatly between individual contracts.

Consistent with industry practice, substantially all of our contracts are subject to cancellation or termination at the option of the client. While management uses all information available to it to determine backlog, at any given time our backlog is subject to changes in the scope of services to be provided as well as increases or decreases in costs relating to the contracts included therein. Backlog is not necessarily an indicator of future revenues.

Because certain contracts (e.g., contracts relating to large EPC projects as well as national government programs) can cause large increases to backlog in the fiscal period in which we recognize the award, and because many of our contracts require us to provide services that span over a number of fiscal quarters (and sometimes over fiscal years), we evaluate our backlog on a year-over-year basis, rather than on a sequential, quarter-over-quarter basis.

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The following table summarizes our backlog at December 29, 2017 and December 30, 2016 (in millions):

	December 29, 2017	December 30, 2016
Aerospace & Technology	\$ 6,323.6	\$ 5,135.4
Buildings & Infrastructure	5,355.9	5,151.6
Industrial	2,619.6	2,493.7
Petroleum & Chemicals	5,281.4	5,368.8
CH2M	6,626.3	-
Total	\$ 26,206.8	\$ 18,149.4

Increases in backlog in Aerospace & Technology from December 30, 2016 was primarily the result of new awards from the U.S. federal government.

Increases in backlog in Building & Infrastructure from December 30, 2016 was primarily the result of new awards in Australia and the U.S. markets.

Increases in backlog in the Industrial line of business from December 30, 2016 was mainly from growth in field services across the U.S. and Canada markets. Backlog activity during the three-month period ended December 30, 2016 included a large cancellation in the Life Sciences area.

The decrease in backlog in Petroleum & Chemicals from December 30, 2016 was due mainly to work off of projects in the Americas with significant pass through costs.

Liquidity and Capital Resources

At December 29, 2017, our principal sources of liquidity consisted of \$1,059.8 million in cash and cash equivalents, \$512 million of available borrowing capacity under our \$1.6 billion 2014 revolving credit facility (the "Revolving Credit Facility"), and cash flows from operating activities.

On December 15, 2017, the Company completed the acquisition of CH2M HILL Companies, Ltd. (CH2M), an international provider of engineering, construction, and technical services, by acquiring 100% of the outstanding shares of CH2M common stock and preferred stock. The Company paid total consideration of approximately \$1.8 billion in cash and issued approximately \$1.4 billion of Jacobs' common stock to the former stockholders and certain equity award holders of CH2M. In connection with the acquisition, the Company also assumed CH2M's revolving credit facility and second lien notes, including a \$20 million prepayment penalty, which totaled approximately \$700 million. Immediately following the effective time of the acquisition, the Company repaid CH2M's revolving credit facility and second lien notes including the related prepayment penalty. The Company financed the cash consideration for the CH2M acquisition, the repayment of CH2M's outstanding indebtedness and other transaction expenses with a combination of cash on hand and debt financing, which included borrowings under the Term Loan Facility in an aggregate principal amount of \$1.5 billion and additional borrowings under the Revolving Credit Facility.

At December 29, 2017, our cash and cash equivalents were \$1,059.8 million, an increase of \$285.7 million from \$774.2 million at September 29, 2017.

The most significant drivers contributing to the net increase in cash and cash equivalents from September 29, 2017 to December 29, 2017 were favorable cash flows from financing activities of \$1.6 billion, offset by \$1.4 billion used in investing cash flows, both of which activities were largely driven by the CH2M acquisition. Cash flows from operations of \$46.9 million also contributed to the increase. On a comparative basis, cash and cash equivalents increased \$80.8 million to \$736.5 million during the three-month period ended December 30, 2016 from \$655.7 million at September 30, 2016. This increase was driven mainly from cash flow from operations of \$110.4 million and cash flow from financing activities of \$15.3 million, partially offset by cash flows from investing activities of \$23.1 million and exchange rate effects on cash of \$21.8 million.

Our cash flow from operations of \$46.9 million during the three-month period ended December 29, 2017 was comparatively lower than the \$110.4 million in cash flow from operations for the corresponding period in fiscal 2017, due mainly to lower net earnings in the current period which reflect the CH2M acquisition related expenses and restructuring and other costs, partly offset by reductions in non-current assets. Included in our cash flows from operations were payments of approximately \$34.2 million in restructuring and other costs and \$27.6 million in CH2M transaction expenses. For the three months ended December 30, 2016 we had payments of \$44.2 million in restructuring and other costs.

Our cash used in investing activities for the three months ended December 29, 2017 was \$1.4 billion and primarily driven by cash used for the CH2M acquisition, net of cash amounts acquired from the acquisition of \$315 million. Additions to property and equipment were roughly flat for the comparative periods.

Our cash from financing activities of \$1.6 billion for the three months ended December 29, 2017 resulted mainly from proceeds from borrowings of \$2.7 billion, most of which was used in connection with financing of the CH2M acquisition. Repayments of long term debt of \$1.1 billion during first quarter fiscal 2018 were up compared to \$303 million in first quarter fiscal 2017, with this increase due mainly to payoff of CH2M's legacy debt balances in connection with the closing of the acquisition. Comparatively lower cash flows from proceeds from issuances of common stock during the current quarter were offset by lower cash outflows for common stock repurchases. The Company paid \$18.1 million in dividends during the three-month period ended December 29, 2017, with no dividends paid in the comparative prior year period.

At December 29, 2017, the Company had approximately \$586.9 million in cash and cash equivalents held in the U.S. and \$633.6 million held outside of the U.S. (primarily in the U.K., the Eurozone, Chile, and India), which is used primarily for funding operations in those regions. Other than the tax cost of repatriating funds to the U.S. (see Note 10, *Income Taxes of Notes to Consolidated Financial Statements* included in our 2016 Form 10-K), there are no material impediments to repatriating these funds to the U.S.

The Company had \$341.6 million in letters of credit outstanding at December 29, 2017. Of this amount, \$2.5 million was issued under the Revolving Credit Facility and \$339.1 million was issued under separate, committed and uncommitted letter-of-credit facilities.

We believe we have adequate liquidity and capital resources to fund our operations, support our debt service, pay dividends and buy back shares and support our ongoing acquisition strategy for the next twelve months based on the liquidity provided by our cash and cash equivalents on hand, our borrowing capacity remaining under the Revolving Credit Facility and our continuing cash from operations. We were in compliance with all of our debt covenants at December 29, 2017.

Contractual Obligations

As a result of the acquisition of CH2M on December 15, 2017, we now are party to letters of credit and bank guarantees of approximately \$127.6 million as of December 29, 2017. Additionally, we are now party to surety and bid bonds of \$820.6 million as of December 29, 2017.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We do not enter into derivative financial instruments for trading, speculation or other purposes that would expose the Company to market risk. In the normal course of business, our results of operations are exposed to risks associated with fluctuations in interest rates and currency exchange rates.

Interest Rate Risk

Please see the Note 11 *Long-term Debt* in Notes to Consolidated Financial Statements appearing under Part I, *Item 1* of this Quarterly Report on Form 10-Q, which is incorporated herein by reference, for a discussion of the Revolving Credit Facility and Term Loan Facility.

Our Term Loan Facility, Revolving Credit Facility, and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of December 29, 2017, we had an aggregate of \$2,585.2 million in outstanding borrowings under our Term Loan Facility and our Revolving Credit Facility. Interest on amounts borrowed under these agreements is subject to adjustment based on the Company's Consolidated Leverage Ratio (as defined in the credit agreements governing the Term Loan Facility and Revolving Credit Facility). Depending on the Company's Consolidated Leverage Ratio,

borrowings under the Term Loan Facility and Revolving Credit Facility bear interest at a Eurocurrency rate plus a margin of between 1.0% and 1.5% or a base rate plus a margin of between 0% and 0.5%.

For the three months ended December 29, 2017, our weighted average floating rate borrowings were approximately \$918 million. If floating interest rates had increased by 1.00%, our interest expense for the three months ended December 29, 2017 would have increased by approximately \$2.4 million.

Foreign Currency Risk

In situations where our operations incur contract costs in currencies other than their functional currency, we attempt to have a portion of the related contract revenues denominated in the same currencies as the costs. In those situations, where revenues and costs are transacted in different currencies, we sometimes enter into foreign exchange contracts in order to limit our exposure to fluctuating foreign currencies. We follow the provisions of ASC No. 815, *Derivatives and Hedging* in accounting for our derivative contracts. The Company does not currently have exchange rate sensitive instruments that would have a material effect on our consolidated financial statements or results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of its Chairman and Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), evaluated the effectiveness of the Company's disclosure controls and procedures as defined by Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 29, 2017, the end of the period covered by this Quarterly Report on Form 10-Q (the "Evaluation Date"). Based on that evaluation, the Company's management, with the participation of the Chairman and Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) concluded that the Company's disclosure controls and procedures, as of the Evaluation Date, were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chairman and Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate to allow timely decisions regarding required disclosure.

As previously disclosed, the Company acquired CH2M in December 2017. Prior to the acquisition, CH2M reported in their Annual Report on Form 10-K Part II – Item 9A – *Controls and Procedures* for the year ended December 30, 2016 that it had identified a material weakness in its internal controls over financial reporting relating to internal control deficiencies that involved the development of project cost estimates for long-term contracts accounted for under the percentage-of-completion method. Prior to the closing of the acquisition, CH2M management developed and initiated a plan to remediate these internal control deficiencies, which included the implementation of new and revised key internal controls. As of December 29, 2017, management of the Company has not fully assessed CH2M's internal control over financial reporting and is currently testing new and revised internal controls for design and operating effectiveness. As permitted by SEC guidance for newly acquired businesses, management's assessment of the Company's disclosure controls and procedures did not include an assessment of those disclosure controls and procedures of CH2M that are subsumed by internal control over financial reporting. CH2M accounted for approximately 42% of total assets as of the Evaluation Date and approximately 5% of total revenues of the Company for the fiscal quarter ended on the Evaluation Date.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's system of internal control over financial reporting, which were identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, during the quarter ended December 29, 2017 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION**Item 1. Legal Proceedings.**

The information required by this Item 1 is included in the Note 18, *Commitments and Contingencies* included in the Notes to Consolidated Financial Statements appearing under Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors.

Please refer to Item 1A, *Risk Factors* in our 2017 Form 10-K, which is incorporated herein by reference, for a discussion of some of the factors that have affected our business, financial condition, and results of operations in the past and which could affect us in the future. There have been no material changes to those risk factors since the date of the 2017 Form 10-K, except for the risk factors described below and the information disclosed elsewhere in this quarterly report on Form 10-Q that provides factual updates to risk factors contained in our 2017 Form 10-K.

If we do not have adequate indemnification for our nuclear services, it could adversely affect our business and financial condition.

The Price-Anderson Nuclear Industries Indemnity Act, commonly called the Price-Anderson Act (“PAA”), is a U.S. federal law, which, among other things, regulates radioactive materials and the nuclear energy industry, including liability and compensation in the event of nuclear related incidents. The PAA provides certain protections and indemnification to nuclear energy plant operators and U.S. Department of Energy (“DOE”) contractors. The PAA protections and indemnification apply to us as part of our services to the U.S. nuclear energy industry and DOE for new facilities, maintenance, modification, decontamination and decommissioning of nuclear energy, weapons, and research facilities.

We offer similar services in other jurisdictions outside the U.S. For those jurisdictions, varying levels of nuclear liability protection is provided by international treaties, and/or domestic laws, such as the Nuclear Liability and Compensation Act of Canada and the Nuclear Installations Act of the United Kingdom, insurance and/or assets of the nuclear installation operators (some of which are backed by governments) as well as under appropriate enforceable contractual indemnifications and hold-harmless provisions. These protections and indemnifications, however, may not cover all of our liability that could arise in the performance of these services. To the extent the PAA or other protections and indemnifications do not apply to our services, our business could be adversely affected because of the cost of losses associated with liability not covered by the available protections and indemnifications, or by virtue of our loss of business because of these added costs

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no sales of unregistered equity securities during the first fiscal quarter of 2018.

Share Repurchases

There were no share repurchases made during the first fiscal quarter of 2018.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure.

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) by the federal Mine Safety and Health Administration. Under the Mine Act, an independent contractor, such as Jacobs, that performs services or construction of a mine is included within the definition of a mining operator. We do not act as the owner of any mines.

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

Item 5. Other Information .

None.

Item 6. Exhibits.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

3.1	<u>Amended and Restated Bylaws of Jacobs Engineering Group Inc., dated December 18, 2017. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on December 18, 2017 and incorporated herein by reference.</u>
10.1#	<u>CH2M HILL Companies, Ltd. Supplemental Executive Retirement and Retention Plan, effective September 19, 2014. Filed as Exhibit 10.6 to CH2M's Annual Report on Form 10-K on February 25, 2015 and incorporated herein by reference.</u>
10.2#	<u>CH2M HILL Companies, Ltd. Amended and Restated Deferred Compensation Plan, effective November 13, 2014. Filed as Exhibit 10.5 to CH2M's Annual Report on Form 10-K on February 25, 2015 and incorporated herein by reference.</u>
10.3#*	<u>CH2M HILL Companies, Ltd. Amended and Restated Long-Term Incentive Plan, as amended, effective December 15, 2017.</u>
10.4#*	<u>Form of Restricted Stock Unit Agreement (Performance Shares – Earnings Per Share Growth – 2018 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).</u>
10.5#*	<u>Form of Restricted Stock Unit Agreement (Performance Shares – ROIC – 2018 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).</u>
10.6#*	<u>Form of Restricted Stock Unit Agreement (Time-Based Vesting) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).</u>
10.7#*	<u>Form of Restricted Stock Unit Agreement (awarded pursuant to the Jacobs Engineering Group, Inc. 1999 Outside Director Stock Plan).</u>
10.8#*	<u>Form of Summary Description of Amendment to CH2M 2017 Long-Term Incentive Plan Award Agreements.</u>
10.9#*	<u>Amended and Restated Employment Agreement between Jacobs Engineering Group Inc. and Gary Mandel, effective as of December 30, 2017.</u>
10.10#*	<u>Jacobs Engineering Group Inc. 1999 Stock Incentive Plan, as amended and restated.</u>
10.11#*	<u>Jacobs Engineering Group Inc. 1999 Outside Director Stock Plan, as amended and restated.</u>
31.1*	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
31.2*	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
32.1*	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
95*	<u>Mine Safety Disclosure.</u>
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith

Indicates management contract or compensatory plan or arrangement.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JACOBS ENGINEERING GROUP INC.

By: /s/ Kevin C. Berryman
Kevin C. Berryman
Executive Vice President
and Chief Financial Officer
(Principal Financial Officer)

Date: February 7, 2018

**CH2M HILL Companies, Ltd.
Amended and Restated Long Term Incentive Plan**

**ARTICLE I
INTRODUCTION**

1.1 **Establishment.** CH2M HILL Companies, Ltd., a Delaware corporation, hereby amends and restates the CH2M HILL Companies, Ltd. Long Term Incentive Plan (LTIP) effective February 20, 2017 to award incentive compensation to eligible Participants. This Plan amends, restates, and supersedes the CH2M HILL Companies, Ltd. Amended and Restated Long Term Incentive Plan dated February 11, 2016 and applies to Awards granted on or after February 20, 2017. Awards granted prior to February 20, 2017 shall remain subject to the terms of the LTIP as in effect at the time of grant.

1.2 **Purposes.** The purposes of the Plan are to:

- Reward a limited group of executives and senior leaders for the creation of value in the organization through the achievement of financial and/or strategic goals, and/or
- Provide financial incentives to Plan Participants to incentivize their contribution to the annual and long-term financial performance of the Company, thereby increasing shareholder value.

**ARTICLE II
DEFINITIONS**

2.1 **Entity** means any entity controlling, controlled by or under common control with the Company or any entity of which the Company directly or indirectly owns at least 20% of the equity and whose employees, directors, officers or consultants are selected by either the Committee or the Board to participate in the Plan.

2.2 **Award** means a grant of Stock Instruments and/or cash under the Plan.

2.3 **Board** means the Board of Directors of the Company.

2.4 **Cause** means unless otherwise provided in a Grant Notice, (a) "Cause" as defined in any individual employment agreement to which the applicable Participant and the Plan Sponsor are parties, or (b) if there is no such individual employment agreement or if it does not define Cause: (i) commission of (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Plan Sponsor or an Affiliate or that legally prohibits the Participant from working for the Plan Sponsor or any Affiliate; (ii) breach by the Participant of a regulatory rule that adversely affects the Participant's ability to perform the Participant's duties to the Plan Sponsor and the

Affiliates; (iii) dishonesty in the course of fulfilling the Participant's employment duties; (iv) any material breach by the Participant of any provision of any agreement or understanding between the Plan Sponsor or an Affiliate and the Participant regarding the terms of the Participant's service as an employee or other service provider of the Plan Sponsor or an Affiliate, including the willful and continued failure or refusal of the Participant to perform the material duties required of such Participant as an employee or other service provider of the Plan Sponsor or an Affiliate, other than as a result of having a Disability, or a breach of any applicable invention assignment, confidentiality or other restrictive covenant agreement or similar agreement between the Plan Sponsor or an Affiliate and the Participant; or (iv) any other misconduct by the Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Plan Sponsor or an Affiliate.

2.5 **CEO** means Chief Executive Officer of CH2M HILL Companies, Ltd.

2.6 **Change in Control.** For purposes of the Plan, a Change in Control will occur if any one of the following events occurs:

- (a) Any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value of Company stock. However, if any one person or more than one person acting as a group, owns more than 50% of the total fair market value of Company stock, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company (or to cause a change in the effective control of the Company).
 - (b) There is a change in the effective control of the Company. A change in the effective control of the Company occurs on the date that either:
 - (i) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company that represents 30% or more of the total voting power of Company stock; or
 - (ii) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.
 - (c) Any one person, or more than one person acting as a group, acquires ownership of all or substantially all of the assets of CH2M HILL Companies, Ltd.
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- (d) The stockholders of the Company approve a plan of liquidation or dissolution of CH2M HILL Companies, Ltd. and such transaction is consummated.

For purposes of this definition “persons acting as a group” shall have the following meaning: Persons will not be considered to be acting as a group solely because they purchased stock of the Company at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

For the avoidance of doubt, this Section shall be interpreted in accordance with Treasury guidance for the definition of “change in the ownership of a corporation” and “change in the effective control of a corporation” under Section 409A of the Code.

2.7 **Code** means the Internal Revenue Code of 1986, as amended from time to time.

2.8 **Committee** means a committee established under Article V of the Plan.

2.9 **Company** means the Plan Sponsor.

2.10 **Disability** means a disability of the Employee pursuant to which the Employee is entitled to disability benefits from the long-term disability program of the Company or an Affiliate.

2.11 **Employee** means an individual who is employed by the Company or an Affiliate.

2.12 **Effective Date** means the effective date of the Plan, which is February 20, 2017.

2.13 **Good Reason** means, without the Participant’s consent following a Change in Control: (a) a material reduction in the position or responsibilities of the Participant; (b) a material reduction in the Participant’s base salary; or (c) a relocation of the Participant’s primary assigned work location to a distance of more than fifty (50) miles from its location as of the date of a Change in Control.

2.14 **Grant Notice** means the notice delivered from the Company to the Participant (including via a third party vendor utilized by the Company to facilitate such grant notification) which sets forth the terms and conditions of the Participant’s Award for a Program Period.

2.1 **Internal Market** means the limited internal market maintained by the Company for the purchase and sale of its common stock.

2.16 **Participant** means an Employee designated to be eligible to receive an Award under the Plan as provided in Article III.

2.17 **Performance-Based Compensation** means compensation under an Award that is intended to satisfy the requirements of Section 162(m) of the “performance-based compensation” paid to a participant who is deemed a “covered employee” within the meaning of Code § 162(m) (3). Notwithstanding the foregoing, nothing in the Plan shall be construed to mean that an Award which does not satisfy the requirements for “performance-based compensation” under Code § 162(m) does not constitute performance-based compensation for other purposes, including for purposes of Code Section 409A.

2.18 **Plan or LTIP** means the CH2M HILL Companies, Ltd. Long Term Incentive Plan.

2.19 **Plan Sponsor** means CH2M HILL Companies, Ltd.

2.20 **Program** means each three-year LTIP cycle.

2.21 **Program Period** means a period beginning on January 1st of the Program year and completing 36 months thereafter (ex. January 1, 2017 through December 31, 2019).

2.22 **Retirement** means the termination of employment by the Participant on or after age 55, other than an involuntary termination for Cause, if the sum of the Participant’s age and years of service equals 65 or more.

2.23 **RSU** means a right to receive a share of Stock in the future upon satisfaction of the applicable vesting conditions. RSUs constitute Stock Instruments hereunder.

2.24 **Stock** or **Stock Instruments** means Company stock or stock equivalents granted under the Plan.

2.25 **Target Award** means the target award amount established under the Plan for Participants.

ARTICLE III PARTICIPATION

The Committee, in its sole discretion and except as otherwise delegated pursuant to Sections 5.3 and 5.4 below, shall designate the Employees who may participate in the Plan for any Program Period from among the Employees of the Company or an Affiliate. Participation in the Plan will be on a Program Period by Program Period basis, and participation in a Program Period will not, in and of itself, entitle an Employee to

participate in any other Program Period. The Committee shall provide each Participant with a Grant Notice reflecting the additional terms and conditions applicable to the Participant's Award.

ARTICLE IV LTIP AWARDS

4.1 Target Awards and Performance Goals. Within 90 days of the beginning of each Program Period, as required by the Code, the Committee (or the CEO as authorized pursuant to Sections 5.3 and 5.4 below) in its sole discretion shall establish the Target Award for each Participant and the performance goals for the Program Period and notify participants in writing. The performance required to achieve a payout at target (100% of target), as well as the minimum and maximum payouts and any interim performance goals, will be determined by the Committee. Performance goals for a Participant who is a "covered employee" within the meaning of Code § 162(m)(3) that are intended to be Performance-Based Compensation must be approved by Company shareholders in accordance with the procedures set forth in Section 162(m) of the Code.

4.2 Award Determination Process. As soon as practicable after the end of each Program Period, and promptly following each interim performance period, the Committee shall compare actual performance during the Program Period to the performance goals for the Program Period and determine the payout percentage. The actual aggregate payout value of the Award will be the Target Award adjusted up or down according to the payout percentage, and may be further adjusted based on individual Participant performance, or such other reason as determined in accordance with this Section 4.2. All determinations made related to attainment of performance goals shall be made in the sole discretion of the Committee, and shall be final and binding on all Participants. Unless otherwise determined by the Committee in its sole discretion, Award provisions shall not be modified or amended if the modification or amendment would cause compensation payable pursuant to such Award to fail to constitute qualified performance-based compensation under Code § 162(m).

All payments for a Program Period are totally discretionary. The Committee (or the CEO under any delegation of authority made pursuant to Sections 5.3 and 5.4 below) may, for any reason (including, but not limited to, if the individual Participant's actions during the Program Period, directly or indirectly, resulted in a significant negative impact to the Company and/or the advancement of the Company's strategic objectives, and/or resulted in a violation of Company policy(ies), ethical breaches, misconduct, negligence and/or poor job performance), choose to pay an Award to any Participant that is less than the amount that would be paid based on actual achievement of the performance goals for the Program Period, including an actual payout of \$0 to such Participant; provided that this authority shall not apply in connection with or following a Change in Control. If an eligible Employee becomes a Participant in the Plan after the Program Period has begun, the Participant's Award will be prorated accordingly. In addition, Awards will be prorated for

a Participant who converts to or from a part-time or flex employment status during a Program Period.

4.3 Minimum and Maximum Award Payout. The minimum Award payout for any Program Period shall be \$0. The maximum Award payout for each Participant for any LTIP Program Period, shall generally not exceed 200% (2 times) of the Target Award as determined by the Committee (or the CEO under any delegation of authority made pursuant to Sections 5.3 and 5.4 below) based on performance, but will be within the discretion of the Committee to determine subject to Section 4.4 with respect to compliance with the requirements of Code § 162(m). Notwithstanding the above, the maximum award payout for any Participant for any Program Period shall not exceed \$10,000,000 for any Program Period and may be adjusted to a lesser amount at the discretion of the Committee.

4.4 Code § 162(m) Compliance. The Company intends that the Awards to Participants who are deemed “covered employees” within the meaning of Code § 162(m)(3) will satisfy the performance-based compensation requirements of Code § 162(m) so that the Company may deduct any compensation paid under the Plan for federal income tax purposes without limitation. If any provision of this Plan or any Award would otherwise conflict with such intent, that provision, to the extent possible, shall be interpreted and deemed amended so as to avoid such conflict. To the extent any amount payable hereunder is intended to constitute Performance-Based Compensation, such payment shall not be made unless the Committee has certified the achievement of the applicable performance goals.

4.5 Payouts of LTIP Awards. The achievement of performance goals will be evaluated for each calendar year during a Program Period. For the first and second years of a Program Period, a portion of the Award shall be determined and convert to time-vesting RSUs or such other consideration as determined by the Committee. Following the end of the Program Period, the final amount of the earned Award shall be determined and converted to time-vesting RSUs or such other consideration as determined by the Committee. Notwithstanding any other provision of the Plan to the contrary, no portion of an Award shall convert to RSUs or other consideration following a Participant’s termination of employment for any reason, and no payment shall be made with respect thereto, unless determined otherwise by the Committee in its sole discretion. Except as provided in Article VI or Article VII or as otherwise determined by the Committee in its sole discretion, a Participant must be employed by the Company or an Affiliate as of the applicable vesting date of the RSUs or other consideration to receive a payment with respect thereto, and any RSUs shall be settled in shares of Stock (or, if determined by the Committee in its sole discretion, cash equal to the fair market value of the shares) or other consideration promptly following the applicable vesting date, and in all events no later than two and one-half months following the applicable vesting date. Notwithstanding any other provision hereof, to the extent an Award payout would result in a Participant exceeding any ownership limits under the Company’s Articles of Incorporation and/or Bylaws, the Award shall be paid out in cash.

4.6 **Non-Transferability of Awards.** No Award shall be assignable or transferable.

4.7 **Restrictions on Transfers of Instruments.** All Stock Instruments transferred to a Participant in accordance with the Plan will be subject to the terms, conditions, and restrictions on Company Stock set forth in the Company's Articles of Incorporation and Bylaws, as amended from time to time, and its filings with the U.S. Securities and Exchange Commission, including: (a) restrictions that grant the Company the right (but not the obligation) to repurchase shares upon termination of the shareholder's affiliation with the Company; (b) restrictions that grant the Company a right of first refusal if the shareholder wishes to sell shares other than in the Internal Market; (c) restrictions that require the approval of the Company for any other sale of shares; and (d) the rules of the Company's Internal Market, including but not limited to proration.

4.8 **Withholding Requirement.** All Awards are subject to withholding of all taxes, government mandated social benefit contributions, or other payments required to be withheld which are applicable to the Participants. If Company stock is awarded, a Participant will receive shares net of his or her tax withholding obligation if not enough cash is awarded to cover taxes. The foregoing notwithstanding, the Committee may, in its sole discretion, permit a Participant to satisfy his or her tax withholding obligations by other means.

ARTICLE V PLAN ADMINISTRATION

5.1 **Committee.** Except as otherwise set forth in this Plan, the Plan shall be administered by the Compensation Committee appointed by and serving at the pleasure of the Board. The composition of the Committee shall consist of those members as described in the Charter of the Committee, as may be amended from time to time (the "Charter").

5.2 **Committee Meetings and Actions.** The Committee shall hold meetings and have the authority to take such action as determined in the Charter.

5.3 **Powers of Committee.** The Committee shall, in its sole discretion, select the Participants from among the Employees, select the performance goals for each Program Period, establish Target Awards for Participants for each Program Period, determine the time at which Awards are to be paid, determine actual performance against the established performance goals for purposes of Award payout calculations, and establish such other terms under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee may, for any reason, choose to pay an Award to any Participant that is less than the amount that would be paid based on actual achievement of the performance goals for the Program Period, including an actual payout of \$0 to such Participant. The Committee shall have the full and exclusive right to grant and determine terms and conditions of all Awards granted under the Plan. The Committee shall determine the form of notice that shall evidence the particular provisions, terms, and conditions. The Committee may from time to time adopt such rules and regulations for carrying out the

purposes of the Plan, as it may deem proper and in the best interests of the Company.

The Committee may from time to time delegate its responsibilities as it determines is necessary, in its sole discretion. The Committee may correct any defect, supply any omission, and reconcile any inconsistency in the Plan. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

The Committee shall approve participation, Target Awards, and any Award payout amounts for any Section 16 officers under the securities laws.

5.4 Delegation of Authority. Pursuant to Section 5.3, the Committee delegates to the CEO the authority to select those Employees (other than Section 16 officers under the securities laws and any key executives as determined by the Committee) who shall participate in the Plan from time to time, and to establish the eligibility criteria and Target Awards for Employees participating in the Plan (other than Section 16 officers under the securities laws and any key executives as determined by the Committee). The CEO may, for any reason, choose to pay an Award to any Participant (other than Section 16 officers under the securities laws and any key executives as determined by the Committee) that is less than the amount that would be paid based on actual achievement of the performance goals for the Program Period, including an actual payout of \$0 to such Participant, provided however that such authority may only be exercised by the CEO after the Committee has determined actual performance against the established performance goals for purposes of meeting Plan criteria for the payout of Plan Awards and has determined the payout percentage under the Plan. The CEO shall inform the Committee of any such decisions at the next regularly scheduled Committee meeting.

Day-to-day administration of the Plan shall be performed by employees of the Company.

5.5 Interpretation of Plan. The determination of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding and conclusive upon all persons, including the Company, its shareholders, and all persons having any interest in Stock Instruments which may be or have been granted pursuant to the Plan.

5.6 Limitation of Liability and Indemnification.

- (a) No member of the Committee or of the Board, nor the CEO, shall be liable for any action or determination made in good faith.
 - (b) Each person who is or shall have been a member of the Committee or of the Board, and the CEO, shall be indemnified and held harmless by the Plan Sponsor against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred in connection with or resulting from
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any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid in settlement thereof, with the Company's approval, or paid in satisfaction of a judgment in any such action, suit or proceeding against him or her, provided such person shall give the Company an opportunity, at its own expense, to handle and defend the same before undertaking to handle and defend it on such person's own behalf.

ARTICLE VI CHANGE IN CONTROL

6.1 Pre-2017 Grants. All outstanding Awards granted prior to February 20, 2017 shall become immediately payable in full at target and in cash upon the occurrence of a Change in Control event, except as otherwise may be provided in an individual agreement with a Participant (e.g., a Change of Control Agreement).

6.2 Later Grants. Unless the Committee determines otherwise in its sole discretion, and except as otherwise may be provided in an individual agreement with a Participant (e.g., a Change of Control Agreement), the following rules shall govern the treatment of Awards granted on or after February 20, 2017 upon the occurrence of a Change in Control Event:

- (a) To the extent the Award is not continued, assumed or substituted by the successor employer of the Participant or an Affiliate, (i) the RSUs or other consideration granted with respect to calendar years ending upon or prior to the date of the Change in Control shall fully vest, and (ii) the portion of the Award that relates to calendar years ending after the date of the Change in Control shall be converted into fully-vested RSUs or other fully-vested consideration immediately prior to the consummation of the Change in Control based on assumed achievement of the applicable performance goals at the target level of performance. All the vested RSUs or other consideration described herein shall be settled in the form of cash or Stock Instruments promptly following the Change in Control.
 - (b) To the extent the Award is continued, assumed or substituted by the successor employer of the Participant or an Affiliate, (i) the RSUs or other consideration granted with respect to calendar years ending upon or prior to the date of the Change in Control shall remain outstanding in accordance with their terms, and (ii) the portion of the Award that relates to calendar years ending after the date of the Change in Control shall be converted into RSUs or other consideration immediately prior to the consummation of the
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Change in Control based on assumed achievement of the applicable performance goals at the target level of performance that vest in such manner as determined by the Committee. Notwithstanding the foregoing, if the Participant's employment is terminated without Cause or by the Participant for Good Reason, in either case during the two (2)-year period following the Change in Control, all then-outstanding RSUs or other consideration described in this Section 6.2(b) shall be 100% vested. All RSUs or other consideration described in this Section 6.2(b) shall be settled in the form of cash or Stock Instruments promptly following the applicable vesting date.

For purposes of this Section 6.2, Awards shall be considered "assumed" if, following the Change in Control, the Award confers the right to receive, for each share of Stock subject to the Award immediately prior to the Change in Control, (i) the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Stock for each share held on the effective date of the Change in Control, or (ii) common stock of the successor to the Company of substantially equivalent economic value to the consideration received in the Change in Control by holders of Stock for each share held on the effective date of the Change in Control (as determined by the Committee in its discretion). The Award will be considered "substituted for" if the successor or acquiror replaces the Award with equity awards of substantially equivalent economic value measured as of the date the Change in Control occurs (as determined by the Committee in its discretion).

7.3 **Section 409A.** In all events, any action under this Article VI shall comply with the applicable requirements of Section 409A of the Code (such that, for the avoidance of doubt, no action shall be taken by the Committee pursuant to this Article VI that would violate the requirements of Section 409A of the Code).

ARTICLE VII TERMINATION OF EMPLOYMENT

7.1 **General Rule.** Except as provided in Article VI, upon the Participant's termination of employment or other service for any reason, all outstanding Awards (including, without limitation, any RSUs or other consideration issued with respect to completed calendar years in a Program Period) shall be forfeited unless determined otherwise by the Committee in its sole discretion.

7.2 **Retirement.** If a Participant terminates his or her employment with the Company and its Affiliates due to Retirement, any RSUs or other consideration issued for calendar years ending prior to the date of such Retirement shall, subject to the Participant's continued compliance with any covenants in the Grant Notice, continue to vest and be paid

out at the times specified in Section 4.5 as if the Participant had remained actively employed by the Company or an Affiliate. For the avoidance of doubt, any portion of the Award relating to calendar years ending after the date of termination shall be forfeited and no payments shall be made with respect thereto. Under this Section 7.2, continued eligibility to vest and be paid out at the times specified in Section 4.5 is conditioned on the Participant remaining retired from the Company and not competing against the Company as such is defined in the Grant Notice.

7.3 Death/Disability. If a Participant's employment with the Company and its Affiliates terminates due to the Participant's death or Disability, any RSUs or other consideration issued for calendar years ending prior to the date of such termination shall vest and shall be settled in Shares (or, if determined by the Committee in its sole discretion, cash equal to the fair market value of the Shares) as reasonably practicable thereafter and delivered to the Participant (and in all events no later than two and one-half months following the date of termination). For the avoidance of doubt, any portion of the Award relating to calendar years ending after the date of termination shall be forfeited and no payments shall be made with respect thereto.

ARTICLE VIII REQUIREMENTS OF LAW

8.1 Requirements of Law. All Awards pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

8.2 Governing Law. The Plan and all agreements under the Plan shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America.

ARTICLE IX CLAWBACK

This Plan incorporates by reference the Company's clawback policy, and any Participant's participation in this Plan is subject to such clawback policy as in effect from time-to-time.

ARTICLE X AMENDMENT, MODIFICATION AND TERMINATION

The Committee may amend or modify any provision of the Plan at any time, and may suspend the granting of Awards under the Plan. The Board may terminate the Plan at any time.

The Committee may determine that any Awards granted under the Plan shall be subject to additional and/or modified terms and conditions, and the terms of the Award shall be adjusted accordingly, as may be necessary to comply with or take account of any securities, exchange control, taxation laws, regulations or practice of any territory which may have

application to the relevant Participant.

**ARTICLE XI
MISCELLANEOUS**

11.1 Gender and Number. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

11.2 No Right to Continued Employment. Nothing contained in the Plan or in any Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of the Participant's employment by, or consulting relationship with, the Company or an Affiliate, or interfere in any way with the right of the Company or an Affiliate, subject to the terms of any separate employment agreement or other contract to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an award. Any Participant who leaves the employment of the Company or an Affiliate shall not be entitled to any compensation for any loss of any right or any benefit or prospective right or benefit under this Plan which the Participant might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

11.3 Section 409A. This Plan and all Awards hereunder shall, to the extent Section 409A of the Code applies, be interpreted and applied in accordance with the requirements of Section 409A of the Code. For the avoidance of doubt, if a Participant is a "specified employee" (as determined pursuant to Section 409A of the Code), any payments hereunder shall be delayed until six months following the Participant's separation from service to the extent required by Section 409A of the Code, and "termination of employment" shall mean "separation from service" to the extent required by Section 409A of the Code.

CH2M HILL Companies, Ltd.
Amended and Restated Long Term Incentive Plan

Amendment effective December 15, 2017

ARTICLE I
BACKGROUND

On August 1, 2017, CH2M HILL Companies, Ltd. (the “Company”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Jacobs Engineering Inc. (“Jacobs”), and Basketball Merger Sub Inc. (“Merger Sub”), pursuant to which and subject to the terms and conditions therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and becoming a wholly-owned subsidiary of Jacobs (the “Merger”). In connection with the proposed Merger, the Board of Directors of the Company adopted the following changes to the CH2M HILL Companies, Ltd. Amended and Restated Long Term Incentive Plan effective February 20, 2017 (the “LTIP”), with such changes to be effective as of the Effective Time (as defined in the Merger Agreement, the “Effective Time”) of the Merger.

ARTICLE II
EQUITY AWARD ROLLOVER

2.1 Company Assumed Restricted Stock Units. Each Award (as defined in the LTIP, an “Award”) in the form of a restricted stock unit granted after February 28, 2017 under the LTIP in respect of shares of common stock, par value \$0.01 per share, of the Company (the “Shares”) and held by an employee of the Company who continues to be employed by Jacobs and its subsidiaries (the “Company Assumed Restricted Stock Units”) that is outstanding immediately before the Effective Time will be converted as of the Effective Time into a restricted stock unit on the same terms and conditions (including applicable vesting requirements but subject to such accelerated vesting, if any, provided to the holder thereof in a plan set forth on Section 5.9(c) of the Company Disclosure Schedules (as defined in the Merger Agreement, the “Company Disclosure Schedules”) or a Company Employee Agreement (as defined in the Merger Agreement, a “Company Employee Agreement”) under the LTIP and award agreement evidencing such Company Assumed Restricted Stock Unit, in respect of the number of shares of common stock, par value \$1.00, of Jacobs (the “Jacobs Shares”) that is equal to the number of Shares subject to the Company Assumed Restricted Stock Unit immediately prior to the Effective Time multiplied by the Assumed Equity Award Exchange Ratio (as defined in the Merger Agreement, the “Assumed Equity Award Exchange Ratio”) (rounded to the nearest whole share).

2.2 Company Assumed Performance Stock Units. Immediately prior to the Effective Time, each Award in the form of a performance stock unit granted after February 28, 2017 under the LTIP in respect of Shares and held by an employee of the Company

who continues to be employed by Jacobs and its subsidiaries (the “Company Assumed Performance Stock Units”) that is outstanding immediately before the Effective Time will be converted as of the Effective Time into a time-based restricted stock unit on the same terms and conditions under the LTIP and award agreement evidencing such Company Assumed Performance Stock Unit (with vesting to occur in substantially equal installments on each of the first three anniversaries of the original date of grant of the related Company Assumed Performance Stock Units, subject to such accelerated vesting, if any, provided to the holder thereof in a plan set forth on Section 5.9(c) of the Company Disclosure Schedules or a Company Employment Agreement), in respect of the number of Jacobs Shares that is equal to the number of Shares that would have vested at the end of the performance period if target performance had been achieved immediately prior to the Effective Time multiplied by the Assumed Equity Award Exchange Ratio (rounded to the nearest whole share).

* * * * *

**JACOBS ENGINEERING GROUP INC .
FORM OF RESTRICTED STOCK UNIT AGREEMENT
(Performance Shares - Earnings Per Share Growth)**

(Awarded Pursuant to the 1999 Stock Incentive Plan, as Amended and Restated)

This Agreement is executed as of _____, by and between JACOBS ENGINEERING GROUP INC. (the "Company") and _____ ("Employee") pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan (the "Plan"). Unless the context clearly indicates otherwise, all terms defined in the Plan and used in this Agreement (whether or not capitalized) have the meanings as set forth in the Plan.

1. Restricted Stock Units

Pursuant to the Plan, and in consideration for services rendered to the Company or Related Company or for their benefit, the Company hereby issues, as of the above date (the "Award Date") to Employee an award of Restricted Stock Units in accordance with the Plan and the terms and conditions of this Agreement (the "Award"). The target number of Restricted Stock Units Employee is eligible to earn under this Agreement is _____ (the "Target Earnings Per Share Growth Restricted Stock Units"). Each Restricted Stock Unit represents the right to receive one share of Jacobs Common Stock (subject to adjustment pursuant to the Plan) in accordance with the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan. If, with respect to the Restricted Stock Units, the Employee has made an effective and operative deferral election ("EDP Deferral Election") under the Jacobs Engineering Group Inc. Executive Deferral Plan ("EDP") with respect to the shares underlying this Agreement, the terms of the EDP and EDP Deferral Election governing the time and delivery of the shares underlying this Agreement that become vested, if any, are incorporated by reference herein.

2. Vesting and Distribution

- (a) The Award shall not be vested as of the Award Date and shall be forfeitable by Employee without consideration or compensation unless and until otherwise vested pursuant to the terms of this Agreement.
- (b) The number of Restricted Stock Units earned under this Agreement shall be equal to the sum of the following (the "Earned Earnings Per Share Growth Restricted Stock Units"):
 - 1. An amount, not less than zero, equal to one-third of the Target Earnings Per Share Growth Restricted Stock Units multiplied by the Earnings Per Share Growth Performance Multiplier (as defined herein) determined based upon the growth in the Company's Earnings Per Share (as defined herein) from fiscal year 2017 to fiscal year 2018; plus
 - 2. An amount, not less than zero, equal to (A) two-thirds of the Target Earnings Per Share Growth Restricted Stock Units multiplied by the Earnings Per Share Growth Performance Multiplier determined based upon the average growth in the Company's Earnings Per Share in fiscal years 2018 and 2019 as compared to fiscal year 2017 minus (B) the amount determined pursuant to Section 2(b)(1) above; plus

3. An amount, not less than zero, equal to (A) the Target Earnings Per Share Growth Restricted Stock Units multiplied by the Earnings Per Share Growth Performance Multiplier determined based upon the average growth in the Company's Earnings Per Share in fiscal years 2018, 2019, and 2020 as compared to fiscal year 2017 minus (B) the amount determined pursuant to Section 2(b)(1) and 2(b)(2) above.

The Earnings Per Share Growth Performance Multiplier for purposes of the above calculations will be determined by reference to the following tables based upon the average growth in the Company's Earnings Per Share over the indicated fiscal periods:

From Fiscal Year 2017 to Fiscal Year 2018

Average Earnings Per Share Growth	Earnings Per Share Growth Performance Multiplier
Less than 10.7%	0
15.7%	100%
20.7%	200%

From Fiscal Year 2017 to Fiscal Year 2019

Average Earnings Per Share Growth	Earnings Per Share Growth Performance Multiplier
Less than 12.1%	0
15.6%	100%
19.1%	200%

From Fiscal Year 2017 to Fiscal Year 2020

Average Earnings Per Share Growth	Earnings Per Share Growth Performance Multiplier
Less than 11.7%	0
13.7%	100%
15.7%	200%

The Earnings Per Share Growth Performance Multiplier will be determined using straight-line interpolation based on the actual average growth in Earnings Per Share other than those listed in the charts above.

For purposes of this Section 2(b), "Earnings Per Share" for any fiscal period is computed by dividing Net Earnings by the weighted average number of shares of the Company's common stock outstanding during the period. "Net Earnings" means the net earnings attributable to the Company as reported in its consolidated financial statements for such period determined in accordance with accounting principles generally accepted in the United States ("GAAP") (A) as

may be adjusted to eliminate the effects of (i) costs associated with restructuring activities, as determined in accordance with GAAP, regardless of whether the Company discloses publicly the amount of such restructuring costs or the fact that the Company engaged in restructuring activities during the periods restructuring costs were incurred; and (ii) gains or losses associated with discontinued operations, as determined in accordance with GAAP, but limited to the first reporting period an operation is determined to be discontinued and all subsequent periods (*i.e.* , there will be no retroactive application of this adjustment); and (B) as adjusted for all gains or losses associated with events or transactions that the Committee has made a finding are unusual in nature, infrequently occurring and otherwise not indicative of the Company's normal operations, and therefore, not indicative of the underlying Company performance. For purposes of this part (B), such events or transactions could include: (i) settlements of claims and litigation; (ii) disposals of operations including a disposition of a significant amount of the Company's assets; (iii) losses on sales of investments; and (iv) changes in laws and/or regulations.

- (c) After the Award Date, a number of Restricted Stock Units equal to the Earned Earnings Per Share Growth Restricted Stock Units will become 100% vested (referred to as "Vested Units") on the third anniversary of the Award Date (the "Maturity Date"), provided that, except as provided in Section 2(d) below, Employee remains continuously employed by the Company or Related Company through such Maturity Date.
- (d) Notwithstanding anything in this Agreement or Schedule B of the Plan to the contrary, in the event that Employee's employment with the Company or Related Company terminates prior to the Maturity Date as a result of (i) Employee's Retirement, or (ii) Employee's involuntary termination by the Company or Related Company for any reason other than for Cause, death, or Disability, this Award shall remain outstanding and shall vest on the Maturity Date (based on actual performance through the entire performance period); provided, that on the Maturity Date only a pro-rated portion (based on the number of days, during the period between the Award Date and the Maturity Date, that Employee was employed by the Company or Related Company prior to Employee's Retirement or involuntary termination by the Company or Related Company for any reason other than for Cause, death, or Disability) of the Earned Earnings Per Share Growth Restricted Stock Units will become vested, with the remainder of the Award forfeited at that time.
- (e) Notwithstanding anything in this Agreement or Schedule B of the Plan to the contrary, in the event of a Change in Control, the number of Earned Earnings Per Share Growth Restricted Stock Units shall be determined as of the date such Change in Control is consummated, rather than the Maturity Date, with the number of Earned Earnings Per Share Growth Restricted Stock Units determined as set forth in Section 2(b) hereof, except that: (1) if the Change in Control occurs prior to the last day of fiscal year 2018, the Earnings Per Share Growth Performance Multiplier will be 100%; and (2) if the Change in Control occurs upon or after the last day of fiscal year 2018, the number of Earned Earnings Per Share Growth Restricted Stock Units will be determined pursuant to Section 2(b) based upon performance through the last day of the fiscal year immediately

preceding or coinciding with the date of the Change in Control, plus an additional number of Restricted Stock Units, not less than zero, equal to (A) the Target Earnings Per Share Growth Restricted Stock Units multiplied by the Earnings Per Share Growth Performance Multiplier determined based upon the average annual growth in the Company's Earnings Per Share through the end of the last fiscal quarter completed on or prior to the date of the Change in Control, minus (B) the amount determined pursuant to Section 2(b) based upon performance through the last day of the fiscal year immediately preceding or coinciding with the date of the Change in Control.

Following a Change in Control, except as otherwise set forth in the Plan (including Schedule B thereof), the Earned Earnings Per Share Growth Restricted Stock Units shall remain outstanding and subject to the terms and conditions of the Plan and this Agreement, including the vesting condition of continued employment through the Maturity Date.

- (f) Except as set forth herein and in the Plan (including Schedule B thereof the terms of which shall apply to the Award), Employee has no rights, partial or otherwise, in the Award and/or any shares of Jacobs Common Stock subject thereto, unless and until the Award has been earned and vested pursuant to this Section 2.
- (g) Each Vested Unit shall be settled by the delivery of one share of Common Stock (subject to adjustment under the Plan), unless the Committee elects to settle the Vested Unit in another form of consideration of equivalent value (as determined by the Committee in its sole discretion) in connection with or following a Change in Control. If the Employee has not made any EDP Deferral Election with respect to Restricted Stock Units that become vested, settlement will occur as soon as practicable following certification by the Company of the number of Earnings Per Share Growth Restricted Stock Units and passage of the Maturity Date (or, if earlier, the date the Award becomes vested pursuant to the terms of the Plan, including Schedule B thereof, or Section 2(d) above), but in no event later than 30 days following the Maturity Date (or such earlier date that the Award becomes vested). If the Employee has made an EDP Deferral Election, deferred Vested Units shall be settled as soon as practicable following the date elected on the Employee's operative EDP Deferral Election or other settlement date set forth under the terms of the EDP. In any event, no fractional shares shall be issued pursuant to this Agreement.
- (h) Neither the Award, nor any interest therein nor shares of Jacobs Common Stock payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

3. Section 409A Compliance

Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be construed or deemed to be amended as necessary to comply with the requirements of Section 409A of the Code, to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code. The Committee, in its sole

discretion, shall determine the requirements of Section 409A of the Code applicable to the Plan and this Agreement and shall interpret the terms of each consistently therewith. Under no circumstances, however, shall the Company have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan and/or this Agreement or any EDP Deferral Election, including any taxes, penalties or interest imposed under Section 409A of the Code.

4. Status of Participant

Except as set forth in this section, Employee shall have no rights as a stockholder (including, without limitation, any voting rights or rights to receive dividends with respect to the shares of Jacobs Common Stock subject to the Award) with respect to either the Award granted hereunder or the shares of Jacobs Common Stock underlying the Award, unless and until such shares are issued in respect of Vested Units, and then only to the extent of such issued shares.

Notwithstanding the foregoing, the Employee is entitled to a "Dividend Equivalent Right" under the EDP with respect to each Vested Unit for which delivery of the underlying share of Common Stock has been deferred pursuant to an EDP Deferral Election, to the extent the Company pays any cash dividend with respect to outstanding Jacobs Common Stock while such Vested Unit remains outstanding. The term "Dividend Equivalent Right" shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same payment and other terms and conditions (including, if applicable, the terms of the EDP and EDP Deferral Election) as the Vested Unit to which it relates.

Except as otherwise provided under the terms of the EDP or EDP Deferral Election, if applicable: (a) any vested Dividend Equivalent Right will be paid to the Employee in cash at the same time the underlying share of Common Stock is delivered to the Employee; and (b) the Employee will not be credited with Dividend Equivalent Rights with respect to any Restricted Stock Unit that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g. , because it has been settled in Common Stock or has been terminated), and the Employee will not be entitled to any payment for Dividend Equivalent Rights with respect to any Restricted Stock Unit that terminates without vesting. For purposes of this Agreement, a Vested Unit that has not yet been settled (e.g. , because of an EDP Deferral Election) shall be considered outstanding for purposes of this Section 4.

No shares may be issued in respect of Vested Units if, in the opinion of counsel for the Company, all then applicable requirements of the Securities and Exchange Commission and any other regulatory agencies having jurisdiction and of any stock exchange upon which the shares of the Company may be listed are not fully met, and, as a condition of the issuance of shares, Employee shall take all such action as counsel may advise is necessary for Employee to take to meet such requirements.

5. Nature of Award

In accepting the Award, Employee acknowledges, understands and agrees that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

- (b) The Award of the Restricted Stock Units hereunder is voluntary and occasional and does not create any contractual or other right to receive future Awards of Restricted Stock Units, or any benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been awarded in the past;
- (c) All decisions with respect to future Restricted Stock Unit or other awards, if any, will be at the sole discretion of the Company;
- (d) The Award and Employee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Related Companies and shall not interfere with the ability of the Company, or any Related Company, as applicable, to terminate Employee's employment or service relationship (if any);
- (e) The Award and the shares of Jacobs Common Stock subject to the Award, the value of same, and any ultimate gain, loss, income or expense associated with the Award are not part of Employee's normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) No claim or entitlement to compensation or damages shall arise from forfeiture of the Award for any reason, including forfeiture resulting from Employee ceasing to provide employment or other services to the Company or any Related Company (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Employee is employed or the terms of Employee's employment agreement, if any), and in consideration of the Award to which Employee is otherwise not entitled, Employee irrevocably agrees never to institute or allow to be instituted on his or her behalf any claim against the Company or any of its Related Companies, waives his or her ability, if any, to bring any such claim, and releases the Company and any Related Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Employee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

6. Data Privacy

Employee understands that the Company and/or a Related Company may hold certain personal information about the Employee in connection with this Agreement (including the terms of the EDP and EDP Deferral Election to the extent applicable under Section 1), including, but not limited to, Employee's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any shares of Jacobs Common Stock or directorships held in the Company, details of all Awards or any other entitlement to shares of Jacobs Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Employee's favor, for the exclusive purpose of implementing, administering and managing the Plan and this Agreement ("Data").

Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Employee's personal Data by and among, as applicable, the Company and its Related Companies for the exclusive purpose of implementing, administering and managing Employee's participation in the Plan and under this Agreement .

Employee understands that Data will be transferred to the Company's broker, administrative agents or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Employee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country or countries in which such recipients reside or operate (e.g. , the United States) may have different data privacy laws and protections than Employee's country. Employee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Employee understands that Data will be held only as long as is necessary to implement, administer and manage Employee's participation in the Plan and this Agreement or as required under applicable law .

7. Payment of Withholding Taxes

Employee acknowledges that, regardless of any action taken by the Company or Related Companies or, if different, Employee's employer (the "Employer") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Employee's participation in the Plan and legally applicable to Employee or deemed by the Company, Related Company or the Employer in its discretion to be an appropriate charge to Employee even if legally applicable to the Company, Related Company or the Employer ("Tax-Related Items"), is and remains Employee's responsibility and may exceed the amount actually withheld by the Company, Related Company or the Employer. Employee further acknowledges and agrees that the Company or Related Company and/or the Employer may, if it so determines, offset any Employer tax liabilities deemed applicable to Employee by reducing the shares of Jacobs Common Stock otherwise deliverable to Employee pursuant to this Agreement. Employee further acknowledges that the Company, Related Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of shares of Jacobs Common Stock acquired pursuant to such settlement; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Restricted Stock Units to reduce or eliminate Employee's liability for Tax-Related Items or achieve any particular tax result. Further, if Employee is subject to Tax-Related Items in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, Employee acknowledges that the Company, Related Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company may refuse to issue or deliver any shares of Jacobs Common Stock to the Employee until the obligation for any Tax-Related Items due in connection with the Award has been satisfied.

Under no circumstances can the Company be required to withhold from the shares of Jacobs Common Stock that would otherwise be delivered to Employee upon settlement of the Award a number of shares having a total Fair Market Value that exceeds the amount of withholding taxes as determined by the Company at the time the Award vests.

8. Services as Employee

Except as expressly provided in Section 2(d), the rights granted to Employee under this Agreement are conditioned upon the agreement of Employee to continue in the employ of the Company or of a Related Company through the Maturity Date, and Employee hereby agrees and further agrees to render his or her services for such period for such reasonable compensation as the Company or Related Company may determine.

Employee shall not be deemed to have ceased to be employed by the Company (or any Related Company) for purposes of this Agreement by reason of Employee's transfer to a Related Company (or to the Company or to another Related Company). The Committee may determine that, for purposes of this Agreement, Employee shall be considered as still in the employ of the Company or of the Related Company while on leave of absence.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company or any Related Company, affects the Employee's status as an employee at will who is subject to termination without cause, confers upon the Employee any right to remain employed by or in service to the Company or any Related Company, interferes in any way with the right of the Company or any Related Company, as applicable, at any time to terminate such employment or services, or affects the right of the Company or any Related Company, as applicable, to increase or decrease the Employee's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of the Employee without his or her consent thereto.

9. Miscellaneous Provisions

This Agreement is governed in all respects by the Plan and applicable law. In the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall prevail. Subject to the limitations of the Plan, the Company may, with the written consent of Employee, amend this Agreement. This Agreement shall be construed, administered and enforced according to the laws of the State of California.

10. Clawback

Employee agrees that if Employee is or becomes a Section 16 executive officer of the Company, in the event of any Inaccurate Financial Statement, Employee will return to the Company on demand all incentive-based compensation payments (whether under this Award, the Plan or otherwise) made to Employee during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement that are in excess of what would have been paid had such incentive-based compensation instead been determined under the accounting restatement (the "Payments"). In addition, Employee agrees to application of any clawback, forfeiture, recoupment, or similar requirement required to apply to incentive-based compensation granted to Employee under any current or future applicable law or listing standard or regulatory body requirement. An "Inaccurate Financial Statement" is any inaccurate financial statement due to material noncompliance by the Company with any financial reporting requirements under the securities laws.

11. Agreement of Employee

By signing below or electronically accepting this Award , Employee (1) agrees to the terms and conditions of this Agreement, (2) confirms receipt of a copy of the Plan and all amendments and supplements thereto, and (3) appoints the officers of the Company as Employee's true and lawful attorney-in-fact, with full power of substitution in the premises, granting to each full power and authority to do and perform any and every act whatsoever requisite, necessary, or proper to be done, on behalf of Employee which, in the opinion of such attorney-in-fact, is necessary or prudent to effect the forfeiture of the Award to the Company, or the delivery of the Jacobs Common Stock to Employee, in accordance with the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

JACOBS ENGINEERING GROUP INC.

By:

**JACOBS ENGINEERING GROUP INC .
FORM OF RESTRICTED STOCK UNIT AGREEMENT
(Performance Shares – ROIC)**

(Awarded Pursuant to the 1999 Stock Incentive Plan, as Amended and Restated)

This Agreement is executed as of _____ by and between JACOBS ENGINEERING GROUP INC. (the “Company”) and _____ (“Employee”) pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan (the “Plan”). Unless the context clearly indicates otherwise, all terms defined in the Plan and used in this Agreement (whether or not capitalized) have the meanings as set forth in the Plan.

1. Restricted Stock Units

Pursuant to the Plan, and in consideration for services rendered to the Company or Related Company or for their benefit, the Company hereby issues, as of the above date (the “Award Date”) to Employee an award of Restricted Stock Units in accordance with the Plan and the terms and conditions of this Agreement (the “Award”). The target number of Restricted Stock Units Employee is eligible to earn under this Agreement is _____ (the “Target ROIC Restricted Stock Units”). Each Restricted Stock Unit represents the right to receive one share of Jacobs Common Stock (subject to adjustment pursuant to the Plan) in accordance with the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan. If, with respect to the Restricted Stock Units, the Employee has made an effective and operative deferral election (“EDP Deferral Election”) under the Jacobs Engineering Group Inc. Executive Deferral Plan (“EDP”) with respect to the shares underlying this Agreement, the terms of the EDP and EDP Deferral Election governing the time of delivery of the shares underlying this Agreement that become vested, if any, are incorporated by reference herein.

2. Vesting and Distribution

- (a) The Award shall not be vested as of the Award Date and shall be forfeitable by Employee without consideration or compensation unless and until otherwise vested pursuant to the terms of this Agreement.
- (b) The number of Restricted Stock Units earned under this Agreement (the “Earned ROIC Restricted Stock Units”) shall be equal to the Target ROIC Restricted Stock Units multiplied by the ROIC Performance Multiplier (as defined herein). The “ROIC Performance Multiplier” will be determined based upon the Company’s annual average Return on Invested Capital (as defined herein) over the three-year period starting on the first day of fiscal 2018 and ending the last day of fiscal 2020 (the “Performance Period”).

The ROIC Performance Multiplier will be calculated as set forth in the following table, based upon the Company’s annual average Return on Invested Capital over the Performance Period:

Average Return on Invested Capital	ROIC Performance Multiplier
Less than 7.8%	0%

7.8%	50%
8.8%	100%
9.8%	200%

If the Company's average Return on Invested Capital over the Performance Period is between 7.8% and 8.8%, or 8.8% and 9.8%, the ROIC Performance Multiplier will be determined using straight-line interpolation based on the actual percentile ranking.

For purposes of this Section 2(b), the "Return on Invested Capital" for any fiscal period is computed by dividing Adjusted Net Earnings by the Average of Beginning and Ending Invested Capital during the period, and where invested capital is the sum of equity plus long term debt less cash and cash equivalents. Adjusted Net Earnings means the Net Earnings attributable to the Company as reported in its consolidated financial statements for such period determined in accordance with accounting principles generally accepted in the United States ("GAAP") (A) as may be adjusted to eliminate the effects of (i) costs associated with restructuring activities, as determined in accordance with GAAP, regardless of whether the Company discloses publicly the amount of such restructuring costs or the fact that the Company engaged in restructuring activities during the periods restructuring costs were incurred; and (ii) gains or losses associated with discontinued operations, as determined in accordance with GAAP, but limited to the first reporting period an operation is determined to be discontinued and all subsequent periods (i.e. , there will be no retroactive application of this adjustment); and (B) as adjusted for all gains or losses associated with events or transactions that the Committee has made a finding are unusual in nature, infrequently occurring and otherwise not indicative of the Company's normal operations, and therefore, not indicative of the underlying Company performance. For purposes of this part (B), such events or transactions could include: (i) settlements of claims and litigation; (ii) disposals of operations including a disposition of a significant amount of the Company's assets; (iii) losses on sales of investments; and (iv) changes in laws and/or regulations. "Invested Capital" means (i) the value of the Company's equity as reported in its consolidated financial statements for such period determined in accordance with GAAP, plus (ii) the value of the Company's debt as reported in its consolidated financial statements for such period determined in accordance with GAAP, minus (iii) the Company's cash and cash equivalent assets as reported in its consolidated financial statements for such period determined in accordance with GAAP.

- (c) After the Award Date, a number of Restricted Stock Units equal to the Earned ROIC Restricted Stock Units will become 100% vested (referred to as "Vested Units") on the third anniversary of the Award Date (the "Maturity Date"), provided that, except as provided in Section 2(d) below, Employee remains continuously employed by the Company or Related Company through such Maturity Date.
- (d) Notwithstanding anything in this Agreement or Schedule B of the Plan to the contrary, in the event that Employee's employment with the Company or Related Company terminates prior to the Maturity Date as a result of (i) Employee's

Retirement , or (ii) Employee's involuntary termination by the Company or Related Company for any reason other than for Cause , death, or Disability , this Award shall remain outstanding and shall vest on the Maturity Date based on the Company's average Return on Invested Capital over the Performance Period ; provided, that on the Maturity Date only a pro-rated portion (based on the number of days , during the period between the Award Date and the Maturity Date , that Employee was employed by the Company or Related Company prior to Employee's Retirement or involuntary termination by the Company or Related Company for any reason other than for Cause , death, or Disability) of the Earned ROIC Restricted Stock Units will become vested, with the remainder of the Award forfeited at that time.

- (e) Notwithstanding anything in this Agreement or Schedule B of the Plan to the contrary, in the event of a Change in Control, the number of Earned ROIC Restricted Stock Units shall be determined as of the date such Change in Control is consummated, rather than the Maturity Date, with the number of Earned ROIC Restricted Stock Units determined as set forth in Section 2(b) hereof, except that: (1) if the Change in Control occurs prior to the last day of fiscal year 2018, the ROIC Performance Multiplier will be 100%; and (2) if the Change in Control occurs upon or after the last day of fiscal year 2018, the ROIC Performance Multiplier shall be determined pursuant to Section 2(b) based upon the Company's average Return on Invested Capital based on information available as of the Change in Control (taking into account the consideration per share to be paid in the Change in Control transaction).

Following a Change in Control, except as otherwise set forth in the Plan (including Schedule B thereof), the Earned ROIC Restricted Stock Units shall remain outstanding and subject to the terms and conditions of the Plan and this Agreement, including the vesting condition of continued employment through the Maturity Date.

- (f) Except as set forth herein and in the Plan (including Schedule B thereof, the terms of which shall apply to the Award), Employee has no rights, partial or otherwise in the Award and/or any shares of Jacobs Common Stock subject thereto unless and until the Award has been earned and vested pursuant to this Section 2.
- (g) Each Vested Unit shall be settled by the delivery of one share of Common Stock (subject to adjustment under the Plan), unless the Committee elects to settle the Vested Unit in another form of consideration of equivalent value (as determined by the Committee in its sole discretion) in connection with or following a Change in Control. If the Employee has not made any EDP Deferral Election with respect to Restricted Stock Units that become vested, settlement will occur as soon as practicable following certification by the Company of the number of Earned ROIC Restricted Stock Units and passage of the Maturity Date (or, if earlier, the date the Award becomes vested pursuant to the terms of the Plan, including Schedule B thereof, or Section 2(d) above), but in no event later than 30 days following the Maturity Date (or such earlier date that the Award becomes vested). If the Employee has made an EDP Deferral Election, deferred Vested Units shall be settled as soon as practicable following the date elected on the Employee's

operative EDP Deferral Election or other settlement date set forth under the terms of the EDP. In any event, no fractional shares shall be issued pursuant to this Agreement.

- (h) Neither the Award, nor any interest therein nor shares of Jacobs Common Stock payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

3. Section 409A Compliance

Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be construed or deemed to be amended as necessary to comply with the requirements of Section 409A of the Code, to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code. The Committee, in its sole discretion, shall determine the requirements of Section 409A of the Code applicable to the Plan and this Agreement and shall interpret the terms of each consistently therewith. Under no circumstances, however, shall the Company have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan and/or this Agreement or any EDP Deferral Election, including any taxes, penalties or interest imposed under Section 409A of the Code.

4. Status of Participant

Except as set forth in this section, Employee shall have no rights as a stockholder (including, without limitation, any voting rights or rights to receive dividends with respect to the shares of Jacobs Common Stock subject to the Award) with respect to either the Award granted hereunder or the shares of Jacobs Common Stock underlying the Award, unless and until such shares are issued in respect of Vested Units, and then only to the extent of such issued shares.

Notwithstanding the foregoing, the Employee is entitled to a "Dividend Equivalent Right" under the EDP with respect to each Vested Unit for which delivery of the underlying share of Common Stock has been deferred pursuant to an EDP Deferral Election, to the extent the Company pays any cash dividend with respect to outstanding Jacobs Common Stock while such Vested Unit remains outstanding. The term "Dividend Equivalent Right" shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same payment and other terms and conditions (including, if applicable, the terms of the EDP and EDP Deferral Election) as the Vested Unit to which it relates.

Except as otherwise provided under the terms of the EDP or EDP Deferral Election, if applicable: (a) any vested Dividend Equivalent Right will be paid to the Employee in cash at the same time the underlying share of Common Stock is delivered to the Employee; and (b) the Employee will not be credited with Dividend Equivalent Rights with respect to any Restricted Stock Unit that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g. , because it has been settled in Common Stock or has been terminated), and the Employee will not be entitled to any payment for Dividend Equivalent Rights with respect to any Restricted Stock Unit that terminates without vesting. For purposes of this Agreement, a Vested Unit that has not yet been settled (e.g. , because of an EDP Deferral Election) shall be considered outstanding for purposes of this Section 4.

No shares may be issued in respect of Vested Units if, in the opinion of counsel for the Company, all then applicable requirements of the Securities and Exchange Commission and any other regulatory agencies having jurisdiction and of any stock exchange upon which the shares of the Company may be listed are not fully met, and, as a condition of the issuance of shares, Employee shall take all such action as counsel may advise is necessary for Employee to take to meet such requirements.

5. Nature of Award

In accepting the Award, Employee acknowledges, understands and agrees that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) The Award of the Restricted Stock Units hereunder is voluntary and occasional and does not create any contractual or other right to receive future Awards of Restricted Stock Units, or any benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been awarded in the past;
- (c) All decisions with respect to future Restricted Stock Unit or other awards, if any, will be at the sole discretion of the Company;
- (d) The Award and Employee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Related Companies and shall not interfere with the ability of the Company, or any Related Company, as applicable, to terminate Employee's employment or service relationship (if any);
- (e) The Award and the shares of Jacobs Common Stock subject to the Award, the value of same, and any ultimate gain, loss, income or expense associated with the Award are not part of Employee's normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) No claim or entitlement to compensation or damages shall arise from forfeiture of the Award for any reason, including forfeiture resulting from Employee ceasing to provide employment or other services to the Company or any Related Company (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Employee is employed or the terms of Employee's employment agreement, if any), and in consideration of the Award to which Employee is otherwise not entitled, Employee irrevocably agrees never to institute or allow to be instituted on his or her behalf any claim against the Company or any of its Related Companies, waives his or her ability, if any, to bring any such claim, and releases the Company and any Related Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Employee shall be deemed irrevocably to have agreed not to pursue such claim and agrees

to execute any and all documents necessary to request dismissal or withdrawal of such claim.

6. Data Privacy

Employee understands that the Company and/or a Related Company may hold certain personal information about the Employee in connection with this Agreement (including the terms of the EDP and EDP Deferral Election to the extent applicable under Section 1), including, but not limited to, Employee's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any shares of Jacobs Common Stock or directorships held in the Company, details of all Awards or any other entitlement to shares of Jacobs Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Employee's favor, for the exclusive purpose of implementing, administering and managing the Plan and this Agreement ("Data").

Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Employee's personal Data by and among, as applicable, the Company and its Related Companies for the exclusive purpose of implementing, administering and managing Employee's participation in the Plan and under this Agreement.

Employee understands that Data will be transferred to the Company's broker, administrative agents or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Employee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country or countries in which such recipients reside or operate (e.g. , the United States) may have different data privacy laws and protections than Employee's country. Employee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Employee understands that Data will be held only as long as is necessary to implement, administer and manage Employee's participation in the Plan and this Agreement or as required under applicable law.

7. Payment of Withholding Taxes

Employee acknowledges that, regardless of any action taken by the Company or Related Companies or, if different, Employee's employer (the "Employer") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Employee's participation in the Plan and legally applicable to Employee or deemed by the Company, Related Company or the Employer in its discretion to be an appropriate charge to Employee even if legally applicable to the Company, Related Company or the Employer ("Tax-Related Items"), is and remains Employee's responsibility and may exceed the amount actually withheld by the Company, Related Company or the Employer. Employee further acknowledges and agrees that the Company or Related Company and/or the Employer may, if it so determines, offset any Employer tax liabilities deemed applicable to Employee by reducing the shares of Jacobs Common Stock otherwise deliverable to Employee pursuant to this Agreement. Employee further acknowledges that the Company, Related Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of

shares of Jacobs Common Stock acquired pursuant to such settlement; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Restricted Stock Units to reduce or eliminate Employee's liability for Tax-Related Items or achieve any particular tax result. Further, if Employee is subject to Tax-Related Items in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, Employee acknowledges that the Company, Related Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company may refuse to issue or deliver any shares of Jacobs Common Stock to the Employee until the obligation for any Tax-Related Items due in connection with the Award has been satisfied.

Under no circumstances can the Company be required to withhold from the shares of Jacobs Common Stock that would otherwise be delivered to Employee upon settlement of the Award a number of shares having a total Fair Market Value that exceeds the amount of withholding taxes as determined by the Company at the time the Award vests.

8. Services as Employee

Except as expressly provided in Section 2(d), the rights granted to Employee under this Agreement are conditioned upon the agreement of Employee to continue in the employ of the Company or of a Related Company through the Maturity Date, and Employee hereby agrees and further agrees to render his or her services for such period for such reasonable compensation as the Company or Related Company may determine.

Employee shall not be deemed to have ceased to be employed by the Company (or any Related Company) for purposes of this Agreement by reason of Employee's transfer to a Related Company (or to the Company or to another Related Company). The Committee may determine that, for purposes of this Agreement, Employee shall be considered as still in the employ of the Company or of the Related Company while on leave of absence.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company or any Related Company, affects the Employee's status as an employee at will who is subject to termination without cause, confers upon the Employee any right to remain employed by or in service to the Company or any Related Company, interferes in any way with the right of the Company or any Related Company, as applicable, at any time to terminate such employment or services, or affects the right of the Company or any Related Company, as applicable, to increase or decrease the Employee's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of the Employee without his or her consent thereto.

9. Miscellaneous Provisions

This Agreement is governed in all respects by the Plan and applicable law. In the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall prevail. Subject to the limitations of the Plan, the Company may, with the written consent of Employee, amend this Agreement. This Agreement shall be construed, administered and enforced according to the laws of the State of California.

10. Clawback

Employee agrees that if Employee is or becomes a Section 16 executive officer of the Company, in the event of any Inaccurate Financial Statement, Employee will return to the Company on demand all incentive-based compensation payments (whether under this Award, the Plan or otherwise) made to Employee during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement that are in excess of what would have been paid had such incentive-based compensation instead been determined under the accounting restatement (the "Payments"). In addition, Employee agrees to application of any clawback, forfeiture, recoupment, or similar requirement required to apply to incentive-based compensation granted to Employee under any current or future applicable law or listing standard or regulatory body requirement. An "Inaccurate Financial Statement" is any inaccurate financial statement due to material noncompliance by the Company with any financial reporting requirements under the securities laws.

11. Agreement of Employee

By signing below or electronically accepting this Award, Employee (1) agrees to the terms and conditions of this Agreement, (2) confirms receipt of a copy of the Plan and all amendments and supplements thereto, and (3) appoints the officers of the Company as Employee's true and lawful attorney-in-fact, with full power of substitution in the premises, granting to each full power and authority to do and perform any and every act whatsoever requisite, necessary, or proper to be done, on behalf of Employee which, in the opinion of such attorney-in-fact, is necessary or prudent to effect the forfeiture of the Award to the Company, or the delivery of the Jacobs Common Stock to Employee, in accordance with the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

JACOBS ENGINEERING GROUP INC.

By:

JACOBS ENGINEERING GROUP INC .
FORM OF RESTRICTED STOCK UNIT AGREEMENT
(Time-Based Vesting)

(Awarded Pursuant to the 1999 Stock Incentive Plan, as Amended and Restated)

This Agreement is executed as of _____, by and between JACOBS ENGINEERING GROUP INC. (the "Company") and _____ ("Employee") pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan, as amended (the "Plan"). Unless the context clearly indicates otherwise, all terms defined in the Plan and used in this Agreement (whether or not capitalized) have the meanings as set forth in the Plan.

1. Restricted Stock Units

Pursuant to the Plan, and in consideration for services rendered and to be rendered to the Company or Related Company or for their benefit, the Company hereby issues, as of the above date (the "Award Date") to Employee an award of restricted stock units in accordance with the Plan and the terms and conditions of this Agreement (the "Award"). The number of Restricted Stock Units Employee is eligible to earn under this Agreement is _____. Each Restricted Stock Unit represents the right to receive one share of Jacobs Common Stock (subject to adjustment pursuant to the Plan) in accordance with the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan. If, with respect to the Restricted Stock Units, the Employee has made an effective and operative deferral election ("EDP Deferral Election") under the Jacobs Engineering Group Inc. Executive Deferral Plan ("EDP") with respect to the shares underlying this Agreement, the terms of the EDP and EDP Deferral Election governing the time of delivery of the shares underlying this Agreement that become vested, if any, are incorporated by reference herein.

2. Vesting and Distribution

- (a) The Award shall not be vested as of the Award Date and shall be forfeitable unless and until otherwise vested pursuant to the terms of this Agreement.
- (b) The Restricted Stock Units issued hereby shall be subject to the restrictions on transfer as set forth in this Agreement (referred to as the "Forfeiture Restrictions"). The provisions of the Plan relating to the restrictions on transfers of Restricted Stock Units, including all amendments, revisions and modifications thereto as may hereafter be adopted, are hereby incorporated in this Agreement as if set forth in full herein. Unless and until the Forfeiture Restrictions have lapsed, the Restricted Stock Units shall be unvested and subject to forfeiture hereunder ("Unvested Units").
- (c) In the event Employee ceases to be an employee of the Company or any of its Related Companies for any reason other than as a result of death or Disability or an involuntary termination without Cause, Employee shall, for no consideration, forfeit and surrender to the Company the Restricted

Stock Units that are subject to the Forfeiture Restrictions effected as of the date the Employee's employment with the Company or Related Company terminates. Schedule B of the Plan, which is incorporated herein by this reference, establishes the effects on this Award of other changes to the Employee's employment status with the Company or Related Company; the Employee's employer; and the Company's ownership interest in Employee's employer. Notwithstanding anything in this Agreement or Schedule B of the Plan to the contrary, if Employee's employment with the Company or any Related Company is involuntarily terminated by the Company or such Related Company for any reason other than Cause, death, or Disability : (i) before November 29, 2018, the Restricted Stock Units immediately will become 50% vested; or (ii) on or after November 29, 2018 but before November 29, 2021, the Restricted Stock Units immediately will become 100% vested.

- (d) After the Award Date, the Restricted Stock Units will become twenty-five percent (25%) vested on November 29, 2018, twenty-five percent (25%) vested on November 29, 2019, twenty-five percent (25%) vested on November 29, 2020, and the remaining twenty-five percent (25%) vested (collectively referred to as "Vested Units") on November 29, 2021 (each vesting of Restricted Stock Units is a "Maturity Date"), provided that Employee remains continuously employed by the Company or Related Company through such Maturity Date.
- (e) Except as set forth herein and in the Plan (including Schedule B thereof the terms of which shall apply to the Award), Employee has no rights, partial or otherwise in the Award and/or any shares of Jacobs Common Stock subject thereto unless and until the Award has been vested pursuant to this Section 2.
- (f) Each Vested Unit shall be settled by the delivery of one share of Common Stock (subject to adjustment under the Plan), unless the Committee elects to settle the Vested Unit in another form of consideration of equivalent value (as determined by the Committee in its sole discretion) in connection with or following a Change in Control. If the Employee has not made any EDP Deferral Election with respect to Restricted Stock Units that become vested, settlement will occur as soon as practicable following passage of each Maturity Date (or, if earlier, the date the Award becomes vested pursuant to the terms of the Plan, including Schedule B thereof, or Section 2(c) above). If the Employee has made an EDP Deferral Election, deferred Vested Units shall be settled as soon as practicable following the date elected on the Employee's operative EDP Deferral Election or other settlement date set forth under the terms of the EDP. In any event, no fractional shares shall be issued pursuant to this Agreement.
- (g) Neither the Award, nor any interest therein nor any shares of Jacobs Common Stock payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

3. Section 409A Compliance

Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be construed or deemed to be amended as necessary to comply with the requirements of Section 409A of the Code, to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code. The Committee, in its sole discretion, shall determine the requirements of Section 409A of the Code applicable to the Plan and this Agreement and shall interpret the terms of each consistently therewith. Under no circumstances, however, shall the Company have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan and/or this Agreement or any EDP Deferral Election, including any taxes, penalties or interest imposed under Section 409A of the Code.

4. Status of Participant

Except as set forth in this section, Employee shall have no rights as a stockholder (including, without limitation, any voting rights or rights to receive dividends with respect to the shares of Jacobs Common Stock subject to the Award) with respect to either the Award granted hereunder or the shares of Jacobs Common Stock represented by the Award, unless and until such shares are issued in respect of Vested Units, and then only to the extent of such issued shares and only with respect to voting rights, rights to receive dividends and other matters occurring after the date of issuance.

The Employee is entitled to a "Dividend Equivalent Right" with respect to each (a) Unvested Unit and (b) Vested Unit for which delivery of the underlying share of Common Stock has been deferred pursuant to an EDP Deferral Election, in each case to the extent the Company pays any cash dividend with respect to outstanding Jacobs Common Stock while such Unvested Unit or Vested Unit (as applicable) remains outstanding. The term "Dividend Equivalent Right" shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same vesting, payment, and other terms and conditions (including, if applicable, the terms of the EDP and EDP Deferral Election) as the Restricted Stock Unit to which it relates.

Except as otherwise provided under the terms of the EDP or EDP Deferral Election, if applicable: (a) any vested Dividend Equivalent Right will be paid to the Employee in cash at the same time the underlying share of Jacobs Common Stock is delivered to the Employee; and (b) the Employee will not be credited with Dividend Equivalent Rights with respect to any Restricted Stock Unit that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g ., because it has been settled in Jacobs Common Stock or has been terminated), and the Employee will not be entitled to any payment for Dividend Equivalent Rights with respect to any Restricted Stock Unit that terminates without vesting. For purposes of this Agreement, a Vested Unit that has not yet been settled (e.g. , because of an EDP Deferral Election) shall be considered outstanding for purposes of this Section 4.

No shares may be issued in respect of Vested Units if, in the opinion of counsel for the Company, all then applicable requirements of the Securities and Exchange Commission and any other regulatory agencies having jurisdiction and of any stock exchange upon

which the shares of the Company may be listed are not fully met, and, as a condition of the issuance of shares, Employee shall take all such action as counsel may advise is necessary for Employee to take to meet such requirements.

5. Nature of Award.

In accepting the Award, Employee acknowledges, understands and agrees that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) The Award of the Restricted Stock Units hereunder is voluntary and occasional and does not create any contractual or other right to receive future Awards of Restricted Stock Units, or any benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been awarded in the past;
- (c) All decisions with respect to future Restricted Stock Unit or other awards, if any, will be at the sole discretion of the Company;
- (d) The Award and Employee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Related Companies and shall not interfere with the ability of the Company, or any Related Company, as applicable, to terminate Employee's employment or service relationship (if any);
- (e) The Award and the shares of Jacobs Common Stock subject to the Award, the value of same, and any ultimate gain, loss, income or expense associated with the Award are not part of Employee's normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) No claim or entitlement to compensation or damages shall arise from forfeiture of the Award for any reason, including forfeiture resulting from Employee ceasing to provide employment or other services to the Company or any Related Company (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Employee is employed or the terms of Employee's employment agreement, if any), and in consideration of the Award to which Employee is otherwise not entitled, Employee irrevocably agrees never to institute or allow to be instituted on his or her behalf any claim against the Company or any of its Related Companies, waives his or her ability, if any, to bring any such claim, and releases the Company and any Related Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Employee shall be deemed irrevocably

to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

6. Data Privacy

Employee understands that the Company and/or a Related Company may hold certain personal information about the Employee in connection with this Agreement (including the terms of the EDP and EDP Deferral Election to the extent applicable under Section 1), including, but not limited to, Employee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Jacobs Common Stock or directorships held in the Company, details of all Awards or any other entitlement to shares of Jacobs Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Employee's favor, for the exclusive purpose of implementing, administering and managing the Plan and this Agreement ("Data").

Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Employee's personal Data by and among, as applicable, the Company and its Related Companies for the exclusive purpose of implementing, administering and managing Employee's participation in the Plan and under this Agreement.

Employee understands that Data will be transferred to the Company's broker, administrative agents or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and this Agreement. Employee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country or countries in which such recipients reside or operate (e.g. , the United States) may have different data privacy laws and protections than Employee's country. Employee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Employee understands that Data will be held only as long as is necessary to implement, administer and manage Employee's participation in the Plan and this Agreement or as required under applicable law.

7. Payment of Withholding Taxes

Employee acknowledges that, regardless of any action taken by the Company or Related Companies or, if different, Employee's employer (the "Employer") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Employee's participation in the Plan and legally applicable to Employee or deemed by the Company, Related Company or the Employer in its discretion to be an appropriate charge to Employee even if legally applicable to the Company, Related Company or the Employer ("Tax-Related Items"), is and remains Employee's responsibility and may exceed the amount actually withheld by the Company, Related Company or the Employer. Employee further acknowledges and agrees that the Company or Related Company and/or the Employer may, if it so determines, offset any Employer tax liabilities deemed applicable to Employee by reducing the shares of Jacobs Common Stock otherwise deliverable to Employee

pursuant to this Agreement. Employee further acknowledges that the Company, Related Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of shares of Jacobs Common Stock acquired pursuant to such settlement; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Restricted Stock Units to reduce or eliminate Employee's liability for Tax-Related Items or achieve any particular tax result. Further, if Employee is subject to Tax-Related Items in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, Employee acknowledges that the Company, Related Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company may refuse to issue or deliver any shares of Jacobs Common Stock to the Employee until the obligation for any Tax-Related Items due in connection with the Award has been satisfied.

Under no circumstances can the Company be required to withhold from the shares of Jacobs Common Stock that would otherwise be delivered to Employee upon settlement of the Award a number of shares having a total Fair Market Value that exceeds the amount of withholding taxes as determined by the Company at the time the Award vests.

8. Services as Employee

Except as expressly provided in Section 2(c), the rights granted to Employee under this Agreement are conditioned upon the agreement of Employee to continue in the employ of the Company or of a Related Company at least until the first Maturity Date, and Employee hereby agrees and further agrees to render his or her services for such period for such reasonable compensation as the Company or Related Company may determine.

Employee shall not be deemed to have ceased to be employed by the Company (or any Related Company) for purposes of this Agreement by reason of Employee's transfer to a Related Company (or to the Company or to another Related Company).

The Committee may determine that, for purposes of this Agreement, Employee shall be considered as still in the employ of the Company or of the Related Company while on leave of absence. In the event Employee is permitted a leave of absence during the term of this Agreement, the Committee may, in its sole and absolute discretion, extend the time periods during which Restricted Stock Units are subject to Forfeiture Restrictions as set forth in Section 2, above, to include the period of time Employee is on the leave of absence.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company or any Related Company, affects the Employee's status as an employee at will who is subject to termination without cause, confers upon the Employee any right to remain employed by or in service to the Company or any Related Company, interferes in any way with the right of the Company or any Related Company, as applicable, at any time to terminate such employment or services, or affects the right of the Company or any Related Company, as applicable, to increase or decrease the Employee's other compensation or benefits. Nothing in this paragraph, however, is

intended to adversely affect any independent contractual right of the Employee without his or her consent thereto.

9. Terms and Conditions Applicable to PRC Nationals Only

- (a) If Employee is a national of the Peoples' Republic of China ("PRC"), the Award and vesting of Restricted Stock Units is conditioned upon the Company securing all necessary approvals from the PRC State Administration of Foreign Exchange ("SAFE") to permit the operation of the Plan and the participation of PRC nationals employed by the Company or a Related Company, as determined by the Company in its sole discretion.
- (b) Employee agrees to hold the Jacobs Common Stock received upon settlement of the Restricted Stock Units with the Company's broker or any other agent designated by the Company until the Jacobs Common Stock is sold.
- (c) Employee understands and agrees that, due to exchange control laws in China, Employee will be required to immediately repatriate the proceeds from any sale of Jacobs Common Stock and any dividends received in relation to the Jacobs Common Stock to China. Employee further understands that the repatriation of such amounts may need to be effected through a special exchange control account established by the Company or the Related Company in China, and Employee hereby consents and agrees that all amounts derived from the Restricted Stock Units awarded under the Plan may be transferred to such special account prior to being delivered to Employee's personal account. Further, to the extent required to comply with any foreign exchange rules, regulations or agreements with governmental authorities, Employee specifically authorizes the Company, the Related Company that employs Employee, the administrator or their respective agents, to sell the Jacobs Common Stock acquired under the Plan, following the termination of Employee's employment or service or at some other time determined by the Company or the administrator, including immediately following settlement of the Restricted Stock Units, and to repatriate the sale proceeds in such manner as may be designated by the Company or the administrator.

10. Miscellaneous Provisions

This Agreement is governed in all respects by the Plan and applicable law. In the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall prevail. Subject to the limitations of the Plan, the Company may, with the written consent of Employee, amend this Agreement. This Agreement shall be construed, administered and enforced according to the laws of the State of California.

11. Clawback

Employee agrees that if Employee is or becomes a Section 16 executive officer of the Company, in the event of any Inaccurate Financial Statement, Employee will return to

the Company on demand all incentive-based compensation payments (whether under this Award, the Plan or otherwise) made to Employee during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement that are in excess of what would have been paid had such incentive-based compensation instead been determined under the accounting restatement (the "Payments"). In addition, Employee agrees to application of any clawback, forfeiture, recoupment, or similar requirement required to apply to incentive-based compensation granted to Employee under any current or future applicable law or listing standard or regulatory body requirement. An "Inaccurate Financial Statement" is any inaccurate financial statement due to material noncompliance by the Company with any financial reporting requirements under the securities laws.

12. Agreement of Employee

By signing below or electronically accepting this Award, Employee (1) agrees to the terms and conditions of this Agreement, (2) confirms receipt of a copy of the Plan and all amendments and supplements thereto, and (3) appoints the officers of the Company as Employee's true and lawful attorney-in-fact, with full power of substitution in the premises, granting to each full power and authority to do and perform any and every act whatsoever requisite, necessary, or proper to be done, on behalf of Employee which, in the opinion of such attorney-in-fact, is necessary or prudent to effect the forfeiture of the Award to the Company, or the delivery of the Jacobs Common Stock to Employee, in accordance with the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

JACOBS ENGINEERING GROUP INC.

By:

**JACOBS ENGINEERING GROUP INC.
FORM OF RESTRICTED STOCK UNIT AGREEMENT
(Time-Based Vesting)**

(Awarded Pursuant to the 1999 Outside Director Stock Plan, as Amended and Restated)

This Agreement is executed as of this ____ day of January 20 ____, by and between JACOBS ENGINEERING GROUP INC. (the “**Company**”) and ____ (“**Director**”) pursuant to the Jacobs Engineering Group Inc. 1999 Outside Director Stock Plan, as amended and restated (the “**Plan**”). Unless the context clearly indicates otherwise, capitalized terms used in this Agreement, to the extent they are defined in the Plan, have the same meaning as set forth in the Plan.

1. Restricted Stock Units

Pursuant to the Plan, and in consideration for services rendered to the Company or for its benefit, the Company hereby issues, as of the above date (the “**Award Date**”) to Director ____ restricted stock units in accordance with the Plan and this Agreement (the “**Restricted Stock Units**”). Each Restricted Stock Unit represents the right to receive one share of Common Stock of the Company (subject to adjustment pursuant to the Plan) in accordance with the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan. If, with respect to the Restricted Stock Units, the Director has made an effective and operative deferral election (“DDP Deferral Election”) under the Jacobs Engineering Group Inc. Directors Deferral Plan (“DDP”) with respect to the shares underlying this Agreement, the terms of the DDP and DDP Deferral Election governing the time of delivery of the shares underlying this Agreement that become vested, if any, are incorporated by reference herein.

2. Vesting and Distribution

- (a) The Restricted Stock Units shall not be vested as of the Award Date and shall be forfeitable unless and until otherwise vested pursuant to the terms of this Agreement. After the Award Date, the Restricted Stock Units will become 100% vested on the first to occur of the following: (i) the one-year anniversary of the Award Date or (ii) the date of the Company's 2019 annual shareholder meeting occurring after December 31, 2018 (the first to occur being the “**Vesting Date**”), provided that Director remains a director of the Company continuously through such Vesting Date. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “**Vested Units**.” Restricted Stock Units that are not vested and remain subject to forfeiture are referred to herein as “**Unvested Units**.”
- (b) The provisions of the Plan relating to the Restricted Stock Units, including all amendments, revisions and modifications thereto as may hereafter be adopted, are hereby incorporated into this Agreement as if set forth in full herein.
- (c) In the event Director ceases to be a director of the Company prior to the Vesting Date for any reason, including by reason of death while in office, the Director becoming Disabled (unless the Board of Directors in its sole discretion determines that the Restricted Stock Units shall continue to vest following the death or disability of Director), resignation, disqualification or removal, Director

shall, for no consideration, forfeit and surrender to the Company the Unvested Units held by Director on the date of such termination.

- (d) Except as set forth in Section 4, below, Director shall have no rights partial or otherwise as a stockholder (including, without limitation, any voting rights or rights to receive dividends with respect to the shares of Common Stock subject to the Restricted Stock Units) with respect to either the Restricted Stock Units granted hereunder or the shares of Common Stock represented by the Award, unless and until the Restricted Stock Units have vested pursuant to this Section 2 and the shares of Common Stock represented by the Award are issued in respect of Vested Units, and then only to the extent of such issued shares and only with respect to dividends or other matters occurring after the date of issuance.
- (e) Each Vested Unit shall be settled by the delivery of one share of Common Stock (subject to adjustment pursuant to Section 5 of the Plan), and unless the Board of Directors elects to settle the Vested Unit in another form of consideration of equivalent value (as determined by the Board of Directors in its sole discretion) in connection with or following a Change in Control . If the Director has not made any DDP Deferral Election with respect to Restricted Stock Units that become vested, settlement will occur on the Vesting Date. If the Director has made a DDP Deferral Election, deferred Vested Units shall be settled as soon as practicable following the date elected on the Director's operative DDP Deferral Election or other settlement date set forth under the terms of the DDP. In any event, the Company will transfer such Shares to Director or Director's designee subject to Director's satisfaction of any required tax withholding obligations as set forth in Section 5 hereof and any other restrictions, if any, imposed by the Company pursuant to the terms and conditions of the Plan and this Agreement.
- (f) The Restricted Stock Units may not be sold, assigned, hypothecated, transferred or otherwise disposed of other than by will or by the laws of descent and distribution .

3. Section 409A Compliance

Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be construed as necessary to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the " **Code** ") to avoid the imposition of any taxes or other penalties under Section 409A of the Code. The Board of Directors, in its sole discretion, shall determine the requirements of Section 409A of the Code applicable to the Plan and this Agreement and shall interpret the terms of each consistently therewith. Under no circumstances, however, shall the Company have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan and/or this Agreement or any DDP Deferral Election, including any taxes, penalties or interest imposed under Section 409A of the Code.

4. Dividend Equivalent Rights

The Director is entitled to a "Dividend Equivalent Right" (a) with respect to each Unvested Unit, to the extent the Company pays an ordinary cash dividend with respect to

outstanding Jacobs Common Stock while such Unvested Unit remains outstanding , and (b) under the DDP with respect to each Vested Unit for which delivery of the underlying share of Common Stock has been deferred pursuant to a DDP Deferral Election, to the extent the Company pays any cash dividend with respect to outstanding Jacobs Common Stock while such Vested Unit remains outstanding . The term "Dividend Equivalent Right" shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same vesting, payment, and other terms and conditions (including, if applicable, the terms of the DDP and DDP Deferral Election) as the Restricted Stock Unit to which it relates.

Except as otherwise provided under the terms of the DDP or DDP Deferral Election, if applicable: (a) any vested Dividend Equivalent Right will be paid to the Director in cash at the same time the underlying share of Common Stock is delivered to the Director; and (b) the Director will not be credited with Dividend Equivalent Rights with respect to any Restricted Stock Unit that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g. , because it has been settled in Common Stock or has been terminated), and the Director will not be entitled to any payment for Dividend Equivalent Rights with respect to any Restricted Stock Unit that terminates without vesting. For purposes of this Agreement, a Vested Unit that has not yet been settled (e.g. , because of a DDP Deferral Election) shall be considered outstanding for purposes of this Section 4.

5. Payment of Withholding Taxes

The payment of withholding taxes, if any, due upon the issuance of the Common Stock underlying a Restricted Stock Unit may be satisfied by instructing the Company to withhold from the shares of Common Stock issued that number of shares having a total Fair Market Value equal to the amount of income and withholding taxes due (up to the minimum required tax withholding rate for the Director, or such other rate that will not cause an adverse accounting consequence or cost) as determined by the Company. Under no circumstances can the Company be required to withhold from the shares of Common Stock that would otherwise be delivered to Director a number of shares having a total Fair Market Value that exceeds the amount of withholding taxes due as determined by the Company at the time the shares of Common Stock were issued. Director acknowledges and agrees that, except as would result in adverse tax consequences under Section 409A of the Code, the Company may delay the delivery of the shares of Common Stock that would otherwise be delivered to Director until Director has made arrangements satisfactory to the Company to satisfy any tax withholding obligations of Director.

6. Services as Director

Nothing in this Agreement shall be interpreted as creating an employer/employee relationship between the Company and Director.

7. Miscellaneous Provisions

This Agreement is governed in all respects by the Plan and applicable law. In the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall prevail. All terms defined in the Plan and used in this Agreement (whether or not capitalized) have the meanings as set forth in the Plan. Subject to the limitations of the Plan, the

Company may, with the written consent of Director, amend this Agreement. This Agreement shall be construed, administered and enforced according to the laws of the State of California.

8. Agreement of Director

By signing below or electronically accepting this Award, Director (1) agrees to the terms and conditions of this Agreement, (2) confirms receipt of a copy of the Plan, the prospectus and all amendments and supplements thereto, and (3) appoints the Secretary of the Company and each Assistant Secretary of the Company as Director's true and lawful attorney-in-fact, with full power of substitution in the premises, granting to each full power and authority to do and perform any and every act whatsoever requisite, necessary, or proper to be done, on behalf of Director which, in the opinion of such attorney-in-fact, is necessary to effect the forfeiture of the Restricted Stock Units to the Company, or the delivery of the Common Stock to Director, in accordance with the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth above.

JACOBS ENGINEERING GROUP INC.

By:



Dear [Name],

In accordance with the Merger Agreement, Jacobs has assumed all Restricted Stock Units (RSUs) and Performance Stock Units (PSUs) granted to legacy CH2M employees under CH2M's 2017 Long-Term Incentive Plan ("2017 LTIP"). These equity awards remain subject to the terms and conditions of the 2017 LTIP, as amended by CH2M's Compensation Committee in August 2017, including time-based vesting requirements.

The CH2M RSUs and PSUs were converted to Jacobs RSUs, rounded to the nearest whole share, based on the Assumed Equity Award Exchange Ratio as outlined in the Merger Agreement:

$$\text{Jacobs Units} = \text{CH2M Units} * (52.85 + (0.6677 * \text{VWAP})) / \text{VWAP}$$

The VWAP (Parent Share Volume Weighted Average Trading Price) is 66.9184.

Your CH2M grants were converted as follows:

Original CH2M Grants	Converted Jacobs Grants	New Vesting Schedule*
[] PSUs	[] RSUs	1-year cliff
[] PSUs	[] RSUs	2-year cliff
[] PSUs	[] RSUs	3-year cliff
[] RSUs	[] RSUs	3-year cliff

*Vesting begins on the original grant date of 4/3/2017.

Note that you originally had four separate CH2M grants – one RSU grant and three PSU grants – and each of these grants was converted to a separate Jacobs RSU grant. The converted RSU grant has the original three-year cliff vesting schedule. However, per the Merger Agreement and amended 2017 LTIP, the three converted PSU grants will vest in substantially equal installments on each of the first three anniversaries of the original date of grant, as opposed to vesting on the original three-year cliff schedule. In addition, the applicable performance goals for the PSUs were deemed to be achieved at target per the terms of the Merger Agreement. The vesting for all of the converted Jacobs RSUs begins on the original grant date of April 3, 2017.

You will be able to view your converted Jacobs RSUs in your Computershare account by the end of the first week of January 2018 under the Employee Grants & Awards section.

You may access your Computershare account by visiting www.computershare.com/jacobs. You will need your Global Employee Number (GEN) and your unique PIN to access your account online. Or, if you are an active employee, you can access your account with the ease of single sign-on from the Virtual Office under About Us | Employee Ownership. If you have additional questions regarding account access, you may contact Computershare toll-free at 844-549-2426, or 781-575-3087 if calling from outside of the United States.

Later this month, we plan to move all assumed Jacobs RSUs into accounts with Fidelity , at which point you will no longer be able to view these units in your Computershare account. W e will notify you after the transition to Fidelity has been completed.

Sincerely,

Shelie Gustafson
SVP, Global Human Resources

Performance Stock Unit Grant Notice
CH2M HILL Companies, Ltd. Long Term Incentive Plan

PERFORMANCE STOCK UNIT
FORM OF GRANT NOTICE

Date:

Name of Grantee:

Employee Number:

This Performance Stock Unit Grant Notice sets forth the terms of the Performance Stock Units granted to you under the CH2M HILL Companies, Ltd. Long Term Incentive Plan (the "Plan"). This grant is subject to the terms of the Plan and, in the event of a conflict between this Grant Notice and the terms of the Plan, the terms of the Plan shall control. Capitalized terms used herein have the meanings specified in the Plan. If you do not have a copy of the plan document, please contact your HR Partner or refer to Computershare's web site.

Within 60 days of receiving your grant of Performance Stock Units, you must agree to and accept this Performance Stock Unit Grant Notice by acknowledging with Computershare. Failure to so agree to this Performance Stock Unit Grant Notice within such 60-day period will result in the Award granted pursuant to this Performance Stock Unit Grant Notice being forfeited by you.

Grant Date:

Number of Performance Stock Units Granted (Target):

Number of Performance Stock Units Granted (Maximum):

Target EBIT: \$850 million. "EBIT" means earnings before interest and taxes of CH2M, and shall be determined in accordance with generally accepted accounting principles, as may be adjusted by the Committee.

Payout/Settlement:

Effective as of the date on which the Committee certifies EBIT goal achievement for 2017 in the first quarter of 2018, if EBIT is at least \$200 million for 2017, you shall "bank" a number of restricted stock units ("RSUs") equal to the product of (x) the Target Performance Stock Units and (y) a quotient, (1) the numerator of which is EBIT for calendar year for 2017 and (2) the denominator of which is Target EBIT. These RSUs shall vest on the third anniversary of the Grant Date, subject to your continued employment through such anniversary except as otherwise specifically provided in the Plan. Each RSU represents the right to receive one share of Stock (or the cash equivalent thereof) following the vesting date. Promptly following the vesting date (and in no event later than two and one-half months following the vesting date) or at such other time as provided in the Plan, one share of Stock for each RSU (or the cash equivalent thereof) vesting on that date shall be issued to you.

Effective as of the date on which the Committee certifies cumulative EBIT goal achievement for 2017 and 2018 in the first quarter of 2019, if EBIT is at least \$ 400 million for 2017 and 2018, you shall "bank" an additional number of RSUs (but not less than 0) equal to (A) the product of (x) the Target Performance Stock Units and (y) a quotient, (1) the numerator of which is aggregate EBIT for calendar years 2017 and 2018 and (2) the denominator of which is Target EBIT, minus (B) the number of RSUs determined above for 2017. These RSUs shall vest on the third anniversary of the Grant Date, subject to

your continued employment through such anniversary except as otherwise specifically provided in the Plan. Promptly following the vesting date (and in no event later than two and one-half month following the vesting date) or at such other time as provided in the Plan, one share of Stock for each RSU (or the cash equivalent thereof) vesting on that date shall be issued to you.

Effective as of the date on which the Committee certifies cumulative EBIT goal achievement for 2017, 2018 and 2019 in the first quarter of 2020, the total number of Performance Units that have been earned shall be determined as follows:

	Threshold	Target	Maximum
Company Consolidated Cumulative EBIT (MM)	\$600	\$850	\$1,105
Total Number of PSUs earned (% of Target award)	70.5%	100%	200%

The RSUs granted based on 2017 and 2018 performance determined above shall be subtracted from the number of RSUs determined pursuant to this chart. One share of fully-vested stock (or the cash equivalent thereof) shall be granted for the difference promptly following the third anniversary of the Grant Date (and in no event later than two and one-half months following the third anniversary of the Grant Date), subject to your continued employment through the third anniversary of the Grant Date.

Change in Control: In the event of a Change in Control, Article VI of the Plan shall govern.

Tax Withholding: The Plan provides that all grants are subject to applicable tax withholding upon vesting or settlement, or at any other time required by local, state, and/or country tax regulations.

If tax withholding is required upon vesting or settlement, CH2M will withhold shares to cover your tax withholding obligations on each vesting or settlement date. You will receive the net shares resulting from the number of shares that will vest on the vesting date minus the number of shares used to cover your tax obligation.

Covenants: By accepting this Performance Stock Unit Grant Notice, you hereby acknowledge that you are an employee of a CH2M HILL Companies, Ltd. group family company (the "Company Group") and hold confidential information regarding the Company Group, and therefore agree:

- to refrain for a period of one year from your last day of employment with the Company Group (regardless of the reasons for the termination of your employment) from directly or indirectly soliciting, inducing, recruiting, encouraging or otherwise endeavoring to cause any employee or consultant of the Company Group to terminate his/her/its relationship with any entity of the Company Group.
- to refrain for a period of one year from your last day of employment with the Company Group (regardless of the reasons for the termination of your employment) from directly or indirectly soliciting, inducing, recruiting, encouraging or otherwise endeavoring to cause or attempt to cause any client, vendor or contractor of the Company Group to modify, alter and/or terminate his/her/its relationship with any entity of the Company Group.
- to refrain from the disclosure, copying and/or use for any purpose of any proprietary, competitively sensitive and/or confidential business information of the Company Group, its clients, and business affiliates after your last day of employment with the Company Group (regardless of the reasons for the termination of your employment), including as such continuing obligations may exist under any CH2M Business Conduct Agreement, Employee

Ethics & Business Conduct Principles and/or Employee Administration Agreement (or other such agreements containing continuing obligations) that you have signed during your employment, which agreement(s) remain(s) in full force and effect.

- to not provide services, directly or indirectly, for a competitor of the Company Group on any proposal, bids, statements of qualifications, or other business development tasks (collectively, “proposals”) on projects about which you have knowledge of Company Group confidential information, including (without limitation) acquisition strategies, labor strategies, pricing, etc., and to remove yourself from working, directly or indirectly, on any such competitor’s proposal for any Company Group prospective projects on which you were involved as a Company Group employee since it would not be possible for you to assist a competitor in submitting proposals or refining offers on the same prospective projects without using and inevitably disclosing Company Group confidential information.
- not to make any oral or written statement to any third party that disparages, defames, or reflects adversely upon the Company Group, or any of its principals, officers, employees or services.

You recognize and agree that a violation by you of any of these obligations would cause irreparable harm to the Company Group that would be difficult to quantify and that money damages may be inadequate. As such, you agree that the Company Group shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. If a court of competent jurisdiction determines that you have violated the obligations of any covenant for a particular duration, then you agree that such covenant will be extended by that duration.

You recognize and agree that if you terminate employment with the Company due to Retirement, as defined in the Plan, your continued eligibility to vest and be paid out at the times specified in Section 4.5 of the Plan with respect to RSUs issued hereunder prior to your Retirement is conditioned on you remaining retired from the Company and not competing against the Company. Competitor, for this purpose, means any engineering, program management, or construction company engaged in any activities or business similar in material respects to CH2M business and/or listed among the top 25 companies on any Engineering News Record (ENR) list of top industry leaders (for the year in question) where the Company is listed in the top 25 companies on the list.

For the avoidance of doubt, no obligation set forth in this Performance Stock Unit Grant Notice shall prohibit you from making disclosures required by law, from filing a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”), or from communicating with any Government Agencies or otherwise participating in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to CH2M HILL Companies, Ltd.

Restricted Stock Unit Grant Notice
CH2M HILL Companies, Ltd. Long Term Incentive Plan

RESTRICTED STOCK UNIT
FORM OF GRANT NOTICE

Date:

Name of Grantee:

Employee Number:

This Restricted Stock Unit Grant Notice sets forth the terms of the Restricted Stock Units granted to you under the CH2M HILL Companies, Ltd. Restricted Stock Plan. This grant is subject to the terms of the Plan and, in the event of a conflict between this Grant Notice and the terms of the Plan, the terms of the Plan shall control. Capitalized terms used herein have the meanings specified in the Plan. If you do not have a copy of the plan document, please contact your HR Partner or refer to Computershare's web site.

Within 60 days of receiving your grant of Restricted Stock Units, you must agree to and accept this Restricted Stock Unit Grant Notice by acknowledging with Computershare. Failure to so agree to this Restricted Stock Unit Grant Notice within such 60-day period will result in the Award granted pursuant to this Restricted Stock Unit Grant Notice being forfeited by you.

Grant Date:

Number of Restricted Stock Units Granted:

Vesting Schedule: The Restricted Stock Units shall vest in full on the third anniversary of the Grant Date.

Settlement: Promptly following the vesting date (and in no event later than March 15 of the year following the year in which the vesting date occurs), one share of Stock for each Restricted Stock Unit vesting on that date (or the cash equivalent thereof) shall be issued to you.

Tax Withholding: The Plan provides that all grants are subject to applicable tax withholding upon vesting or settlement, or at any other time required by local, state, and/or country tax regulations.

If tax withholding is required upon vesting or settlement, CH2M will withhold shares to cover your tax withholding obligations on each vesting or settlement date. You will receive the net shares resulting from the number of shares that will vest on the vesting date minus the number of shares used to cover your tax obligation.

Covenants: By accepting this Restricted Stock Unit Grant Notice, you hereby acknowledge that you are an employee of a CH2M HILL Companies, Ltd. group family company (the "Company Group") and hold confidential information regarding the Company Group, and therefore agree:

- to refrain for a period of one year from your last day of employment with the Company Group (regardless of the reasons for the termination of your employment) from directly or indirectly soliciting, inducing, recruiting, encouraging or otherwise endeavoring to cause any employee or consultant of the Company Group to terminate his/her/its relationship with any entity of the Company Group.
 - to refrain for a period of one year from your last day of employment with the Company Group (regardless of the reasons for the termination of your employment) from directly or indirectly
-

soliciting, inducing, recruiting, encouraging or otherwise endeavoring to cause or attempt to cause any client, vendor or contractor of the Company Group to modify, alter and/or terminate his/her/its relationship with any entity of the Company Group.

- to refrain from the disclosure, copying and/or use for any purpose of any proprietary, competitively sensitive and/or confidential business information of the Company Group, its clients, and business affiliates after your last day of employment with the Company Group (regardless of the reasons for the termination of your employment), including as such continuing obligations may exist under any CH2M Business Conduct Agreement, Employee Ethics & Business Conduct Principles and/or Employee Administration Agreement (or other such agreements containing continuing obligations) that you have signed during your employment, which agreement(s) remain(s) in full force and effect.
- to not provide services, directly or indirectly, for a competitor of the Company Group on any proposal, bids, statements of qualifications, or other business development tasks (collectively, "proposals") on projects about which you have knowledge of Company Group confidential information, including (without limitation) acquisition strategies, labor strategies, pricing, etc., and to remove yourself from working, directly or indirectly, on any such competitor's proposal for any Company Group prospective projects on which you were involved as a Company Group employee since it would not be possible for you to assist a competitor in submitting proposals or refining offers on the same prospective projects without using and inevitably disclosing Company Group confidential information.
- not to make any oral or written statement to any third party that disparages, defames, or reflects adversely upon the Company Group, or any of its principals, officers, employees or services.

You recognize and agree that a violation by you of any of these obligations would cause irreparable harm to the Company Group that would be difficult to quantify and that money damages may be inadequate. As such, you agree that the Company Group shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. If a court of competent jurisdiction determines that you have violated the obligations of any covenant for a particular duration, then you agree that such covenant will be extended by that duration.

For the avoidance of doubt, no obligation set forth in this Restricted Stock Unit Grant Notice shall prohibit you from making disclosures required by law, from filing a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"), or from communicating with any Government Agencies or otherwise participating in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to CH2M HILL Companies, Ltd.

EMPLOYMENT AGREEMENT

Between

JACOBS ENGINEERING GROUP INC.

And

GARY MANDEL

The parties to this amended and restated agreement (the “Agreement”) are **Jacobs Engineering Group Inc.** (the “Company” or “Jacobs”) and **Gary Mandel** (the “**Employee**”). The Company and **Employee** are sometimes referred to in this Agreement individually as “Party” or collectively as the “Parties.”

This amended and restated Agreement is effective as of December 30, 2017 (the “Effective Date”).

1. Definitions

For purposes of this Agreement, the following definitions will apply:

- 1.1 “Affiliate” means all direct and indirect subsidiary companies in which the Company directly or indirectly owns a controlling interest.
- 1.2 “Business” means the markets, lines of business, and types of work in which the Company, its affiliated companies and successors are engaged.
- 1.3 “Compete” or “Competing” will mean entering into or attempting to enter into any business that competes with the Business, either alone or with any individual, partnership, corporation or association.
- 1.4 “Sensitive Information” means all business information of a highly sensitive and confidential nature, including but not limited to, names and duties of key personnel, business and growth/expansion plans, marketing and business development initiatives and prospects, financial results and forecasts, bidding information, cost and charging rates and their make up and structure, customer lists, and profit and operating margins. Sensitive Information does not include information that is generally available in the public domain, other than as a result of action by the **Employee**; provided however, Sensitive Information shall not be deemed to be in the public domain merely because individual features of it are in the public domain unless the combination itself and the principle of operation are also in the public domain.
- 1.5 “Directly” or “Indirectly,” as they modify the word “Compete,” will mean: (i) acting in a management or oversight capacity as an agent, representative, consultant, officer, director, independent contractor or employee of any entity or enterprise that competes with the Business; and (ii) participating in any material way, in any capacity, in the management or oversight of any such Competing entity or enterprise as an owner, partner, limited partner, joint venturer, creditor or stockholder (except as a stockholder owning less than a one percent interest in a corporation whose shares are actively traded on a national securities exchange or in the over-the-counter market) entity or enterprise that competes with the Business.
- 1.6 “Trade Secret” means all or any part of any customer list of the Company or one of its Affiliates. “Trade Secret” also means any of the following if considered confidential by the Company or one of its Affiliates: engineering drawings, software programs proprietary to the Company or one of its Affiliates, customer information, information concerning prospective customers, sales or marketing plans, financial data, job costing methods, business methods, procedures, formulae, compilation of information, improvements, or patentable or copyrightable discoveries.
- 1.7 “Transaction” means the completion of transactions contemplated by that certain share purchase agreement by and among Aker P&C Group AS and Jacobs Engineering Group Inc. and certain of its subsidiaries, on the other hand, dated on or about December 22, 2010 (the “Share Purchase Agreement”).

1.8 “Transaction Date” means February 1, 2011.

2. Position and Duties

2.1 As of the Effective Date, **Employee** reports to the Company’s Chairman and Chief Executive Officer. **Employee**’s title as of the Effective Date is Executive Vice President, Integration Management Office.

2.2 **Employee** understands and agrees that he is an “exempt” employee and may be required to work more than 40 hours per week without additional compensation.

2.3 **Employee** understands that his position will require him to perform work for the Company and to be involved with certain business initiatives of its Affiliates. The Company and its Affiliates are engaged in market and product areas that are undergoing continuous development. This may necessitate changes to the Company and/or its Affiliates, which will require flexibility on the part of the **Employee**. The Company will discuss with the **Employee** prior to any such changes.

2.4 **Employee** will devote his full time and attention to his position. Unless he receives written consent of the person to whom he reports, **Employee** will not, while employed by the Company, accept consulting assignments from other businesses or employment from other employers or any external directorships (other than the RigNet board role assumed on December 14, 2010 so long as it does not conflict with employment at Jacobs) or other offices.

2.5 The **Employee** is obligated to inform his manager of any ownership in or commercial relationship with any enterprise the Company and/or **Employee** does or plans to do business with. The Company may at any time require **Employee** to report the nature and extent of any ownership interests in other companies.

2.6 **Employee** agrees to comply with Company’s policies, procedures, rules and management decisions and to comply with all applicable laws and regulations, such compliance being a condition of employment.

3. Compensation

3.1 The Company will pay the **Employee** an annual salary equivalent to \$750,000.00. (“Base Salary”). Compensation will be reviewed on an annual basis.

3.2 The Base Salary will be paid in accordance with the Company’s regular payroll practices as may be in effect from time to time, as reduced by all withholdings required by law.

3.3 The Company shall reimburse the **Employee** for all business expenses reasonably incurred by the **Employee**: (i) in the ordinary course of performance of his services in connection with his employment; and (ii) in accordance with Jacobs’ standard policies, practices and procedures, as may be in effect from time to time.

3.4 Any consideration for future equity awards will be subject to the **Employee**’s level of performance and the discretion of Company management and the Human Resource and Compensation Committee.

3.5 The **Employee** will be eligible to participate in the Jacobs Engineering Group Inc. Management Incentive Plan at the level of an executive officer as approved by the Human Resource and Compensation Committee of the Board of Directors of the Company.

4. Benefits

4.1 The **Employee** will be entitled to participate in the Company’s employee benefit plans or programs that the Company makes available to its employees generally, subject to applicable law and the terms thereof as in effect from time to time. The Company, in its sole discretion, may modify its employee benefits from time to time.

5. Paid Time Off

Incentive Bonus Plan

- 5.1 The **Employee** will be entitled to five (5) weeks of paid time off (“ PTO ”) for each full calendar year of employment under this Agreement and a pro rata share of such PTO for any partial such year. Scheduling of PTO will be subject to the approval of the person to whom the **Employee** reports.

6. Termination and Dismissal

- 6.1 Either the **Employee** or the Company may terminate the **Employee's** employment agreement hereunder for any reason by giving the other party six month's written notice of such termination. The notice period will commence on the first day of the month following the delivery of such notice.
- 6.2 The Company will, in case of termination of the employment agreement, be entitled to allocate other responsibilities to the **Employee** or order **Employee** to go on paid leave of absence with immediate effect, provided that salary and other fringe benefits will be retained for the duration of the notice period.
- 6.3 During the six months after either the Company or the **Employee** gives the notice of termination described in paragraph 6.1, the Company will not be obliged to assign any duties to, or provide any work for the **Employee** and will be entitled to exclude the **Employee** from any premises of the Company and/or to require him not to communicate with clients, suppliers, employees, agents or representatives of the Company or any Affiliate, provided that the Company will continue to pay the **Employee's** Base Salary and maintain his fringe benefits during such period. During any such period, unless the Company consents in writing for him to do so, the **Employee** may not perform any work in any capacity, whether paid or unpaid, for any other person or entity other than the Company or one of its Affiliates, without regard to whether such work is classified as consulting work or as work as a part-time for full-time employee, nor may the **Employee** during such six month-period solicit business for any prospective venture with which he plans to become involved. The Parties understand that the intent of this paragraph is to grant the Company the right to place the **Employee** on what is referred to as “garden leave” in the event that either he or the Company gives the six month notice of termination described above. The **Employee** agrees that, if he violates this “garden leave” provision, the Company, to the fullest extent allowed by law, may withhold any amounts still owed to him by the Company. However, the Company's withholding of amounts in accordance with the preceding sentence will not limit its right to claim further damages against the **Employee** for breach of the paid leave of absence provision or other obligations under this Agreement.
- 6.4 For purposes of this Agreement, “Cause” shall be limited to:
- (a) Gross negligence or willful misconduct in respect to, or a material failure or refusal to continue the performance of, his/her duties and responsibilities as set forth in this Agreement, which **Employee** fails to cure within twenty (20) days after having received written notice from the Company of the facts and circumstances that it contends constitute the above conduct;
 - (b) Material breach of any provision of this Agreement or of **Employee's** Employee Invention and Confidential Information Agreement, which **Employee** fails to cure within twenty (20) days after having received written notice from the Company of the facts and circumstances that it contends constitute a material breach;
 - (c) The illness or incapacity (or other disability as defined in Jacobs' disability plan in effect at the time of such disability) of **Employee** of such a character so as to disable the **Employee** from rendering services for a period of more than 90 days (whether or not consecutive) during any 12-month period;
 - (d) The death of **Employee** ;
 - (e) Material breach of, or material failure to abide by, Jacobs' Corporate Policy Concerning Business Conduct, Integrity, and Ethics (USA) or any successor policy or policies;
 - (f) Civil fraud, breach of fiduciary duty involving personal profit, or willful violation of any law, rule or regulation (other than traffic violations or similar offenses); and/or
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- (g) Breach of or failure to abide by Jacobs ' Drug, Alcohol, and Contraband Policy or any successor policy or policies .

6.5 For purposes of this Agreement, "Good Reason" shall be limited to:

- (a) A reduction in **Employee** 's Base Salary; or
- (b) the Company's material breach of any provision of this Agreement, which the Company fails to cure within (20) days after having received written notice from **Employee** of the facts and circumstances that he/she contends constitute a material breach of any provision of this Agreement.

6.6 The Company may discharge the **Employee** for Cause, without providing him with the six month notice described above. In such case, all **Employee's** rights to salary and fringe benefits will lapse immediately, subject to any rights that **Employee** may have to be paid for his services performed prior to the date of his dismissal, to purchase extended medical insurance coverage under the federal law known as COBRA (the Consolidated Omnibus Budget Reconciliation Act), and to receive any vested retirement benefits to which he is entitled under ERISA.

6.7 If the Company terminates the **Employee** without Cause the Company will provide the **Employee** the following:

- (a) Severance for 12 months, which will consist of a lump-sum amount equal to 12 months base salary in effect on the effective date of his termination, which will be paid during the 30 day period commencing on the six month anniversary of Employee's termination of employment, subject to taxes and other withholdings required by law and/or authorized by the **Employee** ; and
- (b) A lump-sum amount equal to the continuation cost of twelve months of COBRA-eligible benefits, which will be paid at the same time as severance (collectively "Severance Payment").

Notwithstanding any of the foregoing, the **Employee's** entitlement to Base Salary and fringe benefits during the paid leave of absence period and the Severance Payment are conditioned upon his first executing and delivering to the Company a further agreement (or agreements) satisfactory to the Company, including without limitation a general release of all claims due to the termination of his employment, and his compliance in all respects with his obligations under this Agreement and such agreement (or agreements) becoming effective and irrevocable no later than the 60th day following Employee's termination of employment. The Company and the **Employee** will make a written agreement confirming the final financial settlement related to the termination of the employment.

7. **Non-Competition and Non-Solicitation Agreements**

7.1 **Employee** agrees as follows:

- (a) **Employee** recognizes and acknowledges that as a key employee he will have access to clients and information that are not generally available to the Company's and its affiliated companies' and successors' employees; that the market for the type of work that the Company and its affiliated companies and successors are engaged in is limited; that the relationship of the Company and its affiliated companies and successors with their clients is a significant and valuable asset; and that the use by competitors of the client contacts and information available and entrusted to a key employee would have a detrimental effect on the business of the Company and its affiliated companies and successors;
 - (b) **Employee** covenants and agrees that during the term of Employee's employment, **Employee** shall not compete with the Company and its affiliated companies, or any successor, directly or indirectly, alone or as a member of a partnership, or as an officer, director, stockholder, employee, consultant or representative of any competitive company, or otherwise in any business of the type engaged in by the Company or any of its affiliated companies, for the period from two years preceding the Transaction Date to the date of **Employee's** termination
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of employment in any geographic area where the Company and its affiliated companies are engaged in business;

- (c) The parties intend that the covenant contained in paragraph 7.1(b) above shall be construed as a series of separate covenants, one for each country and for each county in the United States within the geographic area covered by this paragraph 7.1. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenants contained in paragraph 7.1(b) above. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants deemed included in this paragraph 7, then any such unenforceable covenant shall be deemed eliminated from these provisions for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants to be enforced; and
- (d) As a point of reference, an interest which amounts to one percent (1%) or less of any class of securities listed on any of the national securities exchanges or regularly traded over-the-counter, and the value of which does not exceed five percent (5%) of **Employee's** net worth, generally would not be regarded as a significant financial interest in a competitor, supplier, or customer in breach of paragraph 7.1(b) above in the absence of other complicating factors which should cause **Employee** to recognize that a conflict is present.

7.2 In consideration for **Employee's** eligibility for the Severance Payment, **Employee** agrees that he shall not during the term of **Employee's** employment, either directly or indirectly:

- (a) use or disclose any Sensitive Information to any person, firm or corporation except in the proper course of his duties, as authorized by the Company or its affiliated companies or successors or as required by law; or
- (b) solicit the services of or hire any officer, director or employee of the Company or its affiliated companies or successors either on behalf of himself or for any other person, firm or corporation.

7.3 In consideration for **Employee's** eligibility for the Severance Payment, **Employee** agrees that he shall not during the term of **Employee's** employment, either directly or indirectly:

- (a) make known to any person, firm or corporation the names or addresses of any of the customers of the Company or its affiliated companies or successors or any other information pertaining to them that such recipient would be able to use in competition with the Company or its affiliated companies or successors; or
- (b) call on, solicit or take away, or attempt to call on, solicit or take away any of the customers of the Company or its affiliated companies on whom the **Employee** called or with whom he/she became acquainted during his employment either on behalf of himself or for any other person, firm or corporation with the intent to be in competition with the Company or its affiliated companies.

7.4 **Employee** understands and hereby represents that the services to be performed by him under this Agreement are of a special, unique, unusual, extraordinary and intellectual character that gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law. **Employee** therefore expressly agrees that in the event of any material breach or threatened breach of one or more of the covenants set forth in this Agreement, the Company may in addition to the other remedies which may be available to it, whether at law, in equity or otherwise, file a suit in equity to enjoin **Employee** from the breach or threatened breach of such covenant. In addition, each of **Employee** and the Company expressly agrees that in the event of any action or suit seeking enforcement of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees in connection with such action or suit; provided, however, that a party shall be deemed to be a prevailing party for purposes of the foregoing only if the applicable court finds in favor of such party in substantially all respects in connection with such action or suit.

8. **Right to Contract; Conflict of Interest**

Incentive Bonus Plan

- 8.1 **Employee** hereby represents and warrants to the Company that: (a) he has full right and authority to enter into this Agreement and to perform his obligations hereunder; (b) the execution and delivery of this Agreement by the **Employee** and the performance of the **Employee**'s obligations hereunder will not conflict with or breach any agreement, order or decree to which **Employee** is a party or by which he is bound, and; (c) he is not a party to or bound by any agreement or commitment, or subject to any restrictions (including confidentiality or non-competition restrictions), in connection with any prior employment or activities. **Employee** will indemnify and hold the Company harmless, including for all attorneys' fees and expenses incurred by the Company, in the event that any representation made by him in this paragraph is false.

9. Mandatory Arbitration Provision

- 9.1 Unless otherwise noted in this paragraph, disputes between the Parties will be submitted to and resolved by binding arbitration with the American Arbitration Association ("AAA"). Except as to injunctions and other equitable relief, this section on mandatory arbitration applies to any dispute, claim or controversy arising out of or related in any way to this Agreement, including but not limited to its enforceability, validity, or interpretation. This section on mandatory arbitration will also apply to any claim related in any way to the **Employee's** employment with or provision of services to Company or any Affiliate and to any employment-related claim that the **Employee** may assert against the Company or any Affiliate; or to any employment-related claim that the Company or any of the Affiliates may assert against the **Employee**. The arbitration will be conducted under AAA's Rules for the Resolution of Employment Disputes, which are incorporated herein unless expressly contradicted by the language of this paragraph and will be held in Houston, Texas. One neutral arbitrator will be selected by mutual agreement of the Parties. Should the Parties be unable to reach agreement on the arbitrator after 30 days of consultation, the arbitrator will be appointed by the AAA. The arbitrator will provide a written decision setting forth his or her essential findings and conclusions on which the award is based and judicial review of the arbitration award will be allowed to the extent permitted by any applicable federal, state or local law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. It is specifically agreed that this arbitration provision will be binding on the **Employee's** heirs, administrators, and personal representatives, and the Company and its successors and assigns. This paragraph will be governed by the Federal Arbitration Act. Consistent with the expedited nature of arbitration, each party to any arbitration filed under this paragraph will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issue raised by any claim or counterclaim. Additionally, each party will allow the other party to depose witnesses under that party's control and will cooperate with the other party in scheduling depositions. Any dispute regarding discovery, or the relevance or scope thereof, will be determined by the arbitrator. All discovery will be completed within 90 days following the appointment of the arbitrator, unless the arbitrator finds that there is good cause for extending the discovery period. The remedies and damages that the parties may receive in arbitration will be the same as those the parties could receive in court. Without waiving any remedy under this Agreement, either party may seek from any court having jurisdiction injunctive relief or any interim or equitable relief that is necessary to protect the rights or property of that party, pending the arbitrator's final determination on the merits. Any provision of this section on mandatory arbitration that is found to be unconscionable will be severed and the remainder hereof will be enforced without the severed provision.

10. Miscellaneous

- 10.1 The **Employee** reaffirms his obligations under the Jacobs' Employee Invention and Confidential Information Agreement, Jacobs' Corporate Policy Concerning Business Conduct, Integrity and Ethics (USA) and Jacobs' Drug, Alcohol and Contraband Policy, previously executed by **Employee** as such documents may be amended from time to time (the "Ancillary Agreements"). Notwithstanding anything in those agreements to the contrary, pursuant to the United States Defend Trade Secrets Act of 2016, the **Employee** will not be held criminally or civilly liable under any United States Federal or State trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a United States Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In the event it is determined that disclosure of trade secrets was not done in good faith for the reasons
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described above, however, **Employee** will be subject to substantial damages, including punitive damages and attorneys' fees.

- 10.2 This Agreement, along with the Ancillary Agreements, which are hereby incorporated by reference, constitutes and embodies the entire agreement between the Parties in connection with the subject matter hereof and will supersede all prior and contemporaneous written or oral agreements and understandings in connection with such subject matter entered into prior to the Transaction Date, including, to the extent not superseded by the Employment Agreement, dated as of December 23, 2010 between the **Employee** and the Company (the "Prior Agreement"), the Employment Agreement, dated December 8, 2009, between the **Employee** and Aker P&C US Inc. and amends and restates the Prior Agreement. For the sake of clarity, the Ancillary Agreements remain in full force and effect, except as modified by Section 10.1 of this Agreement.
- 10.3 **Employee** is an "at will" employee. Therefore, **Employee** at his sole discretion is free to resign his employment at any time for any or no reason, with or without cause, with or without notice. Similarly, the Company, at its sole discretion, has the right to terminate the **Employee** at any time, for any or no reason, with or without cause, with or without notice.
- 10.4 Both during the term of this Agreement and after it expires, the **Employee** will, upon request by the Company or its Affiliates, cooperate with the Company or its Affiliates in connection with any litigation in which the Company or any of its Affiliates is or may become a party. The obligation of cooperation at the request and sole cost and expense of the Company will include the obligation to provide documents and testimony and to meet with the Company's or its Affiliate's attorneys at mutually convenient times.
- 10.5 The Company and **Employee** recognize that the laws and public policies of the state law applicable to this Agreement are subject to varying interpretations and change. It is the intention of the Company and **Employee** that this Agreement be enforced to the fullest extent permitted by law. Therefore, should a court of competent jurisdiction hold any provision or portion or clause of this Agreement, or portion thereof, to be illegal, invalid or unenforceable, the remainder of such provision will not thereby be affected and will be given full effect, without regard to the invalid portion. Further, if any court construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the scope of such covenant or provision, it is the intention of the parties that the court will modify such a provision to render its scope legal and enforceable and, in its modified form, such provision will then be enforceable and will be enforced.
- 10.6 This Agreement, including without limitation **Employee's** obligations with regard to non-competition, non-solicitation of customers and employees, protection of Trade Secrets and Sensitive Information, and assignment of inventions, will inure to the benefit of the Company, its Affiliates, successors and assigns (including any entity which acquires the Company or any of its Affiliates by way of acquisition of assets, merger, stock purchase or otherwise). The Company expressly reserves the right to assign this agreement to an Affiliate.
- 10.7 No severance payments will be made under this Agreement unless **Employee**'s termination of employment constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)).
- 10.8 All notices under this Agreement will be in writing and will be deemed to have been given at the time when hand delivered, when received if sent by facsimile or by same day or overnight recognized commercial courier service, or three days after being mailed by registered or certified mail, whichever is earliest. Notices by **Employee** shall be delivered to Company, attention Chief Administrative Officer and/or Senior Vice President and General Counsel, at the following address: 1999 Bryan Street, Suite 1200, Dallas, Texas 75201, and notices by Company to **Employee** shall be delivered to the **Employee** at the following address: P.O. Box 189, Richmond, Texas 77406.
- 10.9 This Agreement will be executed, construed and performed in accordance with the laws of the State of Texas without giving effect to its principles of conflict of law.
- 10.10 The section headings contained in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.
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Incentive Bonus Plan

- 10.11 This Agreement may not be amended, waived, changed, modified or discharged except by an instrument in writing signed by **Employee** and by the authorized representative of Company. Any delay or omission in the Company ' s or **Employee** ' s enforcement of this Agreement or waiver of any breach of any provision of this Agreement will not operate as a waiver of any other breach of such provision or any other provision of this Agreement, nor will any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.
- 10.12 Each of the Parties hereto agrees to execute all such further instruments and documents and to take all such further action as the other party may reasonably request in order to effectuate the terms of this Agreement.
- 10.13 This Agreement may be executed in two copies and each such copy hereof will be deemed to be an original instrument but both such copies together will constitute but one instrument. This Agreement may be executed by facsimile or other electronic means.

ACCEPTED AND AGREED TO as of this 30th day of December, 2017.

/s/ Joanne Caruso

Joanne Caruso

Chief Administrative Officer

/s/ Gary Mandel

Gary Mandel

Jacobs Engineering Group Inc.

**JACOBS ENGINEERING GROUP INC.
1999 STOCK INCENTIVE PLAN
(As Amended and Restated as of January 18, 2018)**

1. Purpose.

The purpose of the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan, as amended and restated effective as of January 18, 2018 (the “Plan”), is to advance the long-term objectives of Jacobs Engineering Group Inc. (the “Company”) and its Related Companies (as defined in Paragraph 2) by encouraging and enabling the acquisition of a financial interest in the Company by employees of the Company and its Related Companies. In addition, the Plan is intended to attract and retain such employees, and to align and strengthen their interests with those of the Company’s shareholders.

2. Definitions.

Unless the context clearly indicates otherwise, the following terms, when used in this Plan, shall have the meanings set forth in this Paragraph 2.

“Award” means any award of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit or Incentive Bonus granted pursuant to the Plan.

“Award Agreement” means any agreement, contract document or other instrument evidencing an Award.

“Board of Directors” means the Board of Directors of the Company.

“Cause” means (unless otherwise expressly provided in an award agreement or another contract, including an employment agreement) the Company or a Related Company’s termination of the Employee’s employment with the Company or any Related Company, as applicable, following the occurrence of any one or more of the following: (a) the Employee is convicted of, or pleads guilty or nolo contendere to, a felony; (b) the Employee willfully and continually fails to substantially perform the Employee’s duties with the Company or any Related Company after written notification by the Company or any such Related Company; (c) the Employee willfully engages in conduct that is materially injurious to the Company or any Related Company, monetarily or otherwise; (d) the Employee commits an act of gross misconduct in connection with the performance of the Employee’s duties to the Company or any Related Company; or (e) the Employee materially breaches any employment, confidentiality or other similar agreement between the Company or any Related Company and the Employee.

“Change in Control” means, with respect to the Company, a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A under the Securities Exchange Act of 1934, as amended (the “1934 Act”), provided that such a change in control shall be deemed to have occurred at such time as (a) any “person” (as that term is used in Sections 13(d) and 14(d)(2) of the 1934 Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities representing 35% or more of the combined voting power for election of directors of the then outstanding securities of the Company or any successor of the Company; (b) during any

period of two (2) consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors cease, for any reason, to constitute at least a majority of the Board of Directors, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (c) the consummation of any merger or consolidation as a result of which the Common Stock (as defined below) shall be changed, converted or exchanged (other than by merger with a wholly owned subsidiary of the Company) or any liquidation of the Company or any sale or other disposition of 50% or more of the assets or earning power of the Company; or (d) the consummation of any merger or consolidation to which the Company is a party as a result of which the persons who were shareholders of the Company immediately prior to the effective date of the merger or consolidation shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger or consolidation; provided, however, that no Change in Control shall be deemed to have occurred if, prior to such time as a Change in Control would otherwise be deemed to have occurred, the Board of Directors of the Company determines otherwise. Notwithstanding the foregoing, with respect to an Award that is (i) subject to Section 409A and (ii) if a Change in Control would accelerate the timing of payment thereunder, then the term “Change in Control” shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company as defined in Section 409A and the authoritative guidance issued thereunder, but only to the extent inconsistent with the above definition, and only to the minimum extent necessary to comply with Section 409A as determined by the Committee.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Human Resource and Compensation Committee of the Board of Directors, or any committee appointed by the Board of Directors in accordance with the Company’s By-Laws from among its members for the purpose of administering the Plan. Members of the Committee shall be “Non Employee Directors” within the meaning of Rule 16b-3 under the 1934 Act, and “Outside Directors” as defined in IRS guidance issued under Section 162(m).

“Common Stock” means the common stock of the Company, par value \$ 1.00 per share.

“Disabled” or “Disability” means the Participant meets the definition of “disabled” under the terms of the long term disability plan of the Company or Related Company by which the Participant is employed, in effect on the date in question, whether or not the Participant is covered by such plan.

“Dividend Equivalent Right” is defined in Paragraph 8.

“Employee” means an employee of the Company or a Related Company.

“Fair Market Value” means the closing price of one Share of Common Stock as reported in the composite transactions report of the U.S. national securities exchange on which the Common Stock is then listed, and if such exchange is not open that day, then the Fair Market

Value shall be determined by reference to the closing price of the Common Stock for the immediately preceding trading day.

“Good Reason” means, without the Participant’s consent (a) a material reduction in the position, duties or responsibilities of the Participant from those in effect immediately prior to such change; (b) a reduction in the Participant’s base salary; (c) a relocation of the Participant’s primary work location to a distance of more than 50 miles from its location as of immediately prior to such change; or (d) a material breach by the Participant’s employer of any employment agreement between the Company and the Participant.

“Incentive Bonus” means a bonus award made under Paragraph 9 pursuant to which a Participant may become entitled to receive cash payments based on satisfaction of such performance criteria as are specified in the applicable Award Agreement or subplan(s).

“ISO” means an incentive stock option within the meaning of Section 422 of the Code.

“Majority-Owned Related Company” means a Related Company in which the Company owns, directly or indirectly, 50% or more of the voting stock on the date an Award is granted or awarded.

“NQSO” means a stock option that does not constitute an ISO.

“Options” means ISOs and NQSOs granted under the Plan.

“Participant” means an Employee who is selected by the Committee to receive an Award under the Plan.

“Qualifying Termination” means a termination of an Employee’s employment with the Company (a) by the Company for any reason other than Cause or death or Disability or (b) by the Employee for Good Reason.

“Related Company” or “Related Companies” means corporation(s) or other business organization(s) in which the Company holds a sufficient ownership interest so that Common Stock issued to the employees of such entities constitutes “service recipient stock,” as defined in IRS guidance under Section 409A. In general, the Company holds a sufficient ownership interest if it owns, directly or indirectly, at least 50% of the total combined voting power of all classes of stock entitled to vote or at least 50% of the total value of shares of all classes of stock. However, to the extent permitted by IRS guidance under Section 409A, “20%” shall be used instead of “50%” in the previous sentence.

“Restricted Stock” means shares of Common Stock awarded pursuant to Paragraph 8 of the Plan.

“Restricted Stock Unit” means an Award granted pursuant to Paragraph 8 of the Plan, pursuant to which Shares (or an amount of cash valued with reference to Shares) may be issued in the future, along with any associated Dividend Equivalent Rights.

“Retire” means to enter Retirement.

“Retirement” means the termination of a Participant’s employment with the Company or a Related Company by reason of a Participant having either (a) attained the age of 65, or (b) attained the age of 60 and completed a total of ten or more consecutive years of employment with the Company, and/or a Related Company.

“Section 162(m)” means Section 162(m) of the Code and the regulations promulgated thereunder.

“Section 409A” means Section 409A of the Code and the regulations promulgated thereunder.

“Shares” means the shares of Common Stock.

“Stock Appreciation Right” or “SAR” means the right granted pursuant to Section 7 of the Plan.

“Time-Based RSU” is defined in Paragraph 8.

3. Eligibility; Award Agreements.

Any Employee shall be eligible to be selected as a Participant, and the Company may grant Awards to those persons meeting such eligibility requirements. Each Award shall be evidenced by an Award Agreement, which shall either be in writing in a form approved by the Committee and executed by the Company by an officer duly authorized to act on its behalf, or an electronic notice in a form approved by the Committee and recorded by the Company (or its designee) in an electronic recordkeeping system; in each case and if required by the Committee, the Award Agreement shall be executed or otherwise electronically accepted by the recipient in such form and manner as the Committee may require. Notwithstanding the foregoing, Incentive Bonuses may be payable under subplans and shall be granted as specified therein (which may or may not require an Award Agreement), at the discretion of the Committee. The Award Agreement shall set forth the material terms and conditions of the Award established by the Committee and consistent with the provisions of the Plan. The terms of the Awards and the Award Agreements need not be the same with respect to each Participant. A Participant may hold more than one Award at the same time.

4. Administration.

- (a) The Plan shall be administered by the Committee. The Board of Directors shall fill vacancies on, and from time to time may remove or add members to, the Committee. The Committee shall act pursuant to a majority vote or unanimous written consent.
- (b) The Committee shall determine: the Participants to whom, and the time or times at which, Awards will be granted; the type of Awards to be granted; the number of Shares (or amount of cash) to be subject to each Award and the form of settlement thereof; the duration of each Award; the time or times within which Options may be exercised; and any other terms and conditions of the Awards, at grant or while outstanding, pursuant to the terms of the Plan. The Committee

shall also establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan, and make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan , including addressing unanticipated events (including any temporary closure of the stock exchange on which the Company is listed, disruption of communications or natural catastrophe) .

- (c) Except as provided in Paragraph 14, each determination or other action made or taken pursuant to the Plan, including interpretations of the Plan and the specific conditions and provisions of the Awards, shall be final and conclusive for all purposes and upon all persons including, but without limitation, the Company, its Related Companies, the Committee, the Board of Directors, Participants, and the respective successors in interest of any of the foregoing.
- (d) Notwithstanding the foregoing, with respect to any Award that is not intended to satisfy the conditions of Rule 16b-3 under the 1934 Act or Section 162(m), and to the extent not inconsistent with applicable law or the rules and regulations of the principal U.S. national securities exchange on which the Shares are traded, the Committee may appoint one or more separate committees (any such committee, a "Subcommittee") composed of one or more directors of the Company, who unlike the members of the Committee, may be employee directors of the Company. The Committee may delegate to any such Subcommittee(s), with respect to Employees who are not directors or executive officers of the Company, the authority to grant Awards, to determine all terms of such Awards and/or to administer the Plan, pursuant to the terms of the Plan; provided that (i) any resolution of the Committee authorizing such Subcommittee must specify the total number of Shares subject to Awards that such Subcommittee may so award and (ii) the Committee may not authorize any officer to designate himself or herself as the recipient of an Award. Subject to the limitations of the Plan and the limitations of the Committee's delegation, any such Subcommittee would have the full authority of the Committee pursuant to the terms of the Plan. Any such Subcommittee shall not, however, grant Awards on terms more favorable than Awards provided for by the Committee. Actions by any such Subcommittee within the scope of delegation shall be deemed for all purposes to have been taken by the Committee. Any such Subcommittee shall be required to report to the Committee on any actions that the Subcommittee has taken.
- (e) The Committee may designate the Secretary of the Company or any other Company employee to assist the Committee in the administration of the Plan, and may grant authority to such persons to execute Award Agreements or other documents entered into under the Plan on behalf of the Committee or the Company.
- (f) The Company shall indemnify and hold harmless the members of the Board of Directors, and other persons who are acting upon the authorization and direction of the Board of Directors, from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission in connection

with the performance of such persons' duties, responsibilities and obligations under the Plan, other than such liabilities, costs and expenses as may result from the bad faith, willful misconduct or criminal acts of such persons.

5. Shares and Share Counting.

- (a) The Common Stock to be issued, transferred and/or sold under the Plan shall be made available from authorized and unissued Common Stock or from the Company's treasury shares.
- (b) Subject to adjustment as provided in this Paragraph and Paragraph 13, the total number of Shares that may be issued or transferred under the Plan pursuant to Awards may not exceed 29,850,000 Shares. For this purpose, every Share transferred pursuant to an Award granted after September 28, 2012 (i) that is an Option or SAR shall count as one Share and (ii) every Share transferred pursuant to an Award granted after September 28, 2012 other than an Option or SAR shall count as 1.92 Shares. If any Awards granted before September 29, 2012 ("Prior Awards") are forfeited, in whole or in part, new Awards ("Subsequent Awards") may be issued with respect to the Shares covered by such Prior Awards. For the purpose of determining the amount of Shares that may be issued pursuant to Subsequent Awards, (1) forfeited Options and SARs shall be counted as one Share per each Share covered and Awards other than Options and SARs shall be counted as 1.92 Shares per each share covered, and (2) Shares issued pursuant to a Subsequent Award shall count as either one Share (if the Award is an Option or SAR) or 1.92 Shares (in the case of an Award other than an Option or SAR). In the event that withholding tax liabilities arising from an Award other than an Option or SAR are satisfied by the withholding of Shares by the Company, then the Shares so withheld shall again be available for Awards under the Plan and shall count as 1.92 Shares for each Share so withheld. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for issuance or transfer under this Paragraph 5(b): (i) Shares tendered by the Participant in payment of the purchase price of an Option, (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to Options or SARs, (iii) Shares subject to a SAR (that is, each SAR that is exercised shall reduce the number of Shares available by one Share), and (iv) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options.
- (c) In the event that a company acquired by the Company or any Majority-Owned Related Company or with which the Company or any Majority-Owned Related Company combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other formula used in such transaction to determine the consideration payable to the holders of common) may be used for Awards under the Plan and shall not reduce the Shares authorized for issuance or transfer under the Plan; provided that

Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or directors prior to such acquisition or combination.

6. Options.

- (a) *Grant* . Options may be granted hereunder to Participants either alone or in addition to other Awards. Any Option shall be subject to the terms and conditions of the Plan and such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall deem desirable.
- (b) *Option Price* . The option price per each Share shall not be less than 100% of the Fair Market Value of one Share on the date of grant of such Option; provided, however, that in the case of an ISO granted to a Participant who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any subsidiary of the Company, the option price per Share shall be no less than 110% of the Fair Market Value of one Share on the date of grant.
- (c) *Duration of Options* . The duration of Options shall be determined by the Committee, but in no event shall the duration exceed ten years from the date of its grant; provided, however, that the term of the Option shall not exceed five years from the date the Option is granted in the case of an ISO granted to a Participant who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any subsidiary of the Company. Notwithstanding the foregoing, in the event that on the last business day of the term of an Option (i) the exercise of the Option, other than an ISO, is prohibited by applicable law or (ii) Shares may not be purchased or sold by certain Participants due to the “black-out period” pursuant to Company policy or a “lock-up” agreement undertaken in connection with an issuance of securities by the Company, the term shall be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement.
- (d) *ISOs* . With respect to each grant of an Option to an employee of the Company or any Company subsidiary, the Committee shall determine whether such Option shall be an ISO, and, upon determining that an Option shall be an ISO, shall designate it as such in the written instrument evidencing such Option. Each written instrument evidencing an ISO shall contain all terms and conditions required by Section 422 of the Code. If the written instrument evidencing an Option does not contain a designation that it is an ISO, it shall not be an ISO. The Employee to whom an ISO is granted must be eligible to receive an ISO pursuant to Section 422 of the Code. Solely for purposes of determining whether Shares are available for the grant of ISOs under the Plan, the maximum aggregate number of Shares that may be issued pursuant to ISOs granted under the Plan shall be 29,850,000 Shares, subject to adjustment as provided in Paragraph 13. The aggregate Fair Market Value (determined in each instance on the date on

which an ISO is granted) of the Common Stock with respect to which ISOs are first exercisable by any employee in any calendar year shall not exceed \$100,000 for such employee. If any Majority-Owned Related Company of the Company shall adopt a stock option plan under which options constituting ISOs may be granted, the fair market value of the stock on which any such ISOs are granted and the times at which such ISOs will first become exercisable shall be taken into account in determining the maximum amount of ISOs that may be granted to the employee under this Plan in any calendar year.

- (e) *Exercise of Options* . The Award Agreement shall specify when Options vest and become exercisable. An Option may not be exercised in a manner that will result in fractional Shares being issued.
 - i. Vested Options granted under the Plan shall be exercised by the Participant (or by a legal representative, to the extent provided in an Award Agreement) as to all or part of the Shares covered thereby, by giving notice of exercise to the Company or its designated agent, specifying the number of Shares to be purchased. The notice of exercise shall be in such form, made in such manner, and shall comply with such other requirements consistent with the provisions of the Plan as the Committee may prescribe from time to time.
 - ii. Unless otherwise provided in an Award Agreement, full payment of such purchase price shall be made at the time of exercise and shall be made: in cash or cash equivalents (including certified check or bank check or wire transfer of immediately available funds); by tendering previously acquired Shares (either actually or by attestation) valued at their then Fair Market Value; through any other method specified in an Award Agreement (including same-day sales through a broker); or any combination of any of the foregoing. The notice of exercise, accompanied by such payment, shall be delivered to the Company at its principal business office or such other office as the Committee may from time to time direct, and shall be in such form, containing such further provisions consistent with the provisions of the Plan, as the Committee may from time to time prescribe.

7. **Stock Appreciation Rights.**

- (a) *Grant* . The Committee may grant SARs in tandem with all or part of any Award (including Options) or at any subsequent time during the term of such Award, or without regard to any other Award, in each case upon such terms and conditions as the Committee may establish.
- (b) *Grant Price and Duration* . A SAR shall have a grant price per Share of not less than the Fair Market Value of one Share on the date of grant or, if applicable, on the date of grant of an Option with respect to a SAR granted in tandem with the Option (subject to the requirements of Section 409A), and subject to adjustments provided in Paragraph 13. A SAR shall have a term not greater than ten years.

Notwithstanding the foregoing, in the event that on the last business day of the term of a SAR (i) the exercise of the SAR is prohibited by applicable law or (ii) Shares may not be purchased or sold by certain employees or directors of the Company due to the “black - out period” of a Company policy or a “lock-up” agreement undertaken in connection with an issuance of securities by the Company, the term shall be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement.

- (c) *Exercise* . An Award Agreement covering a SAR shall provide when the SAR vests and becomes exercisable. Upon the exercise of a SAR, the holder shall have the right to receive the excess of (i) the Fair Market Value of one Share on the date of exercise (or such amount less than such Fair Market Value as the Committee shall so determine at any time during a specified period before the date of exercise) over (ii) the grant price of the SAR. Unless otherwise provided in the Award Agreement, the Committee shall determine in its sole discretion whether payment shall be made in cash or Shares, or any combination thereof.

8. Awards of Restricted Stock and Restricted Stock Units.

- (a) *Grants* . Awards of Restricted Stock and/or Restricted Stock Units may be granted to Participants either alone or in addition to other Awards (a “Restricted Stock Award” or “Restricted Stock Unit Award,” respectively). Restricted Stock Units are Awards denominated in units of Common Stock under which settlement is subject to such vesting conditions and other terms and conditions as the Committee deems appropriate. Each Restricted Stock Unit shall be equal to one share of Common Stock and shall, subject to satisfaction of any vesting and/or other terms and conditions, entitle a recipient to the issuance of one share of Common Stock (or such equivalent value in cash) in settlement of the Award. The Board of Directors may establish procedures pursuant to which the payment of any Restricted Stock and/or Restricted Stock Unit Award may be deferred, including under the Jacobs Engineering Group Inc. Executive Deferral Plan. Further, the rest of this paragraph shall apply to Restricted Stock Units that vest solely based on the passage of time (“Time-Based RSUs”), unless the relevant Award Agreement provides otherwise. Each Time-Based RSU shall entitle the Participant to a “Dividend Equivalent Right,” to the extent the Company pays a cash dividend with respect to its outstanding Common Stock while the Time-Based RSU remains outstanding. The term “Dividend Equivalent Right” shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same vesting, payment, and other terms and conditions as the Time-Based RSU to which it relates. Any Dividend Equivalent Right that vests will be paid in cash at the same time the share of Common Stock underlying the Time-Based RSU to which it relates is delivered to the Participant. A Participant will not be credited with Dividend Equivalent Rights with respect to any Time-Based RSU that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g., because it has been settled in Common Stock or it has been terminated), and a Participant

will not be entitled to any payment for Dividend Equivalent Rights with respect to any Time-Based RSU that terminates without vesting

- (b) *Conditions and Restrictions* . Restricted Stock Awards and Restricted Stock Unit Awards may be subject to time-based and/or performance-based vesting conditions. In the case of performance-based Awards, the performance goals to be achieved for each performance period shall be conclusively determined by the Committee and may be based upon the criteria set forth in Paragraph 10(b) or such other criteria as determined by the Committee in its discretion. In order to enforce the restrictions imposed upon Restricted Stock Awards, the Committee may require the recipient to enter into an escrow agreement providing that the certificates representing such Restricted Stock Awards shall remain in the physical custody of an escrow holder until any or all of the conditions and restrictions imposed pursuant to the Plan expire or shall have been removed.
- (c) *Rights of Holders of Restricted Stock and Restricted Stock Units* . Unless otherwise provided in the Award Agreement, beginning on the date of grant of the Restricted Stock Award and subject to execution of the Award Agreement, the Participant shall become a shareholder of the Company with respect to all Shares subject to the Award Agreement and shall have all of the rights of a shareholder, including the right to vote such Shares and the right to receive distributions made with respect to such Shares, except as otherwise provided in this Paragraph. Notwithstanding the foregoing, dividends or other distributions that relate to a Restricted Stock or Restricted Stock Unit Award subject to performance based vesting criteria will be subject to the same performance criteria as the underlying Award. A Participant who holds a Restricted Stock Unit Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Participant have voting rights with respect to such Award.
- (d) *Minimum Vesting Period* . Restricted Stock Awards and Restricted Stock Unit Awards shall have a vesting period of not less than (i) three years from date of grant (but permitting pro rata vesting over such time) if subject only to continued service with the Company or a Majority-Owned Related Company and (ii) one year from date of grant if subject to the achievement of performance objectives, subject in either case to accelerated vesting in the Committee's discretion in the event of the death, Disability or Retirement of the Participant or a Change in Control. Notwithstanding the foregoing, the restrictions in the preceding sentence shall not be applicable to grants of up to 5% of the number of Shares available for Awards on the effective date of the Plan. The Committee may, in its sole discretion waive the vesting restrictions and any other conditions set forth in any Award Agreement under such terms and conditions as the Committee shall deem appropriate, subject to the minimum vesting period requirements in the prior sentence and the limitations imposed under Section 162(m) (in the case of a Restricted Stock Award or Restricted Stock Unit Award intended to comply therewith), except as otherwise determined by the Committee to be appropriate under the circumstances.

- (e) *Issuance of Shares* . Any Restricted Stock granted under the Plan may be evidenced in such manner as the Board may deem appropriate, including book-entry registration or issuance of a stock certificate(s), which certificate(s) shall be held by the Company. Such book entry registration, or certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Stock.

9. Incentive Bonus Awards.

- (a) *Grants* . Awards of Incentive Bonuses may be granted hereunder to Participants either alone or in addition to other Awards. Incentive Bonuses payable hereunder may be pursuant to one or more subplans or programs.
- (b) *Payment* . Each Incentive Bonus will confer upon the Participant the opportunity to earn a future cash payment the amount of which shall be based on the achievement of one or more objectively-determined performance goals or criteria established for a performance period determined by the Committee.
- (c) *Performance Goals* . The Committee shall establish the performance goals or criteria on which each Incentive Bonus shall be based. The Committee shall also affirmatively determine at the end of each performance period the level of achievement of any such performance goals or criteria that shall determine the target and maximum amount payable under an Incentive Bonus, which criteria may be based on financial performance and/or personal performance evaluations. The Committee may specify to what extent an Incentive Bonus is intended to satisfy the requirements for “performance-based compensation” under Section 162(m). Notwithstanding anything to the contrary herein, the performance criteria for any portion of an Incentive Bonus that is intended by the Committee to satisfy the requirements for “performance-based compensation” under Section 162(m) shall be a measure based on one or more Qualifying Performance Criteria (as defined in Paragraph 10(b)) selected by the Committee and specified upon or prior to the grant of the Incentive Bonus.

10. Qualifying Performance-Based Compensation.

- (a) *General* . The Committee may specify that an Award or a portion of an Award is intended to satisfy the requirements for “performance-based compensation” under Section 162(m), provided that, other than with respect to Options or SARs, the performance criteria for an Award or portion of an Award that is intended by the Committee to satisfy the requirements for “performance-based compensation” under Section 162(m) shall be a measure based on one or more Qualifying Performance Criteria selected by the Committee and specified at the time the Award is granted. In the case of any Award that is intended to satisfy the requirements for “performance-based compensation” under Section 162(m), the Committee shall establish the performance criteria with respect to such Award not later than ninety (90) days after the commencement of the period of service to which the performance criteria relate (or, in the case of performance periods of

less than one year, not later than the date upon which 25% of the performance period elapses), provided that the outcome of the performance criteria is substantially uncertain at such time. The Committee shall certify the extent to which any Qualifying Performance Criteria has been satisfied, and the amount payable as a result thereof, prior to payment, settlement or vesting.

- (b) *Performance Criteria*. For purposes of this Plan, the term “Qualifying Performance Criteria” shall mean any one or more of the following performance criteria, or derivations of such performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole, or to a business unit or group of business units, or Related Company, measured either annually, at a point in time during a performance period, or as an average of values determined at various points of time during a performance period, or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ (or period’s) results or to a designated comparison group, or as a change in values during or between performance periods, in each case as specified by the Committee: (i) revenues; (ii) earnings from operations, earnings before or after income taxes, earnings before or after interest, depreciation, amortization, or earnings before extraordinary or special items, earnings before income taxes and any provision for Incentive Bonuses; (iii) net earnings or net earnings per common share (basic or diluted); (iv) return on assets (gross or net), return on investment, return on capital, or return on beginning, ending or average equity; (v) cash flow, cash flow from operations, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (vi) interest expense after taxes; (vii) economic value added or created; (viii) operating margin or profit margin; (ix) stock price or total shareholder return; (x) average cash balance, net cash or cash position; and (xi) strategic business criteria, consisting of one or more objectives based on meeting specified development, strategic partnering, licensing, research and development, market penetration, geographic business expansion goals, cost targets, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates or joint ventures. To the extent consistent with Section 162(m), the Committee (A) may appropriately adjust any measurement of performance under a Qualifying Performance Criteria to eliminate the effects of charges for restructurings, discontinued operations, unusual or nonrecurring or extraordinary items and all items of gain, loss or expense determined to be extraordinary or unusual in nature or related to the disposal of a segment of a business or related to a change in accounting principle all as determined in accordance with accounting principles generally accepted in the United States, as well as the cumulative effect of accounting changes, in each case as determined in accordance with accounting principles generally accepted in the United States or identified in the Company’s financial statements or notes to the financial statements, and (B) may appropriately adjust any measurement of performance under a Qualifying Performance Criteria to exclude the effects of any of the following events that occurs during a performance period: (1) asset

write-downs, (2) litigation, claims, judgments or settlements, (3) changes in tax law or other such laws or provisions affecting reported results, (4) reorganization and restructuring programs and (5) payments made or due under this Plan or any other compensation arrangement maintained by the Company.

- (c) *Restrictions* . The Committee shall have the power to impose such other restrictions on Awards subject to this Paragraph as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for “performance-based compensation” within the meaning of Section 162(m).
- (d) *Limitations on Grants to Individual Participants* . In no event may Awards that are denominated in shares and that are intended to be “performance-based compensation” under Section 162(m) be granted or awarded to any Employee covering more than 1,000,000 shares in the aggregate (taking into account all such share-based Awards) in any one calendar year, subject to the adjustment provisions of Paragraph 13 of the Plan only to the extent that such adjustment will not affect the status of any Award intended to qualify as “performance-based compensation” under Section 162(m). During any calendar year no Participant may be granted Performance Awards that are intended to comply with the performance-based exception under Section 162(m) and are denominated in cash under which more than \$5,000,000 may be earned for each 12 months in the performance period. If an Award is cancelled, the cancelled Award shall continue to be counted toward the applicable limitation in this Paragraph.

11. Termination of Employment and Change in Control.

Schedule A and Schedule B, attached hereto, establish the effects of a Participant’s termination of employment, other changes of employment or employer status, and a Change in Control, with respect to outstanding Options, SARs, Restricted Stock, and Restricted Stock Units, and such Schedules are hereby incorporated by reference. The Committee may approve Awards containing terms and conditions different from, or in addition to, those set forth in Schedule A and Schedule B. The effects of a termination of employment and/or a Change in Control with respect to Incentive Bonuses shall be set forth in the applicable Award Agreement. In the case of leaves of absence, Employees will not be deemed to have terminated employment unless the Committee, in its sole discretion, determines otherwise.

12. Transferability of Awards.

Except as otherwise provided by the Committee:

- (a) Awards shall not be transferable other than by will or by the laws of descent and distribution. The rights of a Participant under this Plan shall not be assignable or transferable pursuant to a qualified domestic relations order as defined in the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder.
- (b) During the lifetime of a Participant, an Option shall be exercisable only by the recipient of such Option, or by his/her legal representative.

13. Adjustments.

In the event of any merger, reorganization, consolidation, combination of shares or spin-offs, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, reverse stock split, or other change in corporate structure affecting the Shares or the value thereof or otherwise, the Committee or the Board of Directors shall make such adjustment and other substitutions, if any, as it may deem equitable and appropriate, including such adjustments in the number, class and kind of securities that may be delivered under the Plan, the number of Shares subject to any outstanding Award and the Option or exercise price, if any, thereof. Any such adjustment may provide for the elimination of any fractional Shares that might otherwise become subject to any Award without payment therefore.

14. Amendments and Modifications of the Plan.

The Board of Directors may, from time to time, alter, amend, suspend or terminate the Plan as it shall deem advisable, subject to any requirement for shareholder approval imposed by applicable law, including the rules and regulations of the principal U.S. national securities exchange on which the Shares are traded; provided that the Board of Directors may not amend the Plan in any manner that would result in noncompliance with Rule 16b-3 under the 1934 Act; and further provided that the Board of Directors may not, without the approval of the Company's shareholders to the extent required by such applicable law, amend the Plan to: (a) increase the number of Shares that may be the subject of Awards under the Plan (except for adjustments pursuant to Paragraph 13); (b) expand the types of awards available under the Plan; (c) materially expand the class of persons eligible to participate in the Plan; (d) amend the Plan to eliminate the requirements relating to minimum exercise price, minimum grant price and shareholder approval; (e) increase the maximum permissible term of any Option or the maximum permissible term of SAR; or (f) increase any of the limitations in Paragraph 10(d). The Board of Directors may not (except pursuant to Paragraph 13 or in connection with a Change in Control), without the approval of the Company's shareholders, cancel an Option or SAR in exchange for cash when the exercise or grant price per share exceeds the Fair Market Value of one Share or take any action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the Shares are traded, including a reduction of the exercise price of an Option or the grant price of a SAR or the exchange of an Option or SAR for another Award. In addition, except as permitted by Section 24 or as otherwise expressly authorized under the Plan, no amendments to, or termination of, the Plan shall impair the rights of a Participant in any material respect under any Award previously granted without such Participant's consent.

15. Tax Withholding.

The Company shall have the right to make all payments or distributions pursuant to the Plan to a Participant (or a legal representative thereof as provided in an Award Agreement) net of any applicable federal, state and local taxes required to be paid or withheld as a result of (a) the grant of any Award; (b) the exercise of an Option or SAR; (c) the delivery of Shares or cash; (d) the lapse of any restrictions in connection with any Award; or (e) any other event occurring pursuant to the Plan. The Company or any Majority-Owned Related Company shall have the

right to withhold from wages or other amounts otherwise payable to a Participant (or a legal representative thereof as provided in an Award Agreement) such withholding taxes as may be required by law, or to otherwise require the Participant (or legal representative) to pay such withholding taxes. The Company may, at its discretion, delay the delivery of Shares or cash otherwise deliverable to a Participant in connection with the settlement of an Award until such time arrangements have been made to ensure the remittance of all taxes due from the Participant in connection with the Award. If the Participant (or legal representative) shall fail to make such tax payments as are required, the Company or its Majority-Owned Related Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant (or legal representative) or to take such other action as may be necessary to satisfy such withholding obligations. The Committee shall be authorized to establish procedures for election by Participants (or legal representative) to satisfy such obligation for the payment of such taxes by tendering previously acquired Shares (either actually or by attestation, valued at their then Fair Market Value), or by directing the Company to retain Shares (up to the minimum required tax withholding rate for the Participant) or such other rate that will not cause an adverse accounting consequence or cost) otherwise deliverable in connection with the Award.

16. Right of Discharge Reserved; Claims to Awards.

Nothing in the Plan nor the grant of an Award hereunder shall confer upon any Participant the right to continue in the employment of the Company or any Related Company or affect any right that the Company or any Related Company may have to terminate the employment of (or to demote or to exclude from future Awards under the Plan) any such Participant at any time for any reason. In the event of a Participant's termination of employment with the Company or Related Company, neither the Company nor any Related Company shall be liable for the loss of existing or potential profit from any Award held by a Participant immediately preceding the Participant's termination. No Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants under the Plan.

17. Stop Transfer Orders.

All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the United States Securities and Exchange Commission, any stock exchange upon which the Shares are then listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

18. Severability.

The provisions of the Plan shall be deemed severable. If any provision of the Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction or by reason of change in a law or regulation, such provision shall (a) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid

and/or enforceable and as so limited shall remain in full force and effect; and (b) not affect any other provision of the Plan or part thereof, each of which shall remain in full force and effect.

19. Construction.

As used in the Plan, the words “*include*” and “*including*,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “*without limitation*.”

20. Unfunded Status of the Plan.

The Plan is intended to constitute an “unfunded” plan for incentive compensation. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general creditor of the Company. In its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver the Shares or payments in lieu of or with respect to Awards hereunder; provided, however, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

21. Non-U.S. Employees.

The Committee may determine, in its sole discretion, whether it is desirable or feasible under local law, custom or practice to grant Awards to Participants in countries other than the United States. In order to facilitate any such grants, the Committee may provide for such modifications and additional terms and conditions (“special terms”) in the grant and Award Agreements to Participants who are employed outside the United States (or who are foreign nationals temporarily within the United States) as the Committee may consider necessary, appropriate or desirable to accommodate differences in, or otherwise comply with, local law, policy or custom or to facilitate administration of the Plan. The Committee may adopt or approve sub-plans, appendices or supplements to, or amendments, restatements or alternative versions of, the Plan as it may consider necessary, appropriate or desirable for purposes of implementing any special terms or facilitating the grant, without thereby affecting the terms of the Plan as in effect for any other purpose. The special terms and any appendices, supplements, amendments, restatements or alternative versions, however, shall not include any provisions that are inconsistent with the terms of the Plan as then in effect, unless the Plan could have been amended to eliminate such inconsistency without further approval by the Board of Directors.

22. Governing Law.

The Plan shall be governed by and shall be construed and enforced in accordance with the laws of the State of Delaware without giving effect to its choice of law rules.

23. Termination of the Plan.

Awards may be granted under the Plan at any time and from time to time on or prior to November 15, 2022, on which date the Plan will terminate except as to Awards then outstanding under the Plan.

24. Section 409A.

This Plan is intended to comply and shall be administered in a manner that is intended to comply with Section 409A and shall be construed and interpreted in accordance with such intent. To the extent that an Award or the payment, settlement or deferral thereof is subject to Section 409A, the Award shall be granted, paid, settled or deferred in a manner that will comply with Section 409A, including regulations or other guidance issued with respect thereto, except as otherwise determined by the Committee. Any provision of this Plan that would cause the grant of an Award or the payment, settlement or deferral thereof to fail to satisfy Section 409A shall be amended to comply with Section 409A on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A.

Notwithstanding anything to the contrary contained herein, the Company and the Related Companies and their officers, directors, employees and service providers (other than Participants with respect to their own Awards or the payment, settlement or deferral thereof) shall have no liability for adverse consequences under Section 409A.

SCHEDULE A
to the
JACOBS ENGINEERING GROUP INC.
1999 Stock Incentive Plan, as Amended and Restated

Treatment of Options and SARs

Event	Impact on Vesting	Impact on Exercise Period
Employment terminates due to Retirement	Unvested Options and SARs are forfeited	Expiration date provided in the Award Agreement continues to apply
Employment terminates due to Disability or death	All Options and SARs become immediately vested	Expiration date provided in the Award Agreement continues to apply
Employment terminates in a Qualifying Termination within two years following a Change in Control	All Options and SARs become immediately vested	Expire on the earlier to occur of (1) the expiration date provided in the Award Agreement, or (2) two years from the date of termination
Employment terminates for reasons other than a Change in Control, Disability, Retirement, or death (for purposes of this section, the receipt of severance pay or similar compensation by the Award recipient does not extend his or her termination date)	Unvested Options and SARs are forfeited	Expires on the earlier to occur of (1) the expiration date provided in the Award Agreement, or (2) three months from the date of termination
Participant is an employee of a Related Company, and the Company's investment in the Related Company falls below 20% (this constitutes a termination of employment under the Plan)	Unvested Options and SARs are forfeited	Expires on the earlier to occur of (1) the expiration date provided in the Award Agreement, or (2) three months from the date of termination
Employee becomes an employee of an entity in which the Company's ownership interest is less than 20% (this constitutes a termination of employment under the Plan)	Unvested Options and SARs are forfeited	Expires on the earlier to occur of (1) the expiration date provided in the Award Agreement, or (2) three months from the date of termination

Event	Impact on Vesting	Impact on Exercise Period
Employment transferred to a Related Company	Vesting continues after transfer	Expiration date provided in the Award Agreement continues to apply
Death after termination of employment but before Option/SAR has expired	Not applicable	Right of executor or administrator of estate (or other transferee permitted under Plan or Award Agreement) terminates on the earlier to occur of (1) the expiration date provided in the Award Agreement, or (2) the expiration date that applied immediately prior to the death
A Change in Control occurs and Options and/or SARs are not assumed and continued by the acquiring or surviving corporation in the transaction (or a parent corporation thereof)	All Options and SARs become immediately vested	Expires on the date of the Change in Control; provided that the Employee is given at least 15 days' notice of such termination and the opportunity to exercise outstanding Options during such notice period.

SCHEDULE B
to the
JACOBS ENGINEERING GROUP INC.
1999 Stock Incentive Plan, as Amended and Restated

Treatment of Restricted Stock and Restricted Stock Units

Event	Impact on Vesting
Employee's employment terminates due to Retirement	Unvested Restricted Stock and Restricted Stock Units are forfeited upon Retirement
Employee's employment terminates due to Disability or death	The restrictions on all unvested Restricted Stock shall immediately lapse and unvested Restricted Stock Units become immediately vested; provided, however, that any awards of Restricted Stock and/or Restricted Stock Units that are subject to performance-based vesting criteria shall remain outstanding and continue to vest or become earned based upon the Company's actual performance through the end of the applicable performance period
Employment terminates in a Qualifying Termination within two years following a Change in Control	The restrictions on all unvested Restricted Stock shall immediately lapse and unvested Restricted Stock Units become immediately vested; provided, however, that any awards of Restricted Stock and/or Restricted Stock Units that are subject to performance-based vesting criteria shall be paid at a level based upon the Company's actual performance as of the applicable Qualifying Termination.
Employee's employment terminates for reasons other than a Change in Control, Disability, Retirement or death (for purposes of this section, the receipt of severance pay or similar compensation by the Employee does not extend his or her termination date)	Unvested Restricted Stock and Restricted Stock Units are forfeited
Employee is an employee of a Related Company, and the Company's investment in the Related Company falls below 20% (this constitutes a termination of employment under the Plan effective as of the date the Company's investment in the Related Company falls below 20%)	Unvested Restricted Stock and Restricted Stock Units are forfeited

Event	Impact on Vesting
Employee becomes an employee of an entity in which the Company's ownership interest is less than 20% (this constitutes a termination of employment under the Plan effective as of the date the Employee becomes an employee of the entity in which the Company's ownership interest is less than 20%)	Unvested Restricted Stock and Restricted Stock Units are forfeited
Employment transferred to a Related Company	The restrictions on unvested Restricted Stock shall continue to lapse and Restricted Stock Units continue to vest after the transfer, subject to the Company's actual performance with respect to any applicable performance-based vesting criteria
A Change in Control occurs and Restricted Stock and/or Restricted Stock Units are not assumed and continued by the acquiring or surviving corporation in the transaction (or a parent corporation thereof)	The restrictions on all unvested Restricted Stock shall immediately lapse and unvested Restricted Stock Units become immediately vested; provided, however, that any awards of Restricted Stock and/or Restricted Stock Units that are subject to performance-based vesting criteria shall be paid at a level based upon the Company's actual performance as of the applicable Change in Control.

JACOBS ENGINEERING GROUP INC.

1999 Outside Director Stock Plan
(As Amended and Restated effective January 18, 2018)

1. Purpose.

The purpose of the Jacobs Engineering Group Inc. 1999 Outside Director Stock Plan (the "Plan") is to attract and retain the services of experienced and knowledgeable independent directors of Jacobs Engineering Group Inc. (the "Company") for the benefit of the Company and its stockholders and to provide an additional incentive for such directors to continue to work for the best interests of the Company and its stockholders through continuing ownership of its Common Stock.

2. Definitions.

Unless the context clearly indicates otherwise, the following terms, when used in this Plan, shall have the meanings set forth in this Paragraph 2.

"Award" means any award of an Option or Stock Award granted pursuant to the Plan.

"Award Agreement" means any agreement, contract document or other instrument evidencing an Award.

"Board of Directors" shall mean the Board of Directors of the Company.

"Change in Control" means, with respect to the Company, a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A under the 1934 Act, provided that such a change in control shall be deemed to have occurred at such time as (a) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the 1934 Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities representing 35% or more of the combined voting power for election of directors of the then outstanding securities of the Company or any successor of the Company; (b) during any period of two (2) consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors cease, for any reason, to constitute at least a majority of the Board of Directors, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (c) the consummation of any merger or consolidation as a result of which the Common Stock (as defined below) shall be changed, converted or exchanged (other than by merger or consolidation with a wholly owned subsidiary of the Company) or any liquidation of the Company or any sale or other disposition of 50% or more of the assets or earning power of the Company; or (d) the consummation of any merger or consolidation of which the Company is a party as a result of which the persons who were shareholders of the Company immediately prior to the effective date of the merger or consolidation shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger or consolidation; provided, however, that no Change in Control shall be deemed to have occurred if, prior to such time as a Change in Control would otherwise be deemed to have occurred, the Board of Directors of the Company determines otherwise. Notwithstanding the foregoing, with respect to an Award that is (i) subject to Section 409A and (ii) if a Change in Control would accelerate the timing of payment thereunder, then the term "Change in Control" shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company as defined in Section 409A and the authoritative guidance issued thereunder, but only to the extent inconsistent with the above definition, and only to the minimum extent necessary to comply with Section 409A as determined by the Board.

"Common Stock" shall mean the Common Stock, \$1.00 par value, of the Company or such other class of shares or other securities as may be applicable pursuant to the provisions of Paragraph 5.

"Company" shall mean Jacobs Engineering Group Inc.

"Disabled" means a condition under which an Outside Director:

(a) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

(b) Is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving long term disability benefits or social security disability payments.

"Dividend Equivalent Right" is defined in Paragraph 11.

"Fair Market Value" shall mean the closing price of the Common Stock as reported in the composite transactions report of the National Securities Exchange on which the Common Stock is then listed ("Exchange"). If such day is a day that the Exchange is not open, then the Fair Market Value shall be determined by reference to the closing price of the Common Stock for the immediately preceding trading day.

"Forfeiture Restrictions" is defined in Paragraph 11.

"Grant Price" shall mean the average of the Fair Market Values of the Common Stock for the ten trading days ending on the second trading day prior to the date for which the Grant Price is being determined, but in no event less than 85% of the Fair Market Value of the Common Stock for the day the Grant Price is being determined. If the day for which the Grant Price is being determined is a day that the Exchange is not open, then the Grant Price shall be determined by reference to the relevant price or prices as of the immediately preceding trading day.

Notwithstanding the foregoing, in the event that an Outside Director is elected or re-elected to the Board of Directors following the start of the averaging period that would otherwise be used to determine the Grant Price of an Option issued to such Outside Director pursuant to Paragraph 6, the Grant Price of the Option issued to the Outside Director shall equal the Fair Market Value of the Common Stock for the day the Grant Price is being determined.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Outside Director" shall have the meaning given the term "Non-Employee Director" by Rule 16b-3 adopted under the 1934 Act.

"Option" shall mean an Option granted pursuant to this Plan.

"Plan" shall mean this Jacobs Engineering Group Inc. 1999 Outside Director Stock Plan as set forth herein, as the same may be amended from time to time.

"Restricted Stock" is defined in Paragraph 11.

"Restricted Stock Unit" means a Stock Award granted pursuant to Paragraph 11 of this Plan, pursuant to which shares of Common Stock may be issued in the future, along with any associated Dividend Equivalent Rights.

"Stock Award" shall mean a grant of Common Stock, Restricted Stock or Restricted Stock Units pursuant to Paragraph 11 of this Plan.

“Tax Date” shall mean the date as of which any federal, state, local or foreign tax is required to be withheld from an Outside Director in connection with the exercise of an Option, the sale or other disposition of Common Stock acquired upon the exercise of an Option, the receipt of a Stock Award, the release of Restricted Stock Forfeiture Restrictions, or the acquisition of Common Stock pursuant to an award of Restricted Stock Units.

“Time-Based RSU” is defined in Paragraph 11.

3. Shares of Common Stock Subject to the Plan.

(a) Subject to the provisions of Paragraph 5, the aggregate number of shares of Common Stock upon which Awards may be granted under the Plan shall not exceed 1,100,000 shares.

(b) The shares to be delivered under the Plan shall be made available, at the discretion of the Board of Directors, from either authorized but unissued shares of Common Stock or previously issued shares reacquired by the Company, including shares purchased in the open market.

(c) If any outstanding Option granted under the Plan expires, lapses, is terminated or is forfeited for any reason, then the unissued shares of Common Stock that were allocable to the unexercised portion of such Option shall again be available for issuance upon exercise of an Option granted under this Plan.

(d) Notwithstanding anything to the contrary herein, no Outside Director shall receive in excess of \$600,000 of compensation in any calendar year, determined by adding (i) all cash compensation to such Outside Director and (ii) the fair market value of all Awards granted to such Outside Director in such calendar year, based on the fair market value of such Awards on the Grant Date (as determined in a manner consistent with that used for Director compensation for proxy statement disclosure purposes in the year in which the Award occurs). The foregoing limit on Outside Director compensation only applies to compensation for customary Board services, and does not apply to compensation for special Board services, e.g. chairing the Board, which shall be subject to the limit set forth in the next sentence of this paragraph. The Board may make exceptions to this limit for individual Outside Directors in extraordinary circumstances, so long as this paragraph would not be violated if the \$600,000 figure were instead \$750,000, as the Board may determine in its sole discretion, provided that the Outside Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving Outside Directors.

4. Administration of the Plan.

(a) The Plan shall be administered by the Board of Directors. The Board of Directors may authorize any officer or officers of the Company to execute and deliver Award Agreements and other documents on behalf of the Company.

(b) Subject to the provisions of the Plan, the Board of Directors is authorized and directed to interpret the Plan, to establish, amend and rescind policies relating to the Plan, to direct the Company to execute agreements and amendments thereto setting forth the terms and conditions of grants of Awards made under the Plan and to make such other determinations and to take such other actions as are consistent with the Plan and are necessary or appropriate for the administration of the Plan. Notwithstanding the foregoing, the Board of Directors shall not have the authority to make any determination, to adopt any policy or to take any action that would cause grants and exercises under the Plan to cease to be exempt from Section 16(b) of the 1934 Act by virtue of Rule 16b-3, or any successor rule, thereunder.

(c) Except as provided in Paragraph 15, any determination, decision or action of the Board of Directors in connection with the construction, interpretation, administration or application of the Plan shall be final, binding and conclusive upon all Plan participants and their transferees, beneficiaries, legal

representatives, executors and other successors and assigns and upon all other persons. No member of the Board of Directors, and no other person acting upon the authorization and direction of the Board of Directors, shall be liable for any determination, decision or action made in good faith with respect to the Plan.

(d) The Company shall indemnify and hold harmless the members of the Board of Directors, and other persons who are acting upon the authorization and direction of the Board of Directors, from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission in connection with the performance of such persons' duties, responsibilities and obligations under the Plan, other than such liabilities, costs and expenses as may result from the bad faith, willful misconduct or criminal acts of such persons.

5. Adjustment Provisions .

(a) Subject to the provisions of Paragraph 5(b) and Paragraph 15, if the outstanding shares of Common Stock of the Company are increased, decreased or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed in respect of such shares of Common Stock or other securities, through merger, consolidation, sale of all or substantially all of the property of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or any other change in the corporate structure of the Company affecting the Common Stock, the Board of Directors may, in its sole discretion determine that an appropriate and proportionate adjustment in each of the following is appropriate: (i) the maximum number and kind of securities provided in Paragraph 3(a) of this Plan, (ii) the number and kind of shares or other securities subject to then outstanding Options and/or Stock Awards and (iii) the price for each share or other unit of any other securities subject to such Options, but without change in the aggregate purchase price as to which such Options remain exercisable. Such adjustment shall be made by the Board of Directors, whose determination in that respect shall be final, binding and conclusive.

(b) Notwithstanding anything to the contrary hereunder, upon a Change in Control, all Awards then outstanding under the Plan shall be fully vested and exercisable, except as provided in any applicable Award Agreement.

(c) Adjustments under this Paragraph 5 shall be approved by the Board of Directors. Except as provided in Paragraph 15, the Board of Directors' determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional interests shall be issued under the Plan on account of any such adjustment.

6. Grants of Options to Outside Directors .

All Options are intended to be non-qualified (non-statutory) stock options.

An Outside Director may, by giving written notice to the Company not less than seven days prior to the date on which an Option shall be due to be granted:

(i) Decline to accept further grants of Options under this Plan; or

(ii) Revoke a previous election to decline to accept further grants of Options under this Plan, in which case such Outside Director may, in the discretion of the Board of Directors, thereafter receive Annual Grants made after such revocation.

An Outside Director who declines to accept grants of Options under this Plan may not receive anything of value in lieu of such grant, either at the time of such election or at any time thereafter.

7. Terms of Outside Director Options .

(a) Option Agreement. Each Option shall be evidenced by a written agreement (which may be in electronic form) containing such terms and conditions as the Board of Directors deems appropriate (an "Option Agreement"). An Option Agreement shall not be effective unless and until it has been executed by a duly authorized officer of the Company and by the Outside Director to whom the Option is being granted.

(b) Option Price. The price of the shares of Common Stock subject to each Option shall be the Grant Price on the date such Option is granted.

(c) Exercisability. Unless otherwise provided in this Plan or an Award Agreement:

(i) No Option may be exercised in whole or in part until one year following the date upon which the Option is granted;

(ii) Subject to the provisions of Paragraph 7(c)(i), which shall at all times preempt the provisions of this Subparagraph 7(c)(ii), an installment of 25% of each Option shall become exercisable one year following the date of grant, with additional installments of 25% becoming exercisable on each anniversary date of the grant, so that all Options are fully exercisable at the end of four years from the date of grant;

(iii) If an Outside Director dies or becomes Disabled while in office all installments of all Options held by such director shall vest and become fully exercisable; and

(iv) Except as provided in paragraph (iii) above, no installment of an Option that has not become exercisable on the date on which the holder thereof ceases to be a director of the Company shall thereafter become exercisable by such holder or his successors and assigns.

8. Expiration of Options . An Option may not be exercised after the first to occur of the following events:

(a) Except as provided below, upon the expiration of three months from the date of the Outside Director's disqualification or removal from the Board of Directors, or, if earlier, upon the expiration of the remaining term of the Option; however, if the Outside Director dies within said three-month period, upon the expiration of one year from the date of death or, if earlier, upon the expiration of the remaining term of the Option;

(b) In the case of the death of an Outside Director while in office, upon the expiration of the terms stated in the Option Agreements held by such director at the time of death;

(c) In the case of an Outside Director who is Disabled, upon the expiration of the terms stated in the Option Agreements held by such director at the time of the Disability; or

(d) In the case of the resignation of an Outside Director, the expiration of the remaining term of the Option.

An Option may not be exercised to any extent by anyone after the expiration of ten years from the date the Option was granted.

9. Exercise of Options .

(a) Following the death or disability of an Outside Director, any exercisable portion of such Option may, prior to the time when such portion becomes unexercisable under the provisions of Paragraph 8, above, be exercised by the Outside Director's personal representative or by any person

empowered to do so under court order, or by will or the laws of descent and distribution, unless otherwise determined by the Board of Directors.

(b) *Manner of Exercise.* An Option, or any exercisable portion thereof, may be exercised solely by delivery to the Company of all of the following prior to the time when such Option or portion thereof becomes unexercisable under Paragraph 8:

(i) Notice in writing signed by the Outside Director or other person then entitled to exercise such Option or portion, stating that such Option or portion is exercised;

(ii) Either:

- (x) Full payment (in cash or by check) for the shares with respect to which such Option or portion is thereby exercised; or
- (y) Upon conditions established by the Board of Directors, by the delivery or constructive exchange of shares of Common Stock owned by the Outside Director for such period of time as may be established by the Board of Directors, such shares having a Fair Market Value equal to the aggregate exercise price of the Options being exercised; or
- (z) Any combination of the consideration provided in the foregoing subsections (x) and (y);

(iii) In the event the Option or a portion thereof is being exercised by any person or persons other than the Outside Director to whom it was originally granted, appropriate proof, reasonably satisfactory to the Company, of the authority of such person or persons to exercise the Option or such portion thereof; and

(iv) The Board of Directors may make such provisions, subject to applicable rules and regulations, as it may deem appropriate for the withholding or payment by the Outside Director of any withholding taxes that it determines are required in connection with the exercise of an Option, and an Outside Director's rights in stock issued pursuant to such exercise are subject to satisfaction of such conditions. If permitted by the Board of Directors, an Outside Director may elect to satisfy all or any portion of such taxes by instructing the Company to withhold shares of Common Stock issued pursuant to the exercise of the Option (up to the minimum required tax withholding rate for the Outside Director or such other rate that will not cause an adverse accounting consequence or cost). If shares of Common Stock are withheld to satisfy tax liabilities, the value of such shares shall be computed using the Fair Market Value of the Common Stock on the Tax Date.

Any election to use Common Stock to satisfy a withholding tax obligation must either (A) be in a written instrument signed by the Outside Director and stating the number of shares to be withheld or surrendered or a formula pursuant to which such number may be determined and be irrevocable; or (B) otherwise be made in compliance with the Rules and Regulations of the Securities and Exchange Commission under the 1934 Act relating to such elections, as from time to time in effect.

In no event shall the Company be required to issue fractional shares.

(c) *Rights as a Shareholder.* A holder of an Option shall not be, and shall not have any of the rights or privileges of, a shareholder of the Company with respect to any shares of Common Stock purchasable upon the exercise of such Option unless and until such Option shall have been exercised and a certificate or certificates evidencing such shares shall have been issued by the Company to such holder.

(d) *Conditions to Issuance of Stock Certificates.* The Company shall not be required to issue or deliver any certificate or certificates for shares of stock purchased upon the exercise of any Option or portion thereof unless and until all legal requirements applicable to such issuance or delivery have, in the opinion of counsel to the Company, been complied with. In connection with any such issuance or transfer, the person acquiring the shares shall, if requested by the Company, give assurances satisfactory to such counsel in respect of such matters as such counsel may deem desirable to assure compliance with all applicable legal requirements.

10. Restrictions on Transferability.

Unless determined otherwise by the Board of Directors, an Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Outside Director, only by the Outside Director personally. If the Board of Directors makes an Award transferable, such Award will contain such additional terms and conditions as the Board of Directors deems appropriate.

11. Stock Awards.

(a) In the discretion of the Board of Directors, the Company may make Stock Awards to Outside Directors. Stock Awards may be in the form of Common Stock, Restricted Stock Units, or Restricted Stock or any combination thereof. Unless otherwise determined by the Board of Directors, Stock Awards may not be made to an individual who has at any time been employed by the Company.

(b) Stock Awards to Outside Directors for the first year that they serve as directors shall be in the form of Restricted Stock or Restricted Stock Units. Restricted Stock awarded under this Plan may not be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of, and in the event of the Outside Director's ceasing to serve as a director of the Company for any reason (including death and Disability unless the Board of Directors in its sole discretion terminates the Forfeiture Restrictions following the death or Disability of such Outside Director), the Outside Director shall be obligated, for no consideration, to forfeit and surrender such shares (to the extent then subject to the Forfeiture Restrictions) to the Company. The restrictions against disposition and the obligation to forfeit and surrender shares to the Company are herein referred to as "Forfeiture Restrictions", and the shares that are then subject to the Forfeiture Restrictions are referred to as "Restricted Stock." Certificates evidencing Restricted Stock shall be appropriately legended to reflect the Forfeiture Restrictions. Restricted Stock Units are Stock Awards denominated in units of Common Stock under which the issuance of Common Stock is subject to such vesting conditions (including continued service as an Outside Director) and other terms and conditions as the Board of Directors deems appropriate. Each Restricted Stock Unit will be equal to one share of Common Stock and will, subject to satisfaction of any vesting and/or other terms and conditions, entitle an Outside Director to the issuance of one share of Common Stock in settlement of the award. Further, the rest of this paragraph shall apply to Restricted Stock Units that vest solely based on the passage of time ("Time-Based RSUs"), unless the relevant Award Agreement provides otherwise. Each Time-Based RSU shall entitle the Outside Director to a "Dividend Equivalent Right," to the extent the Company pays a cash dividend with respect to its outstanding Common Stock while the Time-Based RSU remains outstanding. The term "Dividend Equivalent Right" shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same vesting, payment, and other terms and conditions as the Time-Based RSU to which it relates. Any Dividend Equivalent Right that vests will be paid in cash at the same time the share of Common Stock underlying the Time-Based RSU to which it relates is delivered to the Outside Director¹. An Outside Director will not be credited with Dividend Equivalent Rights with respect to any Time-Based RSU that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g., because it has been settled in Common Stock or it has been terminated), and an Outside Director will not be entitled to any payment for Dividend Equivalent Rights with respect to any Time-Based RSU that terminates without vesting.

(c) The Forfeiture Restrictions with respect to Restricted Stock awarded to an Outside Director shall lapse and be of no further force and effect, and Restricted Stock Units awarded to an Outside Director shall vest, in each case upon the expiration of such period of time as may be fixed by the Board of Directors prior to the issuance of such Stock Award. In no event shall the restriction period be less than six months from the date the Stock Award is granted unless otherwise provided in an Award Agreement.

(d) All of the foregoing restrictions, terms and other conditions regarding shares of Restricted Stock or Restricted Stock Units shall be evidenced by a written agreement between the Company and the Outside Director containing such terms and conditions as the Board of Directors shall approve.

(e) The Board of Directors may make such provisions as it may deem appropriate, subject to applicable rules and regulations, for the withholding or payment by the Outside Director of any withholding taxes that it determines are required in connection with Stock Awards and the lapse of Forfeiture Restrictions on Restricted Stock, and an Outside Director's rights in such stock are subject to satisfaction of such conditions. If permitted by the Board of Directors, an Outside Director may elect to satisfy all or any portion of such taxes by instructing the Company to withhold shares of Common Stock (up to the minimum required tax withholding rate for the Outside Director, or such other rate that will not cause an adverse accounting consequence or cost) from a Stock Award or from Restricted Stock as to which the Restrictions have lapsed.

(f) If shares of Common Stock are withheld to satisfy tax liabilities, the value of such shares shall be computed using the Fair Market Value of the Common Stock on the Tax Date.

(g) The Board shall be authorized to establish procedures pursuant to which the payment of any award (including any Dividend Equivalent Rights) may be deferred pursuant to the Jacobs Engineering Group Inc. Directors Deferral Plan or otherwise.

(h) An Outside Director may, by giving written notice to the Company not less than seven days prior to the date on which a Stock Award shall be due to be granted:

(i) Decline to accept further grants of Stock Awards under this Plan; or

(ii) Revoke a previous election to decline to accept further grants of Stock Awards under this Plan, in which case such Outside Director may, in the discretion of the Board of Directors, thereafter receive Annual Grants made after such revocation.

An Outside Director who declines to accept grants of Stock Awards under this Plan may not receive anything of value in lieu of such grant, either at the time of such election or at any time thereafter.

12. Reserved.

13. Amendment, Suspension and Termination of Plan.

Except as provided in this Paragraph 13 and in Paragraph 15, the Board of Directors may amend or terminate the Plan at any time and in any respect.

(a) No amendment of the Plan shall become effective without the approval of the Company's shareholders if such approval is required in order to comply with Rule 16b-3 under the 1934 Act or any other applicable law, rule or regulation.

(b) Unless required by applicable law, rule or regulation, no amendment or termination of the Plan shall affect in a material and adverse manner any Option granted prior to the date of such amendment or termination without the written consent of the Outside Director holding such affected Option.

(c) This Plan is intended to comply with all requirements for the exemption from Section 16(b) of the 1934 Act applicable to Outside Directors provided by Rule 16-3 or its successors under the 1934 Act. To the extent any provision of the Plan does not so comply and cannot for any reason be amended by the Board of Directors or the shareholders of the Company so as to comply, the provision shall, to the extent permitted by law and deemed advisable by the Board of Directors, be deemed null and void with respect to the holder of Options granted under this Plan.

(d) Other than pursuant to Section 5(a), the Board of Directors shall not without the approval of the Company's stockholders (a) lower the option price per share of an Option after it is granted, (b) cancel an Option in exchange for cash or another Option or Stock Award (other than in connection with a Change in Control), or (c) take any other action with respect to an Option that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the shares are listed.

14. Governing Law .

This Plan shall be governed by and construed and enforced in accordance with, the laws of the State of Delaware without giving effect to its choice of law rules.

15. Code Section 409A

It is intended that the Options and Restricted Stock Awards issued pursuant to this Plan shall not constitute "deferrals of compensation" within the meaning of Section 409A of the Internal Revenue Code and, as a result, shall not be subject to the requirements of Section 409A. It is further intended that Restricted Stock Units issued pursuant to this Plan shall avoid any "plan failures" within the meaning of Code section 409A(a)(1). The Plan is to be interpreted in a manner consistent with these intentions.

Notwithstanding any other provision in this Plan, a new Option or Restricted Stock Award may not be issued if such Option or Restricted Stock Award would not be in compliance with Section 409A, and an existing Option or Restricted Stock Award may not be modified in a manner that would cause such Option or Restricted Stock Award to not be in compliance with Section 409A.

16. Termination of the Plan .

Unless previously terminated by the Board of Directors, the Plan shall terminate when there are no longer any Awards outstanding.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Steven J. Demetriou, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 29, 2017 of Jacobs Engineering Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/Steven J. Demetriou

Steven J. Demetriou
Chief Executive Officer

February 7, 2018

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin C. Berryman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 29, 2017 of Jacobs Engineering Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kevin C. Berryman

Kevin C. Berryman
Chief Financial Officer

February 7, 2018

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to 18 U.S.C. Section 1350
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Jacobs Engineering Group Inc. (the "Company") on Form 10-Q for the quarter ended December 29, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven J. Demetriou, Chief Executive Officer of the Company (principal executive officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Steven J. Demetriou

Steven J. Demetriou
Chief Executive Officer

February 7, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to 18 U.S.C. Section 1350
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Jacobs Engineering Group Inc. (the “Company”) on Form 10-Q for the quarter ended December 29, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kevin C. Berryman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Kevin C. Berryman

Kevin C. Berryman
Executive Vice President
and Chief Financial officer

February 7, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Mine Safety Disclosure

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) by the federal Mine Safety and Health Administration (“MSHA”). Under the Mine Act, an independent contractor, such as Jacobs, that performs services or construction of a mine is included within the definition of a mining operator. We do not act as the owner of any mines. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA.

The following table provides information for the fiscal quarter ended December 29, 2017.

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Mine ID: 02-00024 Contractor ID: 1PL						—		No	No			
Mine ID: 02-00144 Contractor ID: 1PL						—		No	No			
Mine ID: 02-03131 Contractor ID: 1PL						—		No	No			
Mine ID: 02-00137 Contractor ID: 1PL						—		No	No			
Mine ID: 02-00150 Contractor ID: 1PL						—		No	No			
Mine ID: 26-01962 Contractor ID: 1PL						—		No	No			
Mine ID: 29-00708 Contractor ID: 1PL						—		No	No			
Mine ID: 29-00762 Contractor ID: 1PL						—		No	No			
Mine ID: 26-02755 Contractor ID: 1PL						—		No	No			
Mine ID: 04-00743 Contractor ID:Y713								No	No			
Totals	—	—	—	—	—	\$—		No	No	—	—	—

Notes:

- Jacobs received zero MSHA citations during the fiscal quarter ended December 29, 2017.
- Jacobs has no pending citations. Jacobs has vacated, reduced, abated and resolved all citations from previous fiscal years.