

**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 31, 2021

☐ **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

(Address of principal executive offices)

Suite 1200

Dallas

Texas

75201

(Zip Code)

(214) 583 – 8500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock

\$1 par value

Trading Symbol(s)

J

Name of Each Exchange on Which Registered

New York Stock Exchange

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 every Interactive Data File required to be submitted 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 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 28 2022: 129,216,695

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

	December 31, 2021 (Unaudited)	October 1, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,245,024	\$ 1,014,249
Receivables and contract assets	2,992,814	3,101,418
Prepaid expenses and other	134,165	176,228
Total current assets	4,372,003	4,291,895
Property, Equipment and Improvements, net	328,631	353,117
Other Noncurrent Assets:		
Goodwill	7,350,494	7,197,000
Intangibles, net	1,618,913	1,565,758
Deferred income tax assets	102,416	103,193
Operating lease right-of-use assets	563,124	650,097
Miscellaneous	468,513	471,549
Total other noncurrent assets	10,103,460	9,987,597
	<u>\$ 14,804,094</u>	<u>\$ 14,632,609</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt	\$ 53,400	\$ 53,456
Accounts payable	816,815	908,441
Accrued liabilities	1,486,618	1,533,559
Operating lease liability	162,949	172,414
Contract liabilities	605,801	542,054
Total current liabilities	3,125,583	3,209,924
Long-term Debt	3,073,067	2,839,933
Liabilities relating to defined benefit pension and retirement plans	404,421	418,080
Deferred income tax liabilities	211,900	214,380
Long-term operating lease liability	706,288	758,358
Other deferred liabilities	545,226	559,375
Commitments and Contingencies		
Redeemable Noncontrolling interests	637,664	657,722
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 129,153,184 shares and 128,892,540 shares as of December 31, 2021 and October 1, 2021, respectively	129,153	128,893
Additional paid-in capital	2,641,059	2,590,012
Retained earnings	4,087,390	4,015,578
Accumulated other comprehensive loss	(787,656)	(794,442)
Total Jacobs stockholders' equity	6,069,946	5,940,041
Noncontrolling interests	29,999	34,796
Total Group stockholders' equity	6,099,945	5,974,837
	<u>\$ 14,804,094</u>	<u>\$ 14,632,609</u>

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
Three Months Ended December 31, 2021 and January 1, 2021
(In thousands, except per share information)
(Unaudited)

	For the Three Months Ended	
	December 31, 2021	January 1, 2021
Revenues	\$ 3,380,625	\$ 3,381,836
Direct cost of contracts	(2,584,151)	(2,749,776)
Gross profit	796,474	632,060
Selling, general and administrative expenses	(619,141)	(418,120)
Operating Profit	177,333	213,940
Other Income (Expense):		
Interest income	1,501	1,124
Interest expense	(19,426)	(17,313)
Miscellaneous income, net	9,682	156,360
Total other (expense) income, net	(8,243)	140,171
Earnings from Continuing Operations Before Taxes	169,090	354,111
Income Tax Expense from Continuing Operations	(15,889)	(87,023)
Net Earnings of the Group from Continuing Operations	153,201	267,088
Net Earnings of the Group from Discontinued Operations	(232)	(14)
Net Earnings of the Group	152,969	267,074
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(9,252)	(10,026)
Net Earnings Attributable to Redeemable Noncontrolling interests	(9,683)	—
Net Earnings Attributable to Jacobs from Continuing Operations	134,266	257,062
Net Earnings Attributable to Jacobs	\$ 134,034	\$ 257,048
Net Earnings Per Share:		
Basic Net Earnings from Continuing Operations Per Share	\$ 1.04	\$ 1.98
Basic Net Earnings from Discontinued Operations Per Share	\$ —	\$ —
Basic Earnings Per Share	\$ 1.04	\$ 1.98
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.03	\$ 1.96
Diluted Net Earnings from Discontinued Operations Per Share	\$ —	\$ —
Diluted Earnings Per Share	\$ 1.03	\$ 1.96

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three Months Ended December 31, 2021 and January 1, 2021
(In thousands)
(Unaudited)

	For the Three Months Ended	
	December 31, 2021	January 1, 2021
Net Earnings of the Group	\$ 152,969	\$ 267,074
Other Comprehensive Income:		
Foreign currency translation adjustment	(8,685)	86,338
Gain on cash flow hedges	8,855	3,583
Change in pension and retiree medical plan liabilities	8,039	(19,353)
Other comprehensive income before taxes	8,209	70,568
Income Tax Benefit (Expense):		
Foreign currency translation adjustment	2,990	(14,445)
Cash flow hedges	(2,945)	221
Change in pension and retiree medical plan liabilities	(1,468)	(826)
Income Tax Expense:	(1,423)	(15,050)
Net other comprehensive income	6,786	55,518
Net Comprehensive Income of the Group	159,755	322,592
Net Earnings Attributable to Noncontrolling Interests	(9,252)	(10,026)
Net Earnings Attributable to Redeemable Noncontrolling interests	(9,683)	—
Net Comprehensive Income Attributable to Jacobs	\$ 140,820	\$ 312,566

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended December 31, 2021 and January 1, 2021
(In thousands)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Jacobs Stockholders' Equity	Noncontrolling Interests	Total Group Stockholders' Equity
Balances at October 2, 2020	\$ 129,748	\$ 2,598,446	\$ 4,020,575	\$ (933,057)	\$ 5,815,712	\$ 39,955	\$ 5,855,667
Net earnings	—	—	257,048	—	257,048	10,026	267,074
Foreign currency translation adjustments, net of deferred taxes of \$14,445	—	—	—	71,893	71,893	—	71,893
Pension liability, net of deferred taxes of \$826	—	—	—	(20,179)	(20,179)	—	(20,179)
(Loss) Gain on derivatives, net of deferred taxes of (\$221)	—	—	—	3,804	3,804	—	3,804
Dividends	—	—	(34)	—	(34)	—	(34)
Noncontrolling interests - distributions and other	—	—	—	—	—	(6,104)	(6,104)
Stock based compensation	—	11,841	—	—	11,841	—	11,841
Issuances of equity securities including shares withheld for taxes	538	(7,674)	(8,658)	—	(15,794)	—	(15,794)
Repurchases of equity securities	(251)	(5,027)	(19,523)	—	(24,801)	—	(24,801)
Balances at January 1, 2021	\$ 130,035	\$ 2,597,586	\$ 4,249,408	\$ (877,539)	\$ 6,099,490	\$ 43,877	\$ 6,143,367
Balances at October 1, 2021	\$ 128,893	\$ 2,590,012	\$ 4,015,578	\$ (794,442)	\$ 5,940,041	\$ 34,796	\$ 5,974,837
Net earnings	—	—	134,034	—	134,034	9,252	143,286
Foreign currency translation adjustments, net of deferred taxes of \$(2,990)	—	—	—	(5,695)	(5,695)	—	(5,695)
Pension liability, net of deferred taxes of \$1,468	—	—	—	6,571	6,571	—	6,571
Gain on derivatives, net of deferred taxes of \$2,945	—	—	—	5,910	5,910	—	5,910
Dividends	—	—	(123)	—	(123)	—	(123)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(15,203)	—	(15,203)	—	(15,203)
Repurchase of redeemable noncontrolling interests	—	—	7,761	—	7,761	—	7,761
Noncontrolling interests - distributions and other	—	—	—	—	—	(14,049)	(14,049)
Stock based compensation	—	7,014	—	—	7,014	—	7,014
Issuances of equity securities including shares withheld for taxes	602	906	(11,872)	—	(10,364)	—	(10,364)
Repurchases of equity securities	(342)	43,127	(42,785)	—	—	—	—
Balances at December 31, 2021	\$ 129,153	\$ 2,641,059	\$ 4,087,390	\$ (787,656)	\$ 6,069,946	\$ 29,999	\$ 6,099,945

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 31, 2021 and January 1, 2021
(In thousands)
(Unaudited)

	For the Three Months Ended	
	December 31, 2021	January 1, 2021
Cash Flows from Operating Activities:		
Net earnings attributable to the Group	\$ 152,969	\$ 267,074
Adjustments to reconcile net earnings to net cash flows provided by operations:		
Depreciation and amortization:		
Property, equipment and improvements	26,237	22,989
Intangible assets	46,907	23,155
Gain on investment in equity securities	—	(190,368)
Stock based compensation	7,014	11,841
Equity in earnings of operating ventures, net of return on capital distributions	12,749	1,159
Loss (gain) on disposals of assets, net	151	(134)
Impairment of long-lived assets and equity method investment	72,266	27,902
Deferred income taxes	(17,659)	53,008
Changes in assets and liabilities, excluding the effects of businesses acquired:		
Receivables and contract assets, net of contract liabilities	163,535	33,250
Prepaid expenses and other current assets	32,286	25,144
Miscellaneous other assets	24,618	16,564
Accounts payable	(88,470)	(63,985)
Accrued liabilities	(91,263)	(131,576)
Other deferred liabilities	(18,407)	16,491
Other, net	(1,288)	104
Net cash provided by operating activities	321,645	112,618
Cash Flows from Investing Activities:		
Additions to property and equipment	(19,318)	(16,766)
Disposals of property and equipment and other assets	43	—
Capital contributions to equity investees, net of return of capital distributions	(480)	(3,430)
Acquisitions of businesses, net of cash acquired	(229,813)	(173,012)
Net cash used for investing activities	(249,568)	(193,208)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	637,000	603,500
Repayments of long-term borrowings	(400,287)	(500,827)
Repayments of short-term borrowings	(5,326)	(7,675)
Proceeds from issuances of common stock	17,862	9,541
Common stock repurchases	—	(24,801)
Taxes paid on vested restricted stock	(28,226)	(25,335)
Cash dividends, including to noncontrolling interests	(41,565)	(35,718)
Repurchase of redeemable noncontrolling interests	(35,095)	—
Net cash provided by financing activities	144,363	18,685
Effect of Exchange Rate Changes	2,722	36,493
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	219,162	(25,412)
Cash and Cash Equivalents, including Restricted Cash, at the Beginning of the Period	1,026,575	862,424
Cash and Cash Equivalents, including Restricted Cash, at the End of the Period	\$ 1,245,737	\$ 837,012

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 October 1, 2021 (“2021 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 31, 2021, and for the three month periods ended December 31, 2021 and January 1, 2021.

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

On November 19, 2021, a subsidiary of Jacobs acquired all outstanding shares of common stock of BlackLynx, a provider of high-performance software, to complement Jacobs’ portfolio of cyber, intelligence and digital solutions. The Company paid total base consideration of approximately \$234.9 million in cash to the former owners of BlackLynx. In addition, the transaction involved the potential payment of future consideration that is contingent upon the achievement of certain revenue and gross margin thresholds being achieved in calendar year 2022. The estimated fair value of the contingent consideration on the acquisition date is \$1.3 million. The future contingent consideration will be paid, if and to the extent achieved, in second quarter of fiscal 2023. In conjunction with the acquisition, the Company also paid off BlackLynx’s debt of approximately \$5.3 million simultaneously with the consummation of the acquisition. The Company has recorded its preliminary purchase price allocation associated with the acquisition, which is summarized in Note 16- *Other Business Combinations*.

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting, a UK-based leading innovation and transformation consulting firm. The total consideration paid by the Company was \$1.7 billion, funded through cash on hand, proceeds from a new term loan and draws on the Company’s existing revolving credit facility. Further, in connection with the transaction, an additional \$261 million in investment proceeds had not yet been distributed at the investment date due to continuing employment requirements of associated management owners. Consequently, this amount represented compensation expense incurred related to the investment that was expensed subsequent to the date of the transaction, and was reflected in selling, general and administrative expense and cash from operations for the fiscal year ended October 1, 2021. The remaining 35% interest was acquired by PA Consulting employees, whose redeemable noncontrolling interests had a fair value of \$582.4 million on the closing date, including subsequent purchase accounting adjustments. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment. See Note 15- *PA Consulting Business Combination* for more discussion on the investment and Note 12- *Borrowings* for more discussion on the financing for the transaction.

On November 24, 2020, a subsidiary of Jacobs completed the acquisition of Buffalo Group, a leader in advanced cyber and intelligence solutions which allows Jacobs to further expand its cyber and intelligence solutions offerings to government clients. The Company paid total consideration of \$190.1 million, which was comprised of approximately \$182.4 million in cash to the former owners of Buffalo Group and contingent consideration of \$7.7 million. The contingent consideration was subsequently recognized as an offset to selling, general and administrative expense when it was determined no amounts would be paid. In conjunction with the acquisition, the Company assumed the Buffalo Group’s debt of approximately \$7.7 million. The Company repaid all of the assumed Buffalo Group debt by the end of the first fiscal quarter of 2021. The Company has recorded its final purchase price allocation associated with the acquisition, which is summarized in Note 16- *Other Business Combinations*.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

On April 26, 2019, Jacobs completed the sale of its Energy, Chemicals and Resources ("ECR") business to Worley Limited, a company incorporated in Australia ("Worley"), for a purchase price of \$3.4 billion consisting of (i) \$2.8 billion in cash plus (ii) 58.2 million ordinary shares of Worley, subject to adjustments for changes in working capital and certain other items (the "ECR sale"). As a result of the ECR sale, substantially all ECR-related assets and liabilities were sold (the "Disposal Group"). We determined that the Disposal Group should be reported as discontinued operations in accordance with ASC 210-05, *Discontinued Operations* because their disposal represents a strategic shift that had a major effect on our operations and financial results. As such, the financial results of the ECR business are reflected in our unaudited Consolidated Statements of Earnings as discontinued operations for all periods presented. As of October 1, 2021, all of the ECR business to be sold under the terms of the ECR sale had been conveyed to Worley and as such, no amounts remain held for sale. For further discussion, see Note 17- *Sale of Energy, Chemicals and Resources ("ECR") Business* to the consolidated financial statements.

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 including considerations for potential impacts of the continuing coronavirus (COVID-19) pandemic, 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 2021 Form 10-K for a discussion of other 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 2021 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. Please also refer to Note 19- *Commitments and Contingencies and Derivative Financial Instruments* for discussion regarding the Company's derivative instruments.

The net carrying amounts of cash and cash equivalents, trade receivables and payables and short-term debt approximate fair value due to the short-term nature of these instruments. See Note 12- *Borrowings* for a discussion of the fair value of long-term debt.

Fair value measurements relating to our business combinations are made primarily using Level 3 inputs including discounted cash flow and to the extent applicable, Monte Carlo simulation techniques. Fair value for the identified intangible assets is generally estimated using inputs primarily for the income approach using the multiple period excess earnings method and the relief from royalties method. The significant assumptions used in estimating fair value include (i)

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

revenue projections of the business, (ii) profitability and (iii) the estimated discount rate that reflects the level of risk associated with receiving future cash flows. 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. The fair value of the contingent consideration is estimated using a Monte Carlo simulation and the significant assumptions used include projections of revenues and probabilities of meeting those projections. Key inputs to the valuation of the noncontrolling interests include projected cash flows and the expected volatility associated with those cash flows.

4. New Accounting Pronouncements

ASU 2020-04, *Reference Rate Reform*, (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting is intended to provide relief for entities impacted by reference rate reform and contains provisions and optional expedients designed to simplify requirements around designation of hedging relationships, probability assessments of hedged forecasted transactions and accounting for modifications of contracts that refer to LIBOR or other rates affected by reference rate reform. The guidance is elective and is effective on the date of issuance. ASU 2020-04 is applied prospectively to contract modifications and as of the effective date for existing and new eligible hedging relationships. The guidance is temporary and will generally not be applicable to contract modifications which occur after December 31, 2022. The adoption of the new guidance in the first quarter of fiscal 2022 allowed the Company to continue its British pound denominated interest rate hedge relationships which previously defined LIBOR as the benchmark interest rate and in December 2021 were amended to replace LIBOR with the Sterling Overnight Index Average rate ("SONIA").

ASU No. 2021-08, *Business Combinations* (Topic 805): *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, is effective for fiscal years beginning after December 15, 2022. ASU 2021-08 requires contract assets and contract liabilities (i.e., deferred revenue) acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers. Generally, this new guidance will result in the acquirer recognizing contract assets and contract liabilities at the same amounts recorded by the acquiree. The Company adopted the new guidance in the first quarter of fiscal 2022 and the adoption had no impact on the Company's financial position, results of operations or cash flows.

5. Revenue Accounting for Contracts

Disaggregation of Revenues

Our revenues are principally derived from contracts to provide a diverse range of technical, professional, and construction services to a large number of industrial, commercial, and governmental clients. We provide a broad range of engineering, design, and architectural services; construction and construction management services; operations and maintenance services; and technical, digital, process, scientific and systems consulting process, scientific, and systems consulting services. We provide our services through offices and subsidiaries located primarily in North America, Europe, the Middle East, India, Australia, Africa, and Asia. We provide our services under cost-reimbursable and fixed-price contracts. Our contracts are with many different customers in numerous industries. Refer to Note 20- *Segment Information* for additional information on how we disaggregate our revenues by reportable segment.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The following table further disaggregates our revenue by geographic area for the three months ended December 31, 2021 and January 1, 2021 (in thousands):

	Three Months Ended	
	December 31, 2021	January 1, 2021
Revenues:		
United States	\$ 2,148,554	\$ 2,457,041
Europe	866,351	639,315
Canada	65,039	55,627
Asia	32,087	27,405
India	22,148	14,548
Australia and New Zealand	177,652	137,408
Middle East and Africa	68,794	50,492
Total	<u>\$ 3,380,625</u>	<u>\$ 3,381,836</u>

Contract Liabilities

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. Revenue recognized for the three months ended December 31, 2021 and January 1, 2021 that was included in the contract liability balance on October 1, 2021 and October 2, 2020 was \$291.5 million and \$259.0 million respectively.

Remaining Performance Obligation

The Company's remaining performance obligations as of December 31, 2021 represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. The Company had approximately \$13.2 billion in remaining performance obligations as of December 31, 2021. The Company expects to recognize approximately 57% of our remaining performance obligations into revenue within the next twelve months and the remaining 43% thereafter.

Although remaining performance obligations reflect business that is considered to be firm, cancellations, scope adjustments, foreign currency exchange fluctuations or deferrals may occur that impact their volume or the expected timing of their recognition. Remaining performance obligations are adjusted to reflect any known project cancellations, revisions to project scope and cost, foreign currency exchange fluctuations and project deferrals, as appropriate.

6. 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 and the preferred redeemable noncontrolling interests redemption value adjustment associated with the PA Consulting transaction.

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 31, 2021 and January 1, 2021 (in thousands):

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

	Three Months Ended	
	December 31, 2021	January 1, 2021
Numerator for Basic and Diluted EPS:		
Net earnings from continuing operations allocated to common stock for EPS calculation	\$ 134,266	\$ 257,062
Net earnings from discontinued operations allocated to common stock for EPS calculation	\$ (232)	\$ (14)
Net earnings allocated to common stock for EPS calculation	\$ 134,034	\$ 257,048
Denominator for Basic and Diluted EPS:		
Shares used for calculating basic EPS attributable to common stock	129,342	129,968
Effect of dilutive securities:		
Stock compensation plans	952	1,182
Shares used for calculating diluted EPS attributable to common stock	130,294	131,150
Net Earnings Per Share:		
Basic Net Earnings from Continuing Operations Per Share	\$ 1.04	\$ 1.98
Basic Net Earnings from Discontinued Operations Per Share	\$ —	\$ —
Basic Earnings Per Share	\$ 1.04	\$ 1.98
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.03	\$ 1.96
Diluted Net Earnings from Discontinued Operations Per Share	\$ —	\$ —
Diluted Earnings Per Share	\$ 1.03	\$ 1.96

Share Repurchases

On January 16, 2020, the Company's Board of Directors authorized a share repurchase program of up to \$1.0 billion of the Company's common stock, to expire on January 15, 2023 (the "2020 Repurchase Authorization"). In the fourth quarter of fiscal 2021, the Company initiated an accelerated share repurchase program by advancing \$250 million to a financial institution in a privately negotiated transaction, with final non-cash settlement on the program during the first quarter of fiscal 2022 of 342,054 shares as depicted in the table below.

The following table summarizes the activity under the 2020 Repurchase Authorization through the first fiscal quarter of 2022:

Amount Authorized (2020 Repurchase Authorization)	Average Price Per Share (1)	Shares Repurchased	Total Shares Retired
\$1,000,000,000	\$137.55	342,054	342,054

(1) Includes commissions paid and calculated at the average price per share

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

As of December 31, 2021, the Company has \$782.9 million remaining under the 2020 Repurchase Authorization.

Our share repurchase program does not obligate the Company to purchase any shares. Share repurchases may be executed through various means including, without limitation, accelerated share repurchases, open market transactions, privately negotiated transactions, purchases pursuant to Rule 10b5-1 plans or otherwise. The authorization for the share repurchase programs may be terminated, increased or decreased by the Company's Board of Directors in its discretion at any time. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, currency fluctuations, the market price of the Company's common stock, other uses of capital and other factors.

Dividends

On January 26, 2022, the Company's Board of Directors declared a quarterly dividend of \$0.23 per share of the Company's common stock to be paid on March 25, 2022, to shareholders of record on the close of business on February 25, 2022. Future dividend declarations are subject to review and approval by the Company's Board of Directors. Dividends paid through the first fiscal quarter of 2022 and the preceding fiscal year are as follows:

Declaration Date	Record Date	Payment Date	Cash Amount (per share)
September 23, 2021	October 15, 2021	October 29, 2021	\$0.21
July 14, 2021	July 30, 2021	August 27, 2021	\$0.21
April 22, 2021	May 28, 2021	June 25, 2021	\$0.21
January 27, 2021	February 26, 2021	March 26, 2021	\$0.21
September 17, 2020	October 2, 2020	October 30, 2020	\$0.19

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

7. Goodwill and Intangibles

The carrying value of goodwill and appearing in the accompanying Consolidated Balance Sheets at December 31, 2021 and October 1, 2021 was as follows (in thousands):

	Critical Mission Solutions	People & Places Solutions	PA Consulting	Total
Balance October 1, 2021	\$ 2,550,631	\$ 3,240,783	\$ 1,405,586	\$ 7,197,000
Acquired	158,498	—	—	158,498
Foreign Exchange Impact	(698)	(1,335)	(5,168)	(7,201)
Post-Acquisition Adjustments	—	—	2,197	2,197
Balance December 31, 2021	<u>\$ 2,708,431</u>	<u>\$ 3,239,448</u>	<u>\$ 1,402,615</u>	<u>\$ 7,350,494</u>

The following table provides certain information related to the Company's acquired intangibles in the accompanying Consolidated Balance Sheets at December 31, 2021 and October 1, 2021 (in thousands):

	Customer Relationships, Contracts and Backlog	Developed Technology	Trade Names	Total
Balances October 1, 2021	\$ 1,309,061	\$ 40,020	\$ 216,677	\$ 1,565,758
Amortization	(42,965)	(1,119)	(2,823)	(46,907)
Acquired	88,002	15,539	—	103,541
Foreign currency translation	(2,734)	(20)	(725)	(3,479)
Balances December 31, 2021	<u>\$ 1,351,364</u>	<u>\$ 54,420</u>	<u>\$ 213,129</u>	<u>\$ 1,618,913</u>

The following table presents estimated amortization expense of intangible assets for the remainder of fiscal 2022 and for the succeeding years. The amounts below include preliminary amortization estimates for the BlackLynx and PA Consulting opening balance sheet fair values that are still preliminary and are subject to change.

Fiscal Year	(in millions)
2022	\$ 144.1
2023	191.8
2024	191.6
2025	191.2
2026	176.4
Thereafter	723.8
Total	<u>\$ 1,618.9</u>

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

8. Receivables and Contract Assets

The following table presents the components of receivables appearing in the accompanying Consolidated Balance Sheets at December 31, 2021 and October 1, 2021, as well as certain other related information (in thousands):

	December 31, 2021	October 1, 2021
Components of receivables and contract assets:		
Amounts billed, net	\$ 1,311,468	\$ 1,278,087
Unbilled receivables and other	1,215,690	1,343,588
Contract assets	465,656	479,743
Total receivables and contract assets, net	<u>\$ 2,992,814</u>	<u>\$ 3,101,418</u>
Other information about receivables:		
Amounts due from the United States federal government, included above, net of contract liabilities	<u>\$ 629,365</u>	<u>\$ 563,009</u>

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, which represent an unconditional right to payment subject only to the passage of time, are reclassified to amounts billed when they are billed under the terms of the contract. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next twelve months.

Contract assets represent unbilled amounts where the right to payment is subject to more than merely the passage of time and includes performance-based incentives and services provided ahead of agreed contractual milestones. Contract assets are transferred to unbilled receivables when the right to consideration becomes unconditional and are transferred to amounts billed upon invoicing. The increase in contract assets was a result of normal business activity and not materially impacted by any other factors.

9. Accumulated Other Comprehensive Income

The following table presents the Company's roll forward of accumulated other comprehensive income (loss) after-tax as of December 31, 2021 (in thousands):

	Change in Pension Liabilities	Foreign Currency Translation Adjustment	Gain/(Loss) on Cash Flow Hedges	Total
Balance at October 1, 2021	\$ (394,561)	\$ (407,240)	\$ 7,359	\$ (794,442)
Other comprehensive income (loss)	6,571	(5,695)	3,973	4,849
Reclassifications from accumulated other comprehensive income (loss)	—	—	1,937	1,937
Balance at December 31, 2021	<u>\$ (387,990)</u>	<u>\$ (412,935)</u>	<u>\$ 13,269</u>	<u>\$ (787,656)</u>

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

10. Income Taxes

The Company's effective tax rates from continuing operations for the three months ended December 31, 2021 and January 1, 2021 were 9.4% and 24.6%, respectively. The Company's effective tax rate from continuing operations for the three months ended December 31, 2021 was lower than the corresponding rate in the prior period primarily due to a current year tax benefit of \$15.7 million related to the release of previously reserved foreign tax credits, \$4.2 million excess tax benefit attributable to stock compensation, and \$4.0 million benefit from filing amended status returns.

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.

11. Joint Ventures, VIEs and Other Investments

We execute certain contracts jointly with third parties through various forms of joint ventures. 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. Many of these joint ventures are formed for a specific project. The assets of our joint ventures generally consist almost entirely of cash and receivables (representing amounts due from clients), and the liabilities of our joint ventures generally 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. Many of the joint ventures are deemed to be variable interest entities ("VIE") because they lack sufficient equity to finance the activities of the joint venture.

The assets of a joint venture are restricted for use to the obligations of the particular joint venture and are not available for general operations of the Company. Our risk of loss on these arrangements is usually shared with our partners. The liability of each partner is usually joint and several, which means that each partner may become liable for the entire risk of loss on the project. Furthermore, on some of our projects, the Company has granted guarantees that may encumber both our contracting subsidiary company and the Company for the entire risk of loss on the project. The Company is unable to estimate the maximum potential amount of future payments that we could be required to make under outstanding performance guarantees related to joint venture projects due to a number of factors, including but not limited to, the nature and extent of any contractual defaults by our joint venture partners, resource availability, potential performance delays caused by the defaults, the location of the projects, and the terms of the related contracts. Refer to Note 19 - *Commitments and Contingencies and Derivative Financial Instruments*, for further discussion relating to performance guarantees.

For consolidated joint ventures, the entire amount of the services performed, and the costs associated with these services, including the services provided by the other joint venture partners, are included in the Company's results of operations. Likewise, the entire amount of each of the assets and liabilities are included in the Company's Consolidated Balance Sheets. For the consolidated VIEs, the carrying value of assets and liabilities was \$266.8 million and \$208.7 million, respectively, as of December 31, 2021 and \$289.8 million and \$220.8 million, respectively, as of October 1, 2021. There are no consolidated VIEs that have debt or credit facilities.

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting, a UK-based leading innovation and transformation consulting firm. The remaining 35% interest was acquired by PA Consulting employees. PA Consulting is accounted for as a consolidated subsidiary under U.S. GAAP accounting rules. See Note 15- *PA Consulting Business Combination* for more discussion on the acquisition.

Unconsolidated joint ventures are accounted for under proportionate consolidation or the equity method. Proportionate consolidation is used for joint ventures that include unincorporated legal entities and activities of the joint venture that are construction-related. For those joint ventures accounted for under proportionate consolidation, only the Company's pro rata share of assets, liabilities, revenue, and costs are included in the Company's balance sheet and results of operations.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

For the proportionate consolidated VIEs, the carrying value of assets and liabilities was \$114.2 million and \$127.5 million, respectively, as of December 31, 2021, and \$115.1 million and \$129.5 million, respectively, as of October 1, 2021. For those joint ventures accounted for under the equity method, the Company's investment balances for the joint venture are included in Other Noncurrent Assets: Miscellaneous on the balance sheet and the Company's pro rata share of net income is included in revenue. In limited cases, there are basis differences between the equity in the joint venture and the Company's investment created when the Company purchased its share of the joint venture. These basis differences are amortized based on an internal allocation to underlying net assets, excluding allocations to goodwill. As of December 31, 2021, the Company's equity method investments exceeded its share of venture net assets by \$36.6 million. Our investments in equity method joint ventures on the Consolidated Balance Sheets as of December 31, 2021 and October 1, 2021 were \$106.7 million and \$121.3 million, respectively. During the three months ended December 31, 2021 and January 1, 2021, we recognized income from equity method joint ventures of \$6.8 million and \$18.3 million, respectively.

Accounts receivable from unconsolidated joint ventures accounted for under the equity method is \$16.1 million and \$19.7 million as of December 31, 2021 and October 1, 2021, respectively.

The Company held a 24.5% interest in AWE Management Ltd ("AWE ML") that was accounted for under the equity method. AWE ML was previously under a contractual operating arrangement with the UK Ministry of Defence (MoD) with multiple years remaining under the arrangement, and during fiscal 2021, the MoD unexpectedly announced plans to change its operating agreements with AWE ML that resulted in the early termination of the current contract in 2021. During the three months ended January 1, 2021, the Company recorded an other-than-temporary impairment charge on its investment in AWE ML in the amount of \$27.9 million, which was included in miscellaneous income (expense), net in the consolidated statement of earnings as a result of the contract termination.

The Company held a cost method investment in C3.ai, Inc. ("C3") and in the first quarter of fiscal 2021, C3 completed an initial public offering and as a result the Company carried its investment in C3 at fair value, with changes reflected in net income as it is an investment in equity securities with a readily determinable fair value based on quoted market prices. During fiscal 2021 and subsequent to the IPO, the Company sold all shares owned in C3. Dividend income, unrealized gains and losses on changes in fair value and related realized gains and losses on disposal of the C3 shares were recognized in miscellaneous income (expense), net in the consolidated statement of earnings, which was \$82.6 million, net, for the three months ended January 1, 2021.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

12. Borrowings

At December 31, 2021 and October 1, 2021, long-term debt consisted of the following (principal amounts in thousands):

	Interest Rate	Maturity	December 31, 2021	October 1, 2021
Revolving Credit Facility	Benchmark + applicable margin (1) (2)	March 2024	\$ 577,794	\$ 327,794
2021 Term Loan Facility	Benchmark + applicable margin (1) (3)	March 2024	1,078,800	1,081,724
2020 Term Loan Facility	Benchmark + applicable margin (1) (4)	March 2025 (5)	974,550	988,940
Fixed-rate notes due:				
Senior Notes, Series A	4.27%	May 2025	190,000	190,000
Senior Notes, Series B	4.42%	May 2028	180,000	180,000
Senior Notes, Series C	4.52%	May 2030	130,000	130,000
Less: Current Portion (5)			(53,400)	(53,456)
Less: Deferred Financing Fees			(4,677)	(5,069)
Total Long-term debt, net			<u>\$ 3,073,067</u>	<u>\$ 2,839,933</u>

- (1) During the three months ended December 31, 2021, the aggregate principal amounts denominated in British pounds under the Revolving Credit Facility, 2021 Term Loan Facility and 2020 Term Loan Facility transitioned from underlying LIBOR benchmarked rates to SONIA rates. Borrowings denominated in U.S. dollars remained benchmarked to LIBOR rates.
- (2) Depending on the Company's Consolidated Leverage Ratio (as defined in the credit agreement governing the Revolving Credit Facility (defined below)), U.S. dollar denominated borrowings under the Revolving Credit Facility bear interest at either a eurocurrency rate plus a margin of between 0.875% and 1.625% or a base rate plus a margin of between 0% and 0.625%. The applicable LIBOR rates including applicable margins at December 31, 2021 and October 1, 2021 were approximately 1.46% and 1.45%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.875% and 1.625%. There were no amounts drawn in British pounds as of December 31, 2021.
- (3) Depending on the Company's Consolidated Leverage Ratio (as defined in the credit agreement governing the 2021 Term Loan Facility (defined below)), U.S. dollar denominated borrowings under the 2021 Term Loan Facility bear interest at either a eurocurrency rate plus a margin of between 0.875% and 1.625% or a base rate plus a margin of between 0% and 0.625%. The applicable LIBOR rate including applicable margins for borrowings denominated in U.S. dollars at December 31, 2021 and October 1, 2021 was approximately 1.48% and 1.43%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.875% and 1.625%, which was approximately 1.60% at December 31, 2021.
- (4) Depending on the Company's Consolidated Leverage Ratio (as defined in the credit agreement governing the 2020 Term Loan Facility (defined below)), U.S. dollar denominated borrowings under the 2020 Term Loan Facility bear interest at either a eurocurrency rate plus a margin of between 0.875% and 1.5% or a base rate plus a margin of between 0% and 0.5%. The applicable LIBOR rates including applicable margins for borrowings denominated in U.S. dollars at December 31, 2021 and October 1, 2021 were approximately 1.48% and 1.45%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.875% and 1.625%, which was approximately 1.55% at December 31, 2021.
- (5) The 2020 Term Loan requires quarterly principal repayments of 1.25%, or \$9.125 million and £3.125 million, of the aggregate initial principal amount borrowed.

On February 7, 2014, Jacobs and certain of its subsidiaries entered into a \$1.6 billion long-term unsecured, revolving credit facility (as amended, the "2014 Revolving Credit Facility") with a syndicate of U.S. and international banks and financial institutions. On March 27, 2019, the Company entered into a second amended and restated credit agreement (the "Revolving Credit Facility"), which amended and restated the 2014 Revolving Credit Facility by, among other things, (a) extending the maturity date of the credit facility to March 27, 2024, (b) increasing the facility amount to \$2.25 billion (with an accordion feature that allows a further increase of the facility amount up to \$3.25 billion), (c) eliminating the covenants restricting investments, joint ventures and acquisitions by the Company and its subsidiaries and (d) adjusting the financial covenants to eliminate the net worth covenant upon the removal of the same covenant from the Company's existing Note Purchase Agreement (defined below). We were in compliance with the covenants under the Revolving Credit Facility at December 31, 2021.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The Revolving Credit Facility 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. The Revolving Credit Facility also provides for a financial letter of credit sub facility of \$400.0 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. The Company pays a facility fee of between 0.08% and 0.23% per annum depending on the Company's Consolidated Leverage Ratio.

On March 25, 2020, the Company entered into an unsecured term loan facility (the "2020 Term Loan Facility") with a syndicate of financial institutions as lenders. Under the 2020 Term Loan Facility, the Company borrowed an aggregate principal amount of \$730.0 million and one of the Company's U.K. subsidiaries borrowed an aggregate principal amount of £250.0 million. The proceeds of the term loans were used to repay an existing term loan with a maturity date of June 2020 and for general corporate purposes. The 2020 Term Loan Facility contains affirmative and negative covenants and events of default customary for financings of this type that are consistent with those included in the Revolving Credit Facility. During fiscal 2020, the Company entered into interest rate and cross currency derivative contracts to swap a portion of our variable rate debt to fixed rate debt. See Note 19- *Commitments and Contingencies and Derivative Financial Instruments* for discussion regarding the Company's derivative instruments.

On January 20, 2021, the Company entered into an unsecured delayed draw term loan facility (the "2021 Term Loan Facility") with a syndicate of financial institutions as lenders. Under the 2021 Term Loan Facility, the Company borrowed an aggregate principal amount of \$200.0 million and £650.0 million. The proceeds of the term loans were used primarily to fund the Company's investment in PA Consulting. The 2021 Term Loan Facility contains affirmative and negative covenants and events of default customary for financings of this type that are consistent with those included in the Revolving Credit Facility and the 2020 Term Loan Facility.

The 2020 Term Loan Facility and the 2021 Term Loan Facility are together referred to as the "Term Loan Facilities". We were in compliance with the covenants under the Term Loan Facilities at December 31, 2021.

On March 12, 2018, Jacobs entered into a note purchase agreement (as amended, the "Note Purchase Agreement") with respect to the issuance and sale in a private placement transaction of \$500 million in the aggregate principal amount of the Company's senior notes in three series (collectively, the "Senior Notes"). The Note Purchase Agreement provides that if the Company's consolidated leverage ratio exceeds a certain amount, the interest on the Senior Notes may increase by 75 basis points. The Senior Notes may be prepaid at any time subject to a make-whole premium. The sale of the Senior Notes closed on May 15, 2018. The Company used the net proceeds from the offering of Senior Notes to repay certain existing indebtedness and for other general corporate purposes. The Note Purchase Agreement contains affirmative, negative and financial covenants customary for financings of this type, including, among other things, covenants to maintain a minimum consolidated net worth and maximum consolidated leverage ratio and limitations on certain other liens, mergers, dispositions and transactions with affiliates. In addition, the Note Purchase Agreement contains customary events of default. We were in compliance with the covenants under the Note Purchase Agreement at December 31, 2021.

We believe the carrying value of the Revolving Credit Facility, the Term Loan Facilities and other debt outstanding approximates fair value based on the interest rates and scheduled maturities applicable to the outstanding borrowings. The fair value of the Senior Notes is estimated to be \$547.5 million at December 31, 2021, based on Level 2 inputs. The fair value is determined by discounting future cash flows using interest rates available for issuances with similar terms and average maturities.

The Company has issued \$1.7 million in letters of credit under the Revolving Credit Facility, leaving \$1.67 billion of available borrowing capacity under the Revolving Credit Facility at December 31, 2021. In addition, the Company had issued \$272.0 million under separate, committed and uncommitted letter-of-credit facilities for total issued letters of credit of \$273.7 million at December 31, 2021.

13. Leases

The Company's right-of use assets and lease liabilities relate to real estate, project assets used in connection with long-term construction contracts, IT assets and vehicles. The Company's leases have remaining lease terms of one year to thirteen years. The Company's lease obligations are primarily for the use of office space and are primarily operating leases. Certain of the Company's leases contain renewal, extension, or termination options. The Company assesses each option on an individual basis and will only include options reasonably certain of exercise in the lease term. The Company generally

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

considers the base term to be the term provided in the contract. None of the Company's lease agreements contain material options to purchase the lease property, material residual value guarantees, or material restrictions or covenants

Long-term project asset and vehicle leases (leases with terms greater than twelve months), along with all real estate and IT asset leases, are recorded on the consolidated balance sheet at the present value of the minimum lease payments not yet paid, net of impairments taken. Because the Company primarily acts as a lessee and the rates implicit in its leases are not readily determinable, the Company generally uses its incremental borrowing rate on the lease commencement date to calculate the present value of future lease payments. Certain leases include payments that are based solely on an index or rate. These variable lease payments are included in the calculation of the right-of-use ("ROU") asset and lease liability and are initially measured using the index or rate at the lease commencement date. Other variable lease payments, such as payments based on use and for property taxes, insurance, or common area maintenance that are based on actual assessments are excluded from the ROU asset and lease liability and are expensed as incurred. In addition to the present value of the future lease payments, the calculation of the ROU asset also includes any deferred rent, lease pre-payments and initial direct costs of obtaining the lease, such as commissions.

Certain lease contracts contain nonlease components such as maintenance and utilities. The Company has made an accounting policy election, as allowed under ASC 842-10-15-37 and discussed above, to capitalize both the lease component and nonlease components of its contracts as a single lease component for all of its right-of-use assets.

Short-term project asset and vehicle leases (project asset and vehicle leases with an initial term of twelve months or less or leases that are cancellable by the lessee and lessor without significant penalties) are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term. The majority of the Company's short-term leases relate to equipment used on construction projects. These leases are entered into at agreed upon hourly, daily, weekly or monthly rental rates for an unspecified duration and typically have a termination for convenience provision. Such equipment leases are considered short-term in nature unless it is reasonably certain that the equipment will be leased for a term greater than twelve months.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The components of lease expense (reflected in selling, general and administrative expenses) for the three months ended December 31, 2021 and January 1, 2021 were as follows (in thousands):

	Three Months Ended	
	December 31, 2021	January 1, 2021
Lease expense		
Operating lease expense	\$ 40,538	\$ 39,444
Variable lease expense	7,084	8,183
Sublease income	(3,668)	(3,396)
Total lease expense	\$ 43,954	\$ 44,231

Supplemental information related to the Company's leases for the three months ended December 31, 2021 was as follows (in thousands):

	Three Months Ended	
	December 31, 2021	
Cash paid for amounts included in the measurements of lease liabilities	\$	65,430
Right-of-use assets obtained in exchange for new operating lease liabilities	\$	1,262
Weighted average remaining lease term - operating leases		7 years
Weighted average discount rate - operating leases		2.7%

Total remaining lease payments under the Company's leases for the remainder of fiscal 2022 and for the succeeding years is as follows (in thousands):

Fiscal Year	Operating Leases
2022	\$ 141,807
2023	159,136
2024	146,064
2025	122,723
2026	105,223
Thereafter	278,300
	953,253
Less Interest	(84,016)
	\$ 869,237

Right-of-Use and Other Long-Lived Asset Impairment

In the first quarter of fiscal 2022, as a result of the Company's transformation initiatives including the changing nature of the Company's use of office space for its workforce, the Company evaluated its existing real estate lease portfolio. These initiatives during the current quarter resulted in the abandonment of certain leased office spaces and the establishment of a formal plan to sublease certain other leased spaces that will no longer be utilized by the Company. In connection with the Company's actions related to these initiatives, the Company evaluated certain of its lease right-of-use assets and related property, equipment and leasehold improvements for impairment under ASC 360.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

As a result of the analysis, the Company recognized an impairment loss during the first quarter of fiscal 2022 of \$72.3 million, which is included in selling, general and administrative expenses in the accompanying statement of earnings for the current fiscal quarter. The impairment loss recorded includes \$54.9 million related to right-of-use lease assets and \$17.4 million related to other long-lived assets, including property, equipment and improvements and leasehold improvements.

The fair values for the asset groups relating to the impaired long-lived assets were estimated primarily using discounted cash flow models (income approach) with Level 3 inputs. The significant assumptions used in estimating fair value include the expected downtime prior to the commencement of future subleases, projected sublease income over the remaining lease periods and discount rates that reflect the level of risk associated with receiving future cash flows.

14. Pension and Other Postretirement Benefit Plans

The following table presents the components of net periodic pension benefit recognized in earnings during the three months ended December 31, 2021 and January 1, 2021 (in thousands):

	Three Months Ended	
	December 31, 2021	January 1, 2021
Component:		
Service cost	\$ 1,709	\$ 1,735
Interest cost	13,784	11,785
Expected return on plan assets	(23,263)	(25,427)
Amortization of previously unrecognized items	3,092	4,032
Total net periodic pension benefit recognized	<u>\$ (4,678)</u>	<u>\$ (7,875)</u>

The service cost component of net periodic pension benefit is presented in the same line item as other compensation costs (direct cost of contracts and selling, general and administrative expenses) and the other components of net periodic pension expense are presented in miscellaneous income (expense), net on the Consolidated Statements of Earnings.

The following table presents certain information regarding the Company's cash contributions to our pension plans for fiscal 2022 (in thousands):

Cash contributions made during the first three months of fiscal 2022	\$ 9,488
Cash contributions projected for the remainder of fiscal 2022	26,703
Total	<u>\$ 36,191</u>

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

15. PA Consulting Business Combination

Deal Summary, Opening Balance Sheet and Pro Forma Financial Information

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting, a UK-based leading innovation and transformation consulting firm. The total consideration paid by the Company was \$1.7 billion, funded through cash on hand, proceeds from a new term loan and draws on the Company's existing revolving credit facility. Further, in connection with the transaction, an estimated additional \$261 million in investment proceeds had not yet been distributed at the investment date due to continuing employment requirements of associated management owners. Consequently, this amount represented compensation expense incurred related to the investment that was expensed subsequent to the date of the transaction, and was reflected in selling, general and administrative expense on the consolidated income statement for the fiscal year ended October 1, 2021. The remaining 35% interest was acquired by PA Consulting employees, whose redeemable noncontrolling interests had a fair value of \$582.4 million on the closing date, including subsequent purchase accounting adjustments. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment. See Note 12- *Borrowings* for more discussion on the financing for the transaction.

The following summarizes the fair values of PA Consulting's assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 134.9
Receivables	164.9
Property, equipment and improvements, net	40.5
Goodwill	1,450.5
Identifiable intangible assets	1,004.2
Prepaid expenses and other current assets	9.5
Miscellaneous long term assets	83.7
Total Assets	\$ 2,888.2
Liabilities	
Accounts payable	\$ 6.5
Accrued liabilities and other current liabilities	349.2
Other long term liabilities	248.2
Total Liabilities	\$ 603.9
Redeemable Noncontrolling interests	582.4
Net assets acquired	\$ 1,701.9

The purchase price allocation is based upon preliminary information and is subject to change when additional information is obtained. Goodwill recognized results from a substantial assembled workforce, which does not qualify for separate recognition, as well as expected future economic benefits. 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 PA Consulting's assets acquired and liabilities assumed. The final purchase price allocation could result in adjustments to certain assets and liabilities, including the residual amount allocated to goodwill.

Since the initial preliminary estimates reported in the second quarter of fiscal 2021, the Company has updated certain provisional amounts reflected in the preliminary purchase price allocation, as summarized in the estimated fair values of PA Consulting assets acquired and liabilities assumed above. See below for further discussion on updates to redeemable noncontrolling interests.

Identifiable intangibles are customer relationships, contracts and backlog and trade name and have estimated lives ranging from 9 to 20 years (weighted average life of approximately 12 years).

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The following presents summarized unaudited pro forma operating results of Jacobs from continuing operations assuming that the Company had the PA Consulting investment at September 28, 2019. 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, except per share data):

	For the Three Months Ended
	January 1, 2021
Revenues	\$ 3,632.7
Net earnings (loss) of the Group	\$ 282.1
Net earnings attributable to Jacobs	\$ 264.6
Net earnings attributable to Jacobs per share:	
Basic earnings per share	\$ 2.04
Diluted earnings per share	\$ 2.02

Income tax expense for the three-month pro forma period ended January 1, 2021 was \$76.7 million.

Redeemable Noncontrolling Interest

In connection with the PA Consulting investment, the Company recorded redeemable noncontrolling interests, including subsequent purchase accounting adjustments, representing the noncontrolling interest holders' equity interest in the form of preferred and common shares of PA Consulting, with substantially all of the value associated with these interests allocable to the preferred shares.

During the first quarter of fiscal 2022, PA Consulting repurchased certain shares of the redeemable noncontrolling interest holders for \$35.1 million in cash. The difference between the cash purchase price and the recorded book value of these repurchased interests was recorded in the Company's consolidated retained earnings.

Changes in the redeemable noncontrolling interest during the three months ended December 31, 2021 are as follows (in thousands):

Balance at October 1, 2021	\$ 657,722
Accrued Preferred Dividend to Preference Shareholders	16,687
Attribution of Preferred Dividend to Common Shareholders	(16,687)
Net income attributable to redeemable noncontrolling interest to Common Shareholders	9,683
Redeemable Noncontrolling interests redemption value adjustment	15,203
Repurchase of redeemable noncontrolling interests	(42,856)
Cumulative translation adjustment and other	(2,088)
Balance at December 31, 2021	\$ 637,664

In addition, certain employees and nonemployees of PA Consulting are eligible to receive equity-based incentive grants in the future under the terms of the applicable agreements.

Employee Benefit Trust

PA Consulting is party to an employee benefit trust that is a separately administered discretionary trust for the benefit of employees and is consolidated under U.S. GAAP. At December 31, 2021, the Company held \$0.7 million in cash within the employee benefit trust that is restricted from general use and is included in prepaid expenses and other current assets on the consolidated balance sheet.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

16. Other Business Combinations

StreetLight Data, Inc.

On February 4, 2022, the Company acquired StreetLight Data, Inc., ("StreetLight") for a purchase price based on an enterprise value of \$209 million on a cash-free, debt-free basis, subject to customary post-closing adjustments. StreetLight is a pioneer of mobility analytics who uses its data and machine learning resources to shed light on mobility and enable users to solve complex transportation problems.

BlackLynx

On November 19, 2021, a subsidiary of Jacobs acquired all outstanding shares of common stock of BlackLynx, a provider of high-performance software, to complement Jacobs' portfolio of cyber, intelligence and digital solutions. The Company paid total base consideration of approximately \$234.9 million in cash to the former owners of BlackLynx. In addition, the transaction involved the potential payment of future consideration that is contingent upon the achievement of certain revenue and gross margin thresholds being achieved in calendar year 2022. The estimated fair value of the contingent consideration on the acquisition date is \$1.3 million. The future contingent consideration will be paid, if and to the extent achieved, in second quarter of fiscal 2023. In conjunction with the acquisition, the Company also paid off BlackLynx's debt of approximately \$5.3 million simultaneously with the consummation of the acquisition. The following summarizes the fair values of BlackLynx's assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 5.1
Receivables	7.7
Property, equipment and improvements, net	0.8
Goodwill	158.5
Identifiable intangible assets	103.5
Prepaid expenses and other current assets	3.2
Total Assets	\$ 278.8
Liabilities	
Accounts payable, accrued expenses and other current liabilities	\$ 19.5
Other long term liabilities	23.1
Total Liabilities	42.6
Net assets acquired	\$ 236.2

The purchase price allocation is based upon preliminary information and is subject to change when additional information is obtained. Goodwill recognized 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 BlackLynx's assets acquired and liabilities assumed. The final purchase price allocation could result in adjustments to certain assets and liabilities, including the residual amount allocated to goodwill.

Identifiable intangibles are customer relationships, contracts and backlog and technology and have estimated lives of 12 and 15 years, respectively.

No summarized unaudited pro forma results are provided for the BlackLynx acquisition due to the immateriality of this acquisition relative to the Company's consolidated financial position and results of operations.

Buffalo Group

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

On November 24, 2020, a subsidiary of Jacobs completed the acquisition of Buffalo Group, a leader in advanced cyber and intelligence solutions which allows Jacobs to further expand its cyber and intelligence solutions offerings to government clients. The Company paid total consideration of \$190.1 million, which was comprised of approximately \$182.4 million in cash to the former owners of Buffalo Group and contingent consideration of \$7.7 million. The contingent consideration was subsequently recognized in fiscal 2021 as an offset to selling, general and administrative expense when it was determined no amounts would be paid. In conjunction with the acquisition, the Company assumed the Buffalo Group's debt of approximately \$7.7 million. The Company repaid all of the assumed Buffalo Group debt by the end of the first fiscal quarter of 2021. The following summarizes the fair values of Buffalo Group's assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 8.4
Receivables	19.2
Property, equipment and improvements, net	2.3
Goodwill	130.7
Identifiable intangible assets	74.0
Prepaid expenses and other current assets	6.2
Total Assets	\$ 240.8
Liabilities	
Accounts payable, accrued expenses and other current liabilities	\$ 46.9
Other long term liabilities	3.8
Total Liabilities	50.7
Net assets acquired	\$ 190.1

Goodwill recognized results from a substantial assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. All of the goodwill recognized is expected to be deductible for tax purposes, given the acquisition was structured as an asset acquisition for tax purposes. The Company has completed its final assessment of the fair values of Buffalo Group's assets acquired and liabilities assumed. Since the initial preliminary estimates reported in the first quarter of fiscal 2021, the Company has updated certain amounts reflected in the final purchase price allocation, as summarized in the fair values of Buffalo Group's assets acquired and liabilities assumed as of the acquisition date set forth above.

Identifiable intangibles are customer relationships, contracts and backlog and have estimated lives of 9 years.

No summarized unaudited pro forma results are provided for the Buffalo Group acquisition due to the immateriality of this acquisition relative to the Company's consolidated financial position and results of operations.

17. Sale of Energy, Chemicals and Resources ("ECR") Business

On April 26, 2019, Jacobs completed the sale of its ECR business to Worley for a purchase price of \$3.4 billion consisting of (i) \$2.8 billion in cash plus (ii) 58.2 million ordinary shares of Worley, subject to adjustments for changes in working capital and certain other items (the "ECR sale").

As a result of the ECR sale, substantially all ECR-related assets and liabilities were sold (the "Disposal Group"). We determined that the Disposal Group should be reported as discontinued operations in accordance with ASC 210-05, *Discontinued Operations* because their disposal represent a strategic shift that had a major effect on our operations and financial results. As such, the financial results of the ECR business are reflected in our unaudited Consolidated Statements of Earnings as discontinued operations for all periods presented.

As a result of the ECR sale, the Company recognized a pre-tax gain of approximately \$1.1 billion, \$935.1 million of which was recognized in fiscal 2019, \$110.2 million for the year ended October 2, 2020 and \$15.6 million for the year ended October 1, 2021.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

In the second quarter of fiscal 2021, the Company received final working capital settlement proceeds of \$36.4 million from Worley and as such, recorded a pre-tax gain of \$15.6 million. Offsetting the proceeds from the settlement to arrive at the net gain amount were previously recorded accounts receivable from Worley.

Investment in Worley Stock

As discussed above, the Company held ordinary shares of Worley that it received in connection with the ECR sale. Dividend income, realized gains and losses on sale and unrealized gains and losses on changes in fair value of Worley shares were recognized in miscellaneous income (expense), net in continuing operations prior to sale. The Company's investment in Worley was measured at fair value through net income as it was an equity investment with a readily determinable fair value based on quoted market prices and for the three months ended January 1, 2021, the Company recognized a \$107.7 million gain associated with share price and currency changes on this investment. The Company completed the sale of all ordinary shares of Worley it held in the fourth fiscal quarter of fiscal 2021.

18. Restructuring and Other Charges

During first quarter fiscal 2022, the Company implemented certain restructuring and integration initiatives relating to the BlackLynx acquisition, the activities of which are expected to be substantially completed before the end of fiscal 2022. Also, during first quarter fiscal 2022, the Company implemented further real estate rescuing efforts that were associated with its fiscal 2020 transformation program relating to real estate and other staffing initiatives. These initiatives are expected to continue into fiscal 2023.

During fiscal 2021, the Company implemented certain restructuring and integration initiatives relating to the Buffalo Group acquisition and the PA Consulting investment. The activities of these initiatives are substantially completed and are expected to end before the end of fiscal 2022.

Additionally, the Company recorded impairment charges on its investment in AWE during fiscal 2021. See related discussion in Note 11-Joint ventures, VIEs and other investments.

During fiscal 2019 and continuing into fiscal 2020, the Company implemented certain restructuring, separation and integration initiatives associated with the ECR sale, the acquisition of The KeyW Holding Corporation ("KeyW"), and other related cost reduction initiatives. Additionally, in fiscal 2020, the Company implemented certain restructuring and integration initiatives associated with the acquisition of John Wood Group's nuclear business. The restructuring activities and related costs were comprised mainly of separation and lease abandonment and sublease programs, while the separation and integration activities and costs were mainly related to the engagement of consulting services and internal personnel and other related costs dedicated to the Company's ECR-business separation and integration of KeyW and the John Wood Group's nuclear business. The activities of these initiatives have been substantially completed.

As part of the Company's acquisition of CH2M Hill Companies, Ltd. ("CH2M") during fiscal 2018, the Company implemented certain restructuring plans that were comprised mainly of severance and lease abandonment programs as well as integration activities involving the engagement of professional services and internal personnel dedicated to the Company's integration management efforts. These activities have continued through fiscal 2021 and are expected to be substantially completed before the end of fiscal 2022.

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 by line of business ("LOB") in connection with the CH2M, John Wood Group's nuclear business, Buffalo Group and BlackLynx acquisitions and the PA Consulting investment, the ECR sale and the Company's first quarter fiscal 2022 transformation initiatives relating to real estate and other staffing programs and impairment of the AWE Management Ltd. investment for the three months ended December 31, 2021 and the CH2M, KeyW John Wood Group's nuclear business and Buffalo Group acquisitions, the ECR sale and the Company's fourth quarter fiscal 2020 transformation initiatives relating to real estate and other staffing programs and impairment of AWE Management Ltd. investment for the three months ended January 1, 2021 (in thousands):

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

	Three Months Ended	
	December 31, 2021	January 1, 2021
Critical Mission Solutions	\$ 1,153	\$ 3,209
People & Places Solutions	61,169	5,167
PA Consulting	199	—
Corporate	6,838	40,017
Total (1)	\$ 69,359	\$ 48,393

- (1) For the three months ended December 31, 2021 and January 1, 2021, amounts include \$77.9 million and \$20.5 million, respectively, in items impacting operating profit, along with items recorded in other income (expense), net, which includes \$1.7 million in income associated with final distributions from the exit of our AWE investment and a \$(27.9) million charge, respectively, related to the impairment charges on our AWE Management Ltd. investment and a gain of \$6.9 million related to a lease termination which is reflected in other income (expense) for the three months ended January 1, 2021. See Note 20-Segment Information.

The activity in the Company's accruals for restructuring and other charges for the three months ended December 31, 2021 is as follows (in thousands):

Balance at October 1, 2021	\$ 14,031
Net (Credits) Charges (1)	(1,594)
Payments and other	(1,672)
Balance at December 31, 2021	\$ 10,765

- (1) Excludes \$70,953 in other net charges associated mainly with real estate related impairments and other transformation activities described above.

The following table summarizes the Restructuring and other charges by major type of costs for the three months ended December 31, 2021 and January 1, 2021 (in thousands):

	Three Months Ended	
	December 31, 2021	January 1, 2021
Lease Abandonments and Impairments	\$ 65,542	\$ 148
Voluntary and Involuntary Terminations	563	9,503
Outside Services	4,676	7,399
Other (1)	(1,422)	31,343
Total	\$ 69,359	\$ 48,393

- (1) Includes \$(27.9) million related to the impairment charges on our AWE Management Ltd. investment for the three months ended January 1, 2021.

Cumulative amounts incurred to date under our various restructuring and other activities described above by each major type of cost as of December 31, 2021 are as follows (in thousands):

Lease Abandonments and Impairments	\$ 383,341
Voluntary and Involuntary Terminations	145,305
Outside Services	298,670
Other	143,557
Total	\$ 970,873

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

19. Commitments and Contingencies and Derivative Financial Instruments

Derivative Financial Instruments

The Company is exposed to interest rate risk under its variable rate borrowings and additionally, due to the nature of the Company's international operations, we are at times exposed to foreign currency risk. As such, we sometimes enter into foreign exchange hedging contracts and interest rate hedging contracts in order to limit our exposure to fluctuating foreign currencies and interest rates.

The Company is party to interest rate swap agreements and a cross-currency swap agreement with notional values of \$795.7 million and \$127.8 million, respectively, as of December 31, 2021 to manage the interest rate exposure on our variable rate loans and the foreign currency exposure on our USD borrowings by a European subsidiary. By entering into the swap agreements, the Company converted the LIBOR and SONIA rate based liabilities into fixed rate liabilities and, for the cross currency swap, our LIBOR rate based borrowing in USD to a fixed rate Euro liability, for periods ranging from three and a half to ten years. For U.S. dollar denominated interest rate swap agreements, the Company receives the one month LIBOR rate and pays monthly a fixed rate ranging from 0.704% to 1.116%. For interest rate swaps denominated in British pounds, the Company receives a one month adjusted SONIA rate and pays a monthly fixed rate of 0.820%. Under the cross currency swap agreement, the Company receives the one month LIBOR rate plus 0.875% in USD and pays monthly a Euro fixed rate of 0.726% to 0.746% for the term of the swaps. The swaps were designated as cash-flow hedges in accordance with ASC 815, *Derivatives and Hedging*. See Note 4- *New Accounting Pronouncements* for additional discussion related to the application of SONIA to existing hedge contracts. The fair value of the interest rate and cross currency swaps at December 31, 2021 and October 1, 2021 was \$11.2 million and \$(0.8) million, respectively, of which \$(7.4) million is included in other deferred liabilities and \$18.6 million is included in miscellaneous other assets on the consolidated balance sheets at December 31, 2021. As of October 1, 2021, \$(11.0) million is included in other deferred liabilities and \$10.2 million is included in miscellaneous other assets on the consolidated balance sheets. The unrealized net gain (loss) on these interest rate and cross currency swaps was \$13.3 million and \$7.4 million, net of tax, and was included in accumulated other comprehensive income as of December 31, 2021 and October 1, 2021, respectively.

Additionally, the Company held foreign exchange forward contracts in currencies that support our operations, including British Pound, Euro, Australian Dollar and other currencies, with notional values of \$503.5 million at December 31, 2021 and \$506.5 million at October 1, 2021. The length of these contracts currently ranges from one to 12 months. The fair value of the foreign exchange contracts at December 31, 2021 and October 1, 2021 was \$53.8 million and \$55.5 million, respectively, which is included in current assets within receivables and contract assets on the consolidated balance sheets and with associated income statement impacts included in miscellaneous income (expense) in the consolidated statements of earnings.

The fair value measurements of these derivatives are being made using Level 2 inputs under ASC 820, *Fair Value Measurement*, as the measurements are based on observable inputs other than quoted prices in active markets. We are exposed to risk from credit-related losses resulting from nonperformance by counterparties to our financial instruments. We perform credit evaluations of our counterparties under forward exchange and interest rate contracts and expect all counterparties to meet their obligations. We have not experienced credit losses from our counterparties.

Contractual Guarantees and Insurance

In the normal course of business, we make contractual commitments (some of which are supported by separate guarantees) and on occasion we are a party in a litigation or arbitration proceeding. The litigation or arbitration in which we are involved includes personal injury claims, professional liability claims and breach of contract claims. Where we provide a separate guarantee, it is strictly in support of the underlying contractual commitment. Guarantees take various forms including surety bonds required by law, or standby letters of credit ("LOC" and also referred to as "bank guarantees") or corporate guarantees given to induce a party to enter into a contract with a subsidiary. Standby LOCs are also used as security for advance payments or in various other transactions. The guarantees have various expiration dates ranging from an arbitrary date to completion of our work (e.g., engineering only) to completion of the overall project. We record in the Consolidated Balance Sheets amounts representing our estimated liability relating to such guarantees, litigation and insurance claims. Guarantees are accounted for in accordance with ASC 460-10, *Guarantees*, at fair value at the inception of the guarantee.

At December 31, 2021 and October 1, 2021, the Company had issued and outstanding approximately \$273.7 million and \$263.8 million, respectively, in LOCs and \$2.3 billion and \$2.1 billion, respectively, in surety bonds.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

We maintain insurance coverage for most insurable aspects of our business and operations. Our insurance programs have varying coverage limits depending upon the type of insurance and include certain conditions and exclusions which insurance companies may raise in response to any claim that is asserted by or against the Company. We have also elected to retain a portion of losses and liabilities that occur through using various deductibles, limits, and retentions under our insurance programs. As a result, we may be subject to a 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 the contracts which the Company enters with its clients. 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, we are subject to many types of audits, investigations, and claims by, or on behalf of, the government including with respect to contract performance, pricing, cost allocations, procurement practices, labor practices, and socioeconomic obligations. 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 United States, as well as by various government agencies representing jurisdictions outside the United States.

Our Consolidated Balance Sheets include amounts representing our probable estimated liability relating to such claims, guarantees, litigation, 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, as well as 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. Insurance recoveries are recorded as assets if recovery is probable and estimated liabilities are not reduced by expected insurance recoveries.

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 a material adverse effect on our consolidated financial statements, beyond amounts currently accrued.

Litigation and Investigations

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 joint venture 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 ("JKC") 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 and is seeking compensatory damages in the amount of approximately \$530.0 million for repudiatory breach or, in the alternative, seeking damages for unresolved contract claims and change orders. JKC is seeking damages in excess of \$1.7 billion and has drawn on the bonds. In light of the COVID-19 pandemic, a November 2020 date for commencement of the hearing was vacated and the hearing was rescheduled for opening arguments in April 2021 and the remaining proceedings in July and August 2021. The opening arguments did occur as scheduled, but in light of the Covid-19 pandemic, the remaining proceedings were rescheduled to now occur in April and May 2022. It is anticipated that closing arguments will be made in July 2022. Although an earlier decision is possible, no decision is expected before the end of 2022 or 2023. In September 2018, JKC filed a declaratory judgment action in Western Australia alleging that the entities which executed parent company guaranties for the Consortium, including CH2M Hill Companies, Ltd., have an obligation to pay JKC's ongoing costs to complete the project after termination. A hearing on that matter was held in March 2019, and a decision in favor of the Consortium was issued. JKC appealed the decision, a hearing on the appeal took place in March 2020 and a decision was handed down in July 2020 denying JKC's appeal in its entirety. The Consortium has denied liability and is vigorously defending JKC's claims and pursuing its affirmative claims against JKC. 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, in excess of the current reserve for this matter. See Note 15- Other Business Combinations in the Company's fiscal 2021 Form 10-K for further information related to CH2M contingencies.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

On December 22, 2008, a coal fly ash pond at the Kingston Power Plant of the Tennessee Valley Authority ("TVA") was breached, releasing fly ash waste into the Emory River and surrounding community. In February 2009, TVA awarded a contract to the Company to provide project management services associated with the clean-up. All remediation and dredging were completed in August 2013 by other contractors under direct contracts with TVA. The Company did not perform the remediation, and its scope was limited to program management services. Certain employees of the contractors performing the cleanup work on the project filed lawsuits against the Company beginning in August 2013, alleging they were injured due to the Company's failure to protect the plaintiffs from exposure to fly ash, and asserting related personal injuries. The primary case, *Greg Adkisson, et al. v. Jacobs Engineering Group Inc.*, case No. 3:13-CV-505-TAV-HBG, filed in the U.S. District Court for the Eastern District of Tennessee, consists of 10 consolidated cases. This case and the related cases involve several hundred plaintiffs that were employees of the contractors that completed the remediation and dredging work. The cases are at various stages of litigation, and several of the cases are currently stayed pending resolution of other cases. Additionally, in May 2019, Roane County and the cities of Kingston and Harriman filed a lawsuit against TVA and the Company alleging that they misled the public about risks associated with the released fly ash. In October 2020, the Court granted Jacobs and TVA's motion to dismiss the Roane County litigation and closed the case. In addition, in November 2019, a resident of Roane County, Margie Delozier, filed a putative class action against TVA and the Company alleging they failed to adequately warn local residents about risks associated with the released fly ash. The Company and TVA filed separate motions to dismiss the Delozier case in April 2020. In February 2021, the Court granted dismissal of the Delozier Complaint with prejudice, with the exception of plaintiffs' nuisance cause of action, which plaintiffs voluntarily dismissed in July 2021. Finally, in August 2021, a resident of Roane County filed an action against Jacobs and TVA claiming personal injury and property damage. Separately, in February 2020, the Company learned that the district attorney in Roane County recommended that the Tennessee Bureau of Investigation investigate issues pertaining to clean up worker safety at Kingston. On November 15, 2021, the Roane County district attorney announced that it had concluded its investigation into issues pertaining to the Kingston coal ash spill cleanup. No indictments were issued. There has been no finding of liability against the Company or that any of the alleged illnesses are the result of exposure to fly ash in any of the above matters. The Company disputes the allegations asserted in all of the above matters and is vigorously defending these matters. The Company does not expect the resolution of these matters to have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

On October 31, 2019, the Company received a request from the Enforcement Division of the Securities and Exchange Commission ("the SEC") for the production of certain information and documents. The information and documents sought by the SEC primarily relate to the operations of a joint venture in Morocco which was at one time partially-owned by the Company (and subsequently divested), including in respect of possible corrupt practices. The Company is fully cooperating with the SEC and is continuing to produce information and documents in its possession in response to subsequent requests by the SEC. 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.

20. Segment Information

The Company's three operating segments are comprised of its two global lines of business ("LOBs"): Critical Mission Solutions ("CMS") and People & Places Solutions ("P&PS") and its majority investment in PA Consulting. For further information on the PA Consulting investment, refer to Note 15 - *PA Consulting Business Combination*.

The Company's Chair and Chief Executive Officer is the Chief Operating Decision Maker ("CODM") and can 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 for reporting units in accordance with ASC 350, *Intangibles-Goodwill and Other*.

Under this organization, the sales function is managed by LOB and PA Consulting, and accordingly, the associated cost is embedded in the segments and reported to the respective head of each segment. 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 Leadership Performance Plan ("LPP"), formerly named the Management Incentive Plan, 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 other corporate expenses).

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
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Financial information for each segment 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 operating segments 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 segments.

The following tables present total revenues and segment operating profit from continuing operations 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, Restructuring and other charges (as defined in Note 18 - Restructuring and Other Charges) and transaction and integration costs (in thousands).

	For the Three Months Ended	
	December 31, 2021	January 1, 2021
Revenues from External Customers:		
Critical Mission Solutions	\$ 1,162,505	\$ 1,295,287
People & Places Solutions	1,928,146	2,086,549
PA Consulting	289,974	—
Total	\$ 3,380,625	\$ 3,381,836

	For the Three Months Ended	
	December 31, 2021	January 1, 2021
Segment Operating Profit:		
Critical Mission Solutions	\$ 111,496	\$ 110,072
People & Places Solutions	191,692	196,300
PA Consulting	63,071	—
Total Segment Operating Profit	366,259	306,372
Other Corporate Expenses (1)	(105,360)	(70,341)
Restructuring, Transaction and Other Charges (2)	(83,566)	(22,091)
Total U.S. GAAP Operating Profit	177,333	213,940
Total Other (Expense) Income, net (3)	(8,243)	140,171
Earnings from Continuing Operations Before Taxes	\$ 169,090	\$ 354,111

(1) Other corporate expenses also include intangibles amortization of \$46.9 million and \$23.2 million for the three months ended December 31, 2021 and January 1, 2021, respectively, with this increase mainly attributable to the PA Consulting investment.

(2) Included in the three months ended December 31, 2021 is \$72.3 million of real estate impairment charges related to the Company's transformation initiatives.

(3) The three months ended December 31, 2021 include \$1.7 million in income associated with final distributions from the exit of our AWE investment and a gain of \$6.9 million related to a lease termination. The three months ended January 1, 2021 include \$93.1 million in fair value adjustments related to our investment in Worley stock (net of Worley stock dividend) and certain foreign currency revaluations relating to the ECR sale, \$82.6 million in fair value adjustments related to our investment in C3 stock and \$(27.9) million related to impairment charges on our AWE Management Ltd. investment. The investments in Worley and C3 were sold in fiscal 2021 and therefore there are no comparable amounts in the current quarter.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

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 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, as well as other items, where it has been determined that such adjustments are not indicative of the performance of the related LOB.

See also the further description of results of operations for our operating segments in Item 2- *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

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 31, 2021 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 2021 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 2021 Form 10-K;
- The Company's fiscal 2021 audited consolidated financial statements and notes thereto included in our 2021 Form 10-K; and
- Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2021 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. Examples of forward-looking statements include, but are not limited to, statements we make concerning the potential continued effects of the COVID-19 pandemic on our business, financial condition and results of operations and our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal 2022 or future fiscal years and the anticipated benefits of acquisitions and the strategic investment in PA Consulting. 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 you should not place undue reliance on such statements as actual results may differ materially. We caution the reader that there are a variety of risks, uncertainties and other factors that could cause actual results to differ materially from what is contained, projected or implied by our forward-looking statements. Such factors include the magnitude, timing, duration and ultimate impact of the COVID-19 pandemic, including the emergence and spread of variants of COVID-19, and any resulting economic downturn on our results, prospects and opportunities, measures or restrictions imposed by governments and health officials in response to the pandemic, or if such orders, measures or restrictions are re-imposed after being lifted or eased, including as a result of increases in cases of COVID-19; the effectiveness and distribution of vaccines or treatments for COVID-19; the timing and scope of any government stimulus programs enacted in response to the impacts of the COVID-19 pandemic, including, but not limited to, any additional infrastructure-related stimulus programs, and the timing of the award of projects and funding under the Infrastructure Investment and Jobs Act signed into law by President Biden on November 15, 2021. The impact of such matters includes, but is not limited to, the possible reduction in demand for certain of our services and the delay or abandonment of ongoing or anticipated projects due to the financial condition of our clients and suppliers or to governmental budget constraints or changes to governmental budgetary priorities; the inability of our clients to meet their payment obligations in a timely manner or at all; potential issues and risks related to a significant portion of our employees working remotely; illness, travel restrictions and other workforce disruptions that could negatively affect our supply chain and our ability to timely and satisfactorily complete our clients' projects; difficulties associated with hiring additional employees; and the inability of governments in certain of the countries in which we operate to effectively mitigate the financial or other impacts of the COVID-19 pandemic on their economies and workforces and our operations therein. The foregoing factors and potential future developments are inherently uncertain, unpredictable and, in many cases, beyond our control. For a description of these and additional factors that may occur that could cause actual results to differ from our forward-looking statements, see those listed and discussed in Item 1A, *Risk Factors* included in our 2021 Form 10-K and our Quarterly Reports on Form 10-Q. 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, as well as the financial and business disclosures contained in this Quarterly Report on Form 10-Q and in other documents we file from time to time with the United States Securities and Exchange Commission ("the SEC").

Impact of COVID-19 on Our Business

On March 11, 2020, the World Health Organization characterized the outbreak of the novel coronavirus ("COVID-19") as a global pandemic and recommended certain containment and mitigation measures. On March 13, 2020,

the United States declared a national emergency concerning the outbreak, and the vast majority of states and many municipalities have declared public health emergencies or taken similar actions. Along with these declarations, there were extraordinary and wide-ranging actions taken by international, federal, state and local public health and governmental authorities to contain and combat outbreaks of COVID-19 in regions across the United States and around the world. These actions included quarantines and “stay-at-home” or “shelter-in-place” orders, social distancing measures, travel restrictions, school closures and similar mandates for many individuals in order to substantially restrict daily activities and orders for many businesses to curtail or cease normal operations unless their work is critical, essential or life-sustaining. Although most jurisdictions in which we operate have lifted or eased such restrictions to various degrees, some jurisdictions have subsequently reimposed restrictions to varying degrees in response to increased cases caused by variants of COVID-19. In addition, governments and central banks in the United States and other countries in which we operate have periodically enacted fiscal and monetary stimulus and assistance measures to counteract the economic impacts of COVID-19.

As it became clear that the pandemic was unparalleled in the rate of community spread, we took early, decisive action to put people first, help flatten the curve and take care of our clients and communities. We successfully transitioned the vast majority of our employees to a remote working environment to support physical distancing. Where the essential and mission-critical nature of our work requires us to maintain staff at certain sites or locations, we worked closely with our clients and established project-specific plans designed to ensure the safety of our people and the integrity of our operations. Using technology and optimizing our networks, we continue to offer flexible work scenarios for our people, and to deliver business continuity for and continued collaboration with our clients.

Notwithstanding our continued critical operations, COVID-19 negatively impacted our business, and may have further adverse impacts, on our operations, including those listed and discussed in Item 1A, *Risk Factors* included in our 2021 Form 10-K. Accordingly, at the height of the pandemic, we temporarily reduced spending broadly across the Company, only proceeding with operating and capital spending that was critical. We had also temporarily ceased all non-essential hiring and reduced discretionary expenses, including temporarily suspending certain employee benefits and compensation through the end of fiscal 2020. Subsequently, we have adjusted our response according to the circumstances and local laws in the jurisdictions in which we operate, including the emergence and spread of variants, such as the omicron variant. Looking ahead, we have developed contingency plans if the situation further deteriorates or lasts longer than current expectations. We will continue to actively monitor the situation and may take further actions that alter our business operations as may be necessary or appropriate for the health and safety of employees, contractors, customers, suppliers or others or as required by international, federal, state or local authorities.

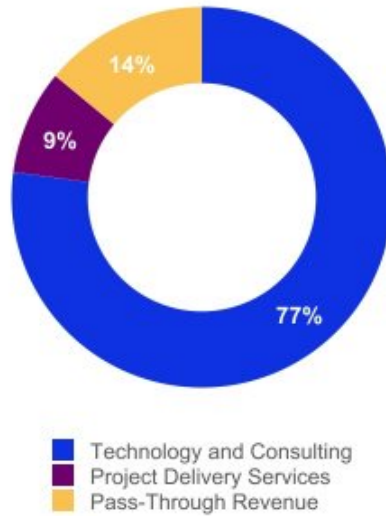
The impacts of the COVID-19 pandemic continue to be felt in our operating results as compared to business levels pre-pandemic, although not significantly impacting the current fiscal quarter as compared to the corresponding quarter of the 2021 fiscal year. Further, for future periods, significant uncertainty continues to exist concerning the magnitude, duration and impacts of the COVID-19 pandemic, including with regard to the effects on our customers, customer demand for our services and disruptions to supply chains and labor forces. Accordingly, actual results for future fiscal periods could differ materially versus current expectations and current results and financial condition discussed herein may not be indicative of future operating results and trends.

For a discussion of risks and uncertainties related to COVID-19, including the potential impacts on our business, financial condition and results of operations, see Item 1A - Risk Factors contained in our 2021 Form 10-K.

Business Overview

At Jacobs, we’re challenging today to reinvent tomorrow by solving the world’s most critical problems for thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing.

Revenue by Type (Q1 FY2022)¹



¹ Due to COVID-19 and the actions taken by governmental authorities and others related thereto, some of the information provided in this summary relating to sources of revenue could be substantially different in the remainder of fiscal 2022.

Lines of Business

The services we provide fall into the following two lines of business (LOB): Critical Mission Solutions (CMS) and People & Places Solutions (P&PS). The LOBs and a majority investment in PA Consulting (PA) constitute the Company's reportable segments. For additional information regarding our segments, including information about our financial results by segment and financial results by geography, see Note 5 - *Revenue Accounting for Contracts* of Notes to Consolidated Financial Statements.

Critical Mission Solutions (CMS)

Our Critical Mission Solutions line of business provides a full spectrum of cyber, data analytics, systems and software application integration services and consulting, enterprise level operations and maintenance and mission IT, engineering and design, enterprise operations and maintenance, program management, and other highly technical consulting solutions to government agencies as well as commercial customers and international markets. Our representative clients include the U.S. Department of Defense (DoD), the Combatant Commands, the U.S. Intelligence Community, NASA, the U.S. Department of Energy (DoE), U.K. Ministry of Defence, the U.K. Nuclear Decommissioning Authority (NDA) and the Australian Department of Defence, as well as private sector customers mainly in the aerospace, automotive, energy and telecom sectors.

The U.S. government is the world's largest buyer of technical services, and in fiscal 2021, approximately 74% of CMS's revenue was earned from serving the DoD, intelligence community and Federal Civilian governmental entities. Our international customers, which accounted for 18% of fiscal 2021 revenue, have also increased demand for our IT and cybersecurity solutions and nuclear projects, and the U.K. Ministry of Defence continues to focus on accelerating its strategic innovative and technology focused initiatives.

People & Places Solutions (P&PS)

Jacobs' People & Places Solutions line of business provides end-to-end solutions for our clients' most complex challenges - whether climate change, energy transition, connected mobility, integrated water management, smart cities or vaccine manufacturing. In doing so, we incorporate the full spectrum of data science and technology-enabled toolsets within a human-centric solution development and delivery framework. We embrace inclusive engagement of partners and stakeholders and generate enduring social equity/value through consulting, planning, architecture, design and engineering project outcomes, as well as long-term operation of facilities and infrastructure. Solutions may be delivered as standalone engagements or through comprehensive program management that integrates disparate workstreams to yield additional benefits not attainable through project-by-project implementation. We also provide progressive design-build and construction management at-risk delivery solutions in targeted markets.

Our clients include national, state and local government in the U.S., Canada, Europe, U.K., Middle East, Australia, New Zealand and Asia, as well as multinational private sector clients throughout the world.

PA Consulting

In fiscal 2021, Jacobs invested in a 65% stake in PA, the consultancy that is Bringing Ingenuity to Life. Its diverse teams of experts combine innovative thinking and breakthrough use of technologies to progress further, faster. PA's clients adapt and transform and achieve enduring results. An innovation and transformation consultancy, PA's roughly 3,300 employees work across seven sectors: consumer and manufacturing, defense and security, energy and utilities, financial services, government, health and life sciences, and transport. PA people are strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists. The team operates globally from offices across the U.K., U.S., Nordics and the Netherlands.

PA offers end-to-end innovation, accelerating new growth ideas from concept, through design, development, and to commercial success, and revitalizing organizations, building the leadership, culture, systems and processes to make innovation a reality. PA has a diverse mix of private and public sector clients, from global household names to start-ups, to national and local public services.

Results of Operations for the three months ended December 31, 2021 and January 1, 2021

(in thousands, except per share information)

	For the Three Months Ended	
	December 31, 2021	January 1, 2021
Revenues	\$ 3,380,625	\$ 3,381,836
Direct cost of contracts	(2,584,151)	(2,749,776)
Gross profit	796,474	632,060
Selling, general and administrative expenses	(619,141)	(418,120)
Operating Profit	177,333	213,940
Other Income (Expense):		
Interest income	1,501	1,124
Interest expense	(19,426)	(17,313)
Miscellaneous income, net	9,682	156,360
Total other (expense) income, net	(8,243)	140,171
Earnings from Continuing Operations Before Taxes	169,090	354,111
Income Tax Expense from Continuing Operations	(15,889)	(87,023)
Net Earnings of the Group from Continuing Operations	153,201	267,088
Net Earnings of the Group from Discontinued Operations	(232)	(14)
Net Earnings of the Group	152,969	267,074
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(9,252)	(10,026)
Net Earnings Attributable to Redeemable Noncontrolling interests	(9,683)	—
Net Earnings Attributable to Jacobs from Continuing Operations	134,266	257,062
Net Earnings Attributable to Jacobs	\$ 134,034	\$ 257,048
Net Earnings Per Share:		
Basic Net Earnings from Continuing Operations Per Share	\$ 1.04	\$ 1.98
Basic Net Earnings from Discontinued Operations Per Share	\$ —	\$ —
Basic Earnings Per Share	\$ 1.04	\$ 1.98
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.03	\$ 1.96
Diluted Net Earnings from Discontinued Operations Per Share	\$ —	\$ —
Diluted Earnings Per Share	\$ 1.03	\$ 1.96

Overview – Three Months Ended December 31, 2021

Net earnings attributable to the Company from continuing operations for the first fiscal quarter ended December 31, 2021 were \$134.3 million (or \$1.03 per diluted share), a decrease of \$122.8 million, or 47.8%, from net earnings of \$257.1 million (or \$1.96 per diluted share) for the corresponding period last year. The first fiscal quarter of 2022 was impacted by \$75.0 million in pre-tax Restructuring and other charges and transaction costs associated mainly with the Company's transformation initiatives relating to real estate which is discussed in Note 18- *Restructuring and Other Charges*. This decrease was partially offset by the current quarter operating results benefiting from our BlackLynx, Inc. ("BlackLynx"), PA Consulting and Buffalo Group investing activities. The comparable period ended January 1, 2021 benefited from \$93.1 million in pre-tax unrealized appreciation gains recorded in miscellaneous income (expense), net, associated with our investment in Worley stock and certain foreign currency revaluations relating to the ECR sale and pre-tax unrealized appreciation gains associated with our investment in C3.ai, Inc. ("C3") of \$82.6 million, which were both sold during the fiscal year ended 2021. These were partially offset by \$27.9 million in fiscal 2021 pre-tax other-than-temporary impairment charges in respect of our AWE investment.

For discussion of discontinued operations, see Note 17 - *Sale of Energy, Chemicals and Resources ("ECR") Business*.

On November 19, 2021, a subsidiary of Jacobs acquired BlackLynx. For further discussion, see Note 16- *Other Business Combinations*.

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting. For further discussion, see Note 15 - *PA Consulting Business Combination*.

On November 24, 2020, a subsidiary of Jacobs completed the acquisition of Buffalo Group. For further discussion, see Note 16- *Other Business Combinations*.

Consolidated Results of Operations

Revenues for the first fiscal quarter of 2022 were \$3.38 billion, in line with our revenues reported in the corresponding period last year. The slight decrease in revenues for the year over year period was in part due to certain contract wind downs in the U.S. and volume decreases in our P&PS America's business due to softer U.S. market conditions as well as lower pass-through revenues in advanced facilities. In addition, revenue decreases from the prior year resulted from prior year favorable foreign currency translation in our international businesses of \$24.1 million, with no significant impact in the current period. This is partly offset due to fiscal 2022 incremental revenues from the PA Consulting investment and the BlackLynx and Buffalo Group acquisitions. Pass-through costs included in revenues for the three months ended December 31, 2021 amounted to \$472.4 million, a decrease of \$176.3 million, or 27.2%, from \$648.7 million from the corresponding period last year, which was primarily attributable to our advanced facilities business.

Gross profit for the first quarter of 2022 was \$796.5 million, an increase of \$164.4 million, or 26.0%, from \$632.1 million from the corresponding period last year. Our gross profit margins were 23.6% and 18.7% for the three months ended December 31, 2021 and January 1, 2021, respectively, with these trend differences being mainly attributable to favorable margin trends from our recent PA Consulting investment, the BlackLynx and Buffalo Group acquisitions, partially offset by market conditions and certain contract wind downs in our U.S. businesses.

See **Segment Financial Information** discussion for further information on the Company's results of operations at the operating segment.

SG&A expenses for the three months ended December 31, 2021 were \$619.1 million, an increase of \$201.0 million, or 48.1%, from \$418.1 million for the corresponding period last year. The current year's three months ended results were impacted by incremental SG&A expenses from recent business acquisitions (mainly PA Consulting), of \$93.5 million and higher personnel-related costs, partly offset by lower other operational overhead costs. Additionally, higher Restructuring and other charges for the three-month period of 2022 related in part to \$73.2 million in costs associated in part with the Company's transformation initiatives relating to real estate which is discussed in Note 18- *Restructuring and Other Charges*. Prior year SG&A expenses included unfavorable impacts from foreign currency of \$3.8 million, with no significant impact in the current year period.

Net interest expense for the three months ended December 31, 2021 was \$17.9 million, an increase of \$1.7 million from \$16.2 million for the corresponding period last year. The increase in net interest expense for the three month

period year over year is due to higher levels of average debt outstanding relating in part to the funding of the PA Consulting investment and the BlackLynx acquisition, in addition to higher interest rates.

Miscellaneous income, net for the three months ended December 31, 2021 was \$9.7 million in comparison to \$156.4 million for the corresponding period last year. The \$146.7 million decrease from the prior year three-month period was due primarily to prior year pre-tax unrealized gains on the Company's equity investments in Worley and C3, which were sold during fiscal year 2021. The three months ended January 1, 2021 included \$93.1 million in pre-tax unrealized gains associated with changes in the fair value of our investment in Worley stock and certain foreign currency revaluations relating to the ECR sale and \$82.6 million in net gains related to the C3 investment. These were partially offset by \$27.9 million in fiscal 2021 pre-tax other-than-temporary impairment charges in respect of our AWE investment.

The Company's effective tax rates from continuing operations for the three months ended December 31, 2021 and January 1, 2021 were 9.4% and 24.6%, respectively. The Company's effective tax rate from continuing operations for the three months ended December 31, 2021 was lower than the corresponding rate in the prior period primarily due to a current year tax benefit of \$15.7 million related to the release of previously reserved foreign tax credits, \$4.2 million excess tax benefit attributable to stock compensation, and \$4.0 million benefit from filing amended status returns.

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.

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 from continuing operations by including certain corporate-level expenses, Restructuring and other charges and transaction and integration costs (in thousands).

	Three Months Ended	
	December 31, 2021	January 1, 2021
Revenues from External Customers:		
Critical Mission Solutions	\$ 1,162,505	\$ 1,295,287
People & Places Solutions	1,928,146	2,086,549
PA Consulting	289,974	—
Total	<u>\$ 3,380,625</u>	<u>\$ 3,381,836</u>
	Three Months Ended	
	December 31, 2021	January 1, 2021
Segment Operating Profit:		
Critical Mission Solutions	\$ 111,496	\$ 110,072
People & Places Solutions	191,692	196,300
PA Consulting	63,071	—
Total Segment Operating Profit	<u>366,259</u>	<u>306,372</u>
Other Corporate Expenses (1)	(105,360)	(70,341)
Restructuring, Transaction and Other Charges (2)	(83,566)	(22,091)
Total U.S. GAAP Operating Profit	<u>177,333</u>	<u>213,940</u>
Total Other (Expense) Income, net (3)	<u>(8,243)</u>	<u>140,171</u>
Earnings Before Taxes from Continuing Operations	<u>\$ 169,090</u>	<u>\$ 354,111</u>

- (1) Other corporate expenses also include intangibles amortization of \$46.9 million and \$23.2 million for the three months ended December 31, 2021 and January 1, 2021, respectively, with this increase mainly attributable to the PA Consulting investment.
- (2) Included in the three months ended December 31, 2021 is \$72.3 million of real estate impairment charges related to the Company's transformation initiatives.
- (3) The three months ended December 31, 2021 include \$1.7 million in income associated with final distributions from the exit of our AWE investment and a gain of \$6.9 million related to a lease termination. The three months ended January 1, 2021 include \$93.1 million in fair value adjustments related to our investment in Worley stock (net of Worley stock dividend) and certain foreign currency revaluations relating to the ECR sale, \$82.6 million in fair value adjustments related to our investment in C3 stock and \$(27.9) million related to impairment charges on our AWE Management Ltd. investment. The investments in Worley and C3 were sold in fiscal 2021 and therefore there are no comparable amounts in the current quarter.

Critical Mission Solutions

	Three Months Ended	
	December 31, 2021	January 1, 2021
Revenue	\$ 1,162,505	\$ 1,295,287
Operating Profit	\$ 111,496	\$ 110,072

Critical Mission Solutions (CMS) segment revenues for the three months ended December 31, 2021 were \$1.16 billion, a decrease of \$132.8 million, or 10.3%, from \$1.30 billion for the corresponding period last year. The decrease in revenue was primarily driven by several large contracts winding down in the U.S., partially offset by revenue growth from certain elements of our legacy portfolio, driven by increased spending by customers in the U.S. government business sector and our legacy international clients. Impacts on revenues from favorable foreign currency translation were approximately \$2.2 million for the three month period ended December 31, 2021 compared to \$4.6 million in favorable impacts in the corresponding prior year period.

Operating profit for the segment was \$111.5 million for the three months ended December 31, 2021, an increase of \$1.4 million, or 1.3%, from \$110.1 million for the corresponding period last year. This slight increase from the prior year was mainly attributable to growth in higher margin U.S. government business sectors as well as our recent acquisitions, offsetting impacts from the large contract wind downs mentioned above. Impacts on operating profit from foreign currency were not significant for either period.

People & Places Solutions

	Three Months Ended	
	December 31, 2021	January 1, 2021
Revenue	\$ 1,928,146	\$ 2,086,549
Operating Profit	\$ 191,692	\$ 196,300

Revenues for the People & Places Solutions (P&PS) segment for the three months ended December 31, 2021 was \$1.93 billion, a decrease of \$158.4 million, or 7.6%, from \$2.09 billion for the corresponding period last year. The decrease in revenue for the three months ended December 31, 2021 was primarily driven by volume decreases in our U.S. markets and lower pass through costs within our advanced facilities business. Foreign currency translation had a \$2.6 million unfavorable impact on revenues in our international businesses for the current year period. Comparatively, favorable impacts on revenues from foreign currency translation was approximately \$19.5 million for the three month period ended January 1, 2021.

Operating profit for the segment for the three months ended December 31, 2021 was \$191.7 million, a decrease of \$4.6 million, or 2.3%, from \$196.3 million for the corresponding period last year. The year-over-year decrease in operating profit for the three months ended December 31, 2021 was driven mainly by the decline in lower revenues mentioned above and higher costs associated labor, travel, and other spending as COVID-19 mitigation efforts were moderated as well as incremental investments in support of projected future growth later this year. Impacts on operating profit from foreign currency were not significant for the current year period, compared to \$2.1 million in favorable impacts in the corresponding prior year period.

PA Consulting

	Three Months Ended	
	December 31, 2021	January 1, 2021
Revenue	\$ 289,974	\$ —
Operating Profit	\$ 63,071	\$ —

Revenues for the PA Consulting segment for the three months ended December 31, 2021 were \$290.0 million. Operating profit for the segment for the three months ended January 1, 2021 was \$63.1 million. There were no comparable periods in the prior year, given the transaction closed on March 2, 2021.

Other Corporate Expenses

Other corporate expenses for the three months ended December 31, 2021 were \$105.4 million, an increase of \$35.0 million from \$70.3 million for the corresponding period last year. This increase was due primarily to higher intangible amortization expense from the PA Consulting investment and other acquisitions, as well as impacts from higher Company benefit program costs and other department spend increases.

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 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, as well as other items, where it has been determined that such adjustments are not indicative of the performance of the related LOB.

Restructuring and Other Charges

See Note 18- *Restructuring and Other Charges* for information on the Company's activity relating to restructuring and other charges.

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 Operations & Maintenance ("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, which are subject to the same policy applicable to all other O&M contracts), our policy is to include in backlog the full contract award, whether funded or unfunded, excluding option periods. Because of variations in 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, including our U.S. government work. While management uses all information available 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 Engineering, Procurement & Construction ("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 several 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.

The following table summarizes our backlog at December 31, 2021 and January 1, 2021 (in millions):

	December 31, 2021	January 1, 2021
Critical Mission Solutions	\$ 10,798	\$ 9,683
People & Places Solutions	16,932	15,422
PA Consulting	276	—
Total	<u>\$ 28,006</u>	<u>\$ 25,105</u>

The increase in backlog in Critical Mission Solutions (CMS) from January 1, 2021 was primarily driven by success in closing on a number of key opportunities in the U.S government space and the BlackLynx acquisition.

The increase in backlog in People & Places Solutions (P&PS) from January 1, 2021 was primarily driven by new business awards in our advanced facilities business.

Backlog in PA Consulting as of December 31, 2021 was \$276.0 million. The PA Consulting transaction closed on March 2, 2021.

Consolidated backlog differs from the Company's remaining performance obligations as defined by ASC 606 primarily because of our national government contracts (other than national government O&M contracts). Our policy is to generally include in backlog the full contract award, whether funded or unfunded excluding the option periods while our remaining performance obligations represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. Additionally, the Company includes our proportionate share of backlog related to unconsolidated joint ventures which is not included in our remaining performance obligations.

Liquidity and Capital Resources

At December 31, 2021, our principal sources of liquidity consisted of \$1.25 billion in cash and cash equivalents and \$1.67 billion of available borrowing capacity under our \$2.25 billion revolving credit agreement (the "Revolving Credit Facility"). We finance much of our operations and growth through cash generated by our operations.

The amount of cash and cash equivalents at December 31, 2021 represented an increase of \$230.8 million from \$1.01 billion at October 1, 2021, the reasons for which are described below.

Our cash flow provided by operations of \$321.6 million during the three months ended December 31, 2021 was favorable by \$209.0 million in comparison to the cash flow provided by operations of \$112.6 million for the corresponding prior year period. This improvement was due mainly to improved working capital performance along with favorable impacts from net cash earnings year over year. The improvement in working capital performance was primarily driven by favorability in accounts receivable collections trends along with less cash used in accrued liabilities year over year.

Our cash used for investing activities for the three months ended was \$249.6 million, compared to cash used for investing activities of \$193.2 million in the corresponding prior year period, with this change due primarily to the acquisition of BlackLynx in the current quarter and Buffalo Group in the prior year.

Our cash provided by financing activities of \$144.4 million for the three months ended December 31, 2021 resulted mainly from net proceeds from borrowings of \$231.4 million mainly in connection with the BlackLynx acquisition,

partly offset by cash used for repurchase of redeemable noncontrolling interests of \$35.1 million and \$41.6 million in dividends to shareholders and noncontrolling interests. Cash provided by financing activities in the corresponding prior year period was \$18.7 million, due primarily to net proceeds from borrowings of \$95.0 million, offset by cash used for share repurchases of \$24.8 million and \$35.7 million in dividends to shareholders and noncontrolling interests.

At December 31, 2021, the Company had approximately \$162.2 million in cash and cash equivalents held in the U.S. and \$1.08 billion held outside of the U.S. (primarily in the U.K., the Eurozone, Australia, India, Japan and the United Arab Emirates), which is used primarily for funding operations in those regions. Other than the tax cost of repatriating funds to the U.S. (see Note 7- *Income Taxes* of Notes to Consolidated Financial Statements included in our 2021 Form 10-K), there are no material impediments to repatriating these funds to the U.S.

The Company had \$273.7 million in letters of credit outstanding at December 31, 2021. Of this amount, \$1.7 million was issued under the Revolving Credit Facility and \$272.0 million was issued under separate, committed and uncommitted letter-of-credit facilities.

On February 4, 2022, the Company acquired StreetLight Data, Inc., ("StreetLight") for a purchase price based on an enterprise value of \$209 million on a cash-free, debt-free basis, subject to customary post-closing adjustments. StreetLight is a pioneer of mobility analytics who uses its data and machine learning resources to shed light on mobility and enable users to solve complex transportation problems.

On November 19, 2021, a subsidiary of Jacobs acquired all outstanding shares of common stock of BlackLynx, a provider of high-performance software, to complement Jacobs' portfolio of cyber, intelligence and digital solutions. The Company paid total base consideration of approximately \$234.9 million in cash to the former owners of BlackLynx. In addition, the transaction involved the potential payment of future consideration that is contingent upon the achievement of certain revenue and gross margin thresholds being achieved in calendar year 2022. The estimated fair value of the contingent consideration on the acquisition date is \$1.3 million. The future contingent consideration will be paid, if and to the extent achieved, in second quarter of fiscal 2023. In conjunction with the acquisition, the Company also paid off BlackLynx's debt of approximately \$5.3 million simultaneously with the consummation of the acquisition.

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting, a UK-based leading innovation and transformation consulting firm. The total consideration paid by the Company was \$1.7 billion, funded through cash on hand, proceeds from a new term loan and draws on the Company's existing revolving credit facility. Further, in connection with the transaction, an additional \$261 million in investment proceeds had not yet been distributed at the investment date due to continuing employment requirements of associated management owners. Consequently, this amount represented compensation expense incurred related to the investment that was expensed subsequent to the acquisition date, and was reflected in selling, general and administrative expense and cash from operations for the fiscal year ended October 1, 2021. The remaining 35% interest was acquired by PA Consulting employees, whose redeemable noncontrolling interests had a fair value of \$582.4 million on the closing date, including subsequent purchase accounting adjustments. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment under U.S. GAAP accounting rules. See Note 15- *PA Consulting Business Combination* for more discussion on the investment and Note 12- *Borrowings* for more discussion on the financing for the transaction.

On January 20, 2021, the Company entered into an unsecured delayed draw term loan facility (the "2021 Term Loan Facility") with a syndicate of financial institutions as lenders. Under the 2021 Term Loan Facility, the Company borrowed an aggregate principal amount of \$200.0 million and £650.0 million. The proceeds of the term loans were used primarily to fund the investment in PA Consulting. The 2021 Term Loan Facility contains affirmative and negative covenants and events of default customary for financings of this type that are consistent with those included in the Revolving Credit Facility and the 2020 Term Loan Facility.

On November 24, 2020, a subsidiary of Jacobs completed the acquisition of Buffalo Group, a leader in advanced cyber and intelligence solutions which allows Jacobs to further expand its cyber and intelligence solutions offerings to government clients. The Company paid total consideration of \$190.1 million, which was comprised of approximately \$182.4 million in cash to the former owners of Buffalo Group and contingent consideration of \$7.7 million. The contingent consideration was subsequently recognized as an offset to selling, general and administrative expense when it was determined no amounts would be paid. In conjunction with the acquisition, the Company assumed the Buffalo Group's debt of approximately \$7.7 million. The Company repaid all of the assumed Buffalo Group debt by the end of the first fiscal quarter of 2021. The Company has recorded its final purchase price allocation associated with the acquisition, which is summarized in Note 16- *Other Business Combinations*.

We believe we have adequate liquidity and capital resources to fund our projected cash requirements for the next twelve months based on the liquidity provided by our cash and cash equivalents on hand, our borrowing capacity and our continuing cash from operations. We further believe that our financial resources and discretionary spend controls, as well as near term benefits from government assistance programs, will allow us to continue managing the negative impacts of the COVID-19 pandemic on our business operations for the foreseeable future. We continue to evaluate the impact of the pandemic on our business and reassess accordingly.

We were in compliance with all of our debt covenants at December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We do not enter into derivative financial instruments for trading, speculation or other similar 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 12- *Borrowings* 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, Term Loan Facilities and Note Purchase Agreement.

Our Revolving Credit Facility, Term Loan Facilities 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 31, 2021, we had an aggregate of \$2.63 billion in outstanding borrowings under our Revolving Credit Facility and Term Loan Facilities. 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 Revolving Credit Facility and the Term Loan Facilities). Depending on the Company's Consolidated Leverage Ratio, borrowings denominated in U.S. dollars under the Revolving Credit Facility and the Term Loan Facilities bear interest at a Eurocurrency rate plus a margin of between 0.875% and 1.625% or a base rate plus a margin of between 0.0% and 0.625% including applicable margins while borrowings denominated in British pounds under these respective facilities bear interest at an adjusted SONIA rate plus a margin of between 0.875% and 1.625%. Additionally, if our Consolidated Leverage Ratio exceeds a certain amount, the interest on the Senior Notes may increase by 75 basis points. However, as discussed in Note 19- *Commitments and Contingencies and Derivative Financial Instruments*, we are party to swap agreements with an aggregate notional value of \$923.5 million to convert the variable rate interest based liabilities associated with a corresponding amount of our debt into fixed interest rate liabilities, leaving \$1.71 billion in principal amount subject to variable interest rate risk.

For the three months ended December 31, 2021, our weighted average borrowings that are subject to floating rate exposure were approximately \$1.78 billion. If floating interest rates had increased by 1.00%, our interest expense for the three months ended December 31, 2021 would have increased by approximately \$4.5 million.

Foreign Currency Risk

In situations where the Company incurs costs in currencies other than our functional currency, we sometimes enter into foreign exchange contracts 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 has \$503.5 million in notional value of exchange rate sensitive instruments at December 31, 2021. See Note 19- *Commitments and Contingencies and Derivative Financial Instruments* for discussion.

Item 4. Controls and Procedures.**Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are those controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) are recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chair and Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

The Company’s management, with the participation of its Chair 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 Exchange Act defined above, as of December 31, 2021, 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 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 SEC’s rules and forms and that such information is accumulated and communicated to the Company’s management, including the Company’s Chair and Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to our 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 31, 2021 that have materially affected, or are reasonably likely to materially affect, our 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 19- *Commitments and Contingencies and Derivative Financial Instruments* 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 2021 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. Before making an investment decision with respect to our common stock, you should carefully consider those risk factors, as well as the financial and business disclosures contained in this Quarterly Report on Form 10-Q and our other current and periodic reports filed with the SEC.

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 2022.

Share Repurchases

On January 16, 2020, the Company's Board of Directors authorized a share repurchase program of up to \$1.0 billion of the Company's common stock, to expire on January 15, 2023 (the "2020 Repurchase Authorization"). In the fourth quarter of fiscal 2021, the Company initiated an accelerated share repurchase program by advancing \$250 million to a financial institution in a privately negotiated transaction, with final non-cash settlement on the program during the first quarter of fiscal 2022 of 342,054 shares as depicted in the table below.

The following table summarizes the activity under the 2020 Repurchase Authorization through the first fiscal quarter of 2022:

Amount Authorized (2020 Repurchase Authorization)	Average Price Per Share (1)	Shares Repurchased	Total Shares Retired
\$1,000,000,000	\$137.55	342,054	342,054

(1) Includes commissions paid and calculated at the average price per share

As of December 31, 2021, the Company has \$782.9 million remaining under the 2020 Repurchase Authorization.

Our share repurchase program does not obligate the Company to purchase any shares. Share repurchases may be executed through various means including, without limitation, accelerated share repurchases, open market transactions, privately negotiated transactions, purchases pursuant to Rule 10b5-1 plans or otherwise. The authorization for the share repurchase programs may be terminated, increased or decreased by the Company's Board of Directors in its discretion at any time. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, currency fluctuations, the market price of the Company's common stock, other uses of capital and other factors.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

<u>10.1#*</u>	<u>Form of Restricted Stock Unit Agreement (Performance Shares – Earnings Per Share Growth) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).</u>
<u>10.2#*</u>	<u>Form of Restricted Stock Unit Agreement (Performance Shares – ROIC) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).</u>
<u>10.3#*</u>	<u>Form of Restricted Stock Unit Agreement (Time-Based Vesting) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).</u>
<u>10.4*</u>	<u>Second Amendment to Second Amended and Restated Credit Agreement, dated as of December 6, 2021, between Jacobs Engineering Group Inc. and Bank of America, N.A., as administrative agent, to the Second Amended and Restated Credit Agreement dated as of March 27, 2019, by and among Jacobs Engineering, Inc., the designated borrowers party thereto, the lenders party thereto, and Bank of America, N.A., as administrative agent.</u>
<u>10.5*</u>	<u>Amendment to Credit Agreement (LIBOR Transition), dated as of December 6, 2021, among Jacobs Engineering Group Inc. and Jacobs U.K. Limited, as borrowers, and Bank of America, N.A., as administrative agent, to the Credit Agreement, dated as of March 25, 2020, by and among Jacobs Engineering Group Inc. and Jacobs U.K. Limited, as borrowers, the lenders party thereto, and Bank of America, N.A., as administrative agent.</u>
<u>10.6*</u>	<u>Amendment to Term Loan Agreement (LIBOR Transition), dated as of December 6, 2021, between Jacobs Engineering Group Inc. and Bank of America, N.A., as administrative agent, to the Term Loan Agreement, dated as of January 20, 2021, among Jacobs Engineering Group Inc., the lenders party thereto, and Bank of America, N.A., as administrative agent.</u>
<u>31.1*</u>	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
<u>31.2*</u>	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
<u>32.1*</u>	<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>
<u>32.2*</u>	<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>
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Earnings, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, (formatted as Inline XBRL and contained in Exhibit 101).

Management contract or compensatory plan or arrangement

* Filed herewith

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
President
and Chief Financial Officer
(Principal Financial Officer)

Date: February 8, 2022

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

(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 or 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 target number of Restricted Stock Units Employee is eligible to earn under this Agreement is _____ (the "Target Earnings Per Share 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 Restricted Stock Units"):
 - 1. An amount, not less than zero, equal to one-third of the Target Earnings Per Share Restricted Stock Units multiplied by the Earnings Per Share Performance Multiplier (as defined herein) determined based upon the Company's Earnings Per Share (as defined herein) in fiscal year 2022; plus
 - 2. An amount, not less than zero, equal to (A) two-thirds of the Target Earnings Per Share Restricted Stock Units multiplied by the Earnings Per
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Share Performance Multiplier determined based upon the average of the Company's Earnings Per Share in fiscal years 20__ and 20__ compared to the respective prior fiscal year 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 Restricted Stock Units multiplied by the Earnings Per Share Performance Multiplier determined based upon the average of the Company's Earnings Per Share in fiscal years 20__, 20__, and 20__ as compared to each respective prior fiscal year minus (B) the amount determined pursuant to Sections 2(b)(1) and 2(b)(2) above.

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

Fiscal Year 20__

Earnings Per Share	Earnings Per Share Performance Multiplier
	0%
	25%
	100%
	200%

From Fiscal Year 20__ to Fiscal Year 20__

Average Annual Earnings Per Share	Earnings Per Share Performance Multiplier
	0%
	25%
	100%
	200%

From Fiscal Year 20__ to Fiscal Year 20__

Average Annual Earnings Per Share	Earnings Per Share Performance Multiplier
	0%
	25%
	100%
	200%

The Earnings Per Share Performance Multiplier will be determined using straight-line interpolation based on the actual average 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; (iv) changes in laws and/or regulations; and (v) natural disasters, epidemics, pandemics or other acts of God.

- (c) After the Award Date, a number of Restricted Stock Units equal to the Earned Earnings Per Share Restricted Stock Units will become 100% vested (referred to as "Vested Units") on _____, 20__ (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 Employee's Retirement, 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 death, or Disability) of the Earned Earnings Per Share Restricted Stock Units will become vested, with the remainder of the Award forfeited at that time.
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- (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 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 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 20__, the Earnings Per Share Performance Multiplier will be 100%; and (2) if the Change in Control occurs upon or after the last day of fiscal year 20__, the number of Earned Earnings Per Share 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 Restricted Stock Units multiplied by the Earnings Per Share Performance Multiplier determined based upon 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 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 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
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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, it is intended that this Award shall be exempted from the definition of “non-qualified deferred compensation” within the meaning of Section 409A of the IRS Code (together with any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury of the Internal Revenue Service, collectively “Section 409A”), and the Plan shall be interpreted accordingly (including to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code). 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. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any payment or benefit under this Agreement, or any other plan or arrangement of the Company or its affiliates, is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to Employee by reason of Employee’s termination of employment, then (a) such payment or benefit shall be made or provided to Employee only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if Employee is a “specified employee” (within the meaning of Section 409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of Employee’s separation from service (or Employee’s earlier death). Each payment under this Agreement will be treated as a separate payment 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 on or after the date on which such Vested Unit is deferred and 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 with respect to Vested Units 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 prior to vesting or 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);
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- (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. [Restrictive Covenants, Repayment Obligations and Injunctive Relief]¹

In accepting the Award, Employee acknowledges and agrees that Jacobs will be providing Employee with Jacobs' confidential, highly sensitive, proprietary, and/or trade secret information, including, but not limited to, in the very competitive consulting, engineering/advanced engineering, design, construction, construction management, project and program management, technology solutions, government and municipal services, and/or intelligence, cyber/cybersecurity and counterterrorism services businesses. In this regard, Employee also acknowledges and recognizes that Jacobs will be placing Employee in a position or in positions of trust with respect to building Jacobs' business goodwill on a global basis, and with respect to learning Jacobs' global business information of a highly sensitive, confidential, proprietary, and/or trade secret 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 (collectively, "Sensitive Information"). In accepting the award, Employee promises not to use or disclose Jacobs' Sensitive Information, other than on behalf of, and/or as authorized by, Jacobs. Employee further acknowledges and agrees that the restrictive covenants in this Section 6 and its Subsections are reasonable as to geographical area, scope and duration, and are necessary to protect Jacobs' global business goodwill and Sensitive Information that Employee will receive, and will have access to, during Employee's employment with Jacobs. Employee agrees that the

¹ Included in the award agreements for certain senior officers.

restrictive covenants do not impose a greater restraint than is necessary to protect Jacobs' goodwill and business interests. Accordingly, in accepting the Award, Employee acknowledges, understands and agrees that:

- (a) Employee shall not, during the one (1) year period following the termination of Employee's employment with Jacobs for any reason other than an involuntary layoff without Cause (as defined in the Plan), directly or indirectly, provide services to a Competitor (as defined below) that are the same or similar to those that Employee provides or has provided to Jacobs (including in a lateral or promotional position, e.g., as a Chief Executive Officer), or that are otherwise competitive with Jacobs' business, within any geographic region, area, market, district, territory, county, parish or other location for which Employee was responsible, or performed duties, for Jacobs during the last twelve (12) months of Employee's employment. Competitor, for purposes of this Subsection 6(a) (and for Subsection 6(d), below), means the consulting, engineering/advanced engineering, design, construction, construction management, project and program management, technology solutions, government and municipal services, and/or intelligence, cyber/cybersecurity and/or counterterrorism services companies in the building and infrastructure, advance facilities, transportation, water/waste water, aerospace, nuclear, and/or technology sectors in which Jacobs does business, provided that such Competitors shall for purposes of this Subsection 6(a) be confined to the Competitors listed on Exhibit "A" to this Agreement.
 - (b) All Sensitive Information and rights relating thereto shall be and remain the sole and exclusive property of Jacobs. While in the employ of Jacobs and at all times thereafter, Employee will not, without the express prior written consent of Jacobs, directly or indirectly, communicate or divulge to, or use (or permit others to communicate, divulge or use) Sensitive Information for Employee's personal benefit or for the benefit of any person, firm, partnership, entity or corporation not authorized by Jacobs. Employee will not use Sensitive Information in any way or in any capacity other than as an employee of Jacobs to further the interests of Jacobs. Notwithstanding the foregoing, Employee may disclose or use such Sensitive Information only to the extent that disclosure or use thereof is required (i) in the course of Employee's employment with Jacobs and consistent with the promotion of its best interests, or (ii) by a court or other governmental agency of competent jurisdiction, provided that Employee promptly notifies Jacobs' Legal Department and cooperates fully with Jacobs in obtaining any available protective order or the equivalent thereof prior to the disclosure of such information; provided, further that any Sensitive Information shall continue to be subject to this Agreement for other purposes to the extent it is subject to a protective order or the equivalent.
 - (c) In the event Employee breaches Subsection 6(a) and/or 6(b) of this Agreement, in addition to and without limiting any other right or remedy that Jacobs may
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have, including Jacobs' right to obtain injunctive relief pursuant to Subsection 6(g), below, an award of monetary damages, and/or any other form of remedy, Jacobs shall be entitled to receive from Employee all Common Stock that vested under this Agreement during the period beginning twelve (12) months prior to Employee's termination date. If Employee has sold, transferred, or otherwise disposed of such vested Common Stock, Jacobs shall be entitled to receive from Employee the full value of such Common Stock on the date of sale, transfer, or other disposition (less any taxes withheld at the time of vesting and any taxes withheld or otherwise paid by Employee with respect to the sale, transfer or other disposition).

- (d) While employed with Jacobs, and following termination of employment with Jacobs for any reason, Employee shall not perform work for any company or third party on any proposals, bids, statements of qualifications, or other business development tasks (collectively, "Proposals") that are open as of Employee's termination of employment date and not yet awarded as of such date that Jacobs is (i) exploring, pursuing and/or bidding upon (collectively, "Open Pursuits") and (ii) about which Employee learned or had knowledge of Jacobs', its clients' and/or its business affiliates' Sensitive Information or other confidential, proprietary and trade secret information. Employee agrees not to work, directly or indirectly, on any such Open Pursuits for any company or third party since it would not be possible for Employee to assist such company or third party in submitting any Proposals or refining offers on the same Open Pursuits without using and inevitably disclosing Jacobs', its clients' and/or its business affiliates' Sensitive Information or other confidential, proprietary and trade secret information in Employee's possession.
 - (e) For a period of one (1) year following Employee's termination of employment date, Employee shall not, either directly or indirectly, for Employee or on behalf of any third party, solicit, induce, recruit, or cause another person in the employ of Jacobs to terminate his or her employment for the purpose of joining, associating or becoming employed with any Competitor (as defined above).
 - (f) For a period of one (1) year following Employee's termination of employment date, Employee shall not, either directly or indirectly, for Employee or on behalf of any third party, solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any client, vendor or contractor of Jacobs to modify, alter and/or terminate its relationship with Jacobs.
 - (g) By accepting this Agreement, Employee hereby acknowledges (i) that the Company will suffer irreparable harm if Employee breaches his or her obligations under this Agreement; and (ii) that monetary damages will be inadequate to compensate the Company for such a breach. Therefore, Employee agrees, acknowledges and understands that if Employee breaches any of the restrictive convention provisions in this Section 6 and its Subsections, then the Company
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shall be entitled to injunctive relief, in addition to any other remedies at law or equity, to enforce such provisions.

- (h) In the event of a breach by Employee of any of the restrictive covenant provisions in Section 6 and its Subsections, Employee agrees that the restricted period applicable to the restricted covenant provision being breached shall be automatically extended for a period equal to the breaching period.
- (i) The restrictive covenant provisions are material and important terms of this Agreement, and therefore Employee further agrees that should all or any part or application of the restrictive covenant provisions of Subsections 6(a), 6(b), 6(c), and/or 6(d) of this Agreement be held or found invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction in an action between Employee and the Company, Jacobs shall be entitled to receive from Employee all Common Stock that vested under this Agreement during the period beginning twenty-four (24) months prior to Employee's termination date. If Employee has sold, transferred, or otherwise disposed of such vested Common Stock, Jacobs shall be entitled to receive from Employee the full value of such Common Stock on the date of sale, transfer, or other disposition (less any taxes withheld at the time of vesting and any taxes withheld or otherwise paid by Employee with respect to the sale, transfer or other disposition).
- (j) In case any one or more of the restrictive covenant provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement. Additionally, if any one or more of the restrictive covenant provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, scope, activity, or subject, it shall be construed or reformed by limiting and reducing it so as to be enforceable to the extent compatible with the applicable law.

7. 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.

8. 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.

9. Services as Employee

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

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 Delaware. By accepting this Agreement, Employee agrees to submit to the jurisdiction and venue of any court of competent jurisdiction in Delaware without regard to conflict of laws, rules or principles, for any claim arising out of this Agreement.

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, (i) 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 for such Inaccurate Financial Statement that are in excess of what would have been paid had such incentive-based compensation instead been determined under the accounting restatement ; and (ii) all earned but unpaid incentive-based compensation awarded to Employee during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement for such Inaccurate Financial Statement that is in excess of what would have been earned had such incentive-based compensation instead been determined under the accounting restatement shall

be forfeited. 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 the policies and procedures of the Company as may be adopted from time to time, any current or future applicable law or listing standard or regulatory body requirement. The Committee shall have final authority to determine the amount to be repaid by Employee and shall have sole and absolute discretion to offset required claw-back amounts against any payments due to Employee. 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.

**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 or 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 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 shall be equal to the sum of the following (the “Earned ROIC Restricted Stock Units”):
 - 1. An amount, not less than zero, equal to one-third of the Target ROIC Restricted Stock Units multiplied by the ROIC Performance Multiplier (as defined herein) determined based upon the Company's ROIC (as defined herein) in fiscal year 2022; plus
 - 2. An amount, not less than zero, equal to (A) two-thirds of the Target ROIC Restricted Stock Units multiplied by the ROIC Performance Multiplier

determined based upon the average ROIC in fiscal years 20__ and 20__ 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 ROIC Restricted Stock Units multiplied by the ROIC Performance Multiplier determined based upon the average ROIC in fiscal years 20__, 20__, and 20__ minus (B) the amount determined pursuant to Sections 2(b)(1) and 2(b)(2) above.

The ROIC Performance Multiplier for purposes of the above calculations will be determined by reference to the following tables based upon the average ROIC over the indicated fiscal periods:

Fiscal Year 20__

ROIC	ROIC Performance Multiplier
	0%
	25%
	100%
	200%

Fiscal Year 20__ and Fiscal Year 20__

Average ROIC	ROIC Performance Multiplier
	0%
	25%
	100%
	200%

Fiscal Year 20__, Fiscal Year 20__ and Fiscal Year 20__

Average ROIC	ROIC Performance Multiplier
	0%
	25%
	100%
	200%

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

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; (iv) changes in laws and/or regulations; and (v) natural disasters, epidemics, pandemics or other acts of God. "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 _____, 20__ (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 Employee's Retirement, 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 death, or Disability) of the
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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 20__, the ROIC Performance Multiplier will be 100%; and (2) if the Change in Control occurs upon or after the last day of fiscal year 20__, 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
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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, it is intended that this Award shall be exempted from the definition of “non-qualified deferred compensation” within the meaning of Section 409A of the IRS Code (together with any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury of the Internal Revenue Service, collectively “Section 409A”), and the Plan shall be interpreted accordingly (including to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code). 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. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any payment or benefit under this Agreement, or any other plan or arrangement of the Company or its affiliates, is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to Employee by reason of Employee’s termination of employment, then (a) such payment or benefit shall be made or provided to Employee only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if Employee is a “specified employee” (within the meaning of Section 409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of Employee’s separation from service (or Employee’s earlier death). Each payment under this Agreement will be treated as a separate payment 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 on or after the date on which such Vested Unit is deferred and 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 with respect to Vested Units 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 prior to vesting or 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,
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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. [Restrictive Covenants, Repayment Obligations and Injunctive Relief]¹

In accepting the Award, Employee acknowledges and agrees that Jacobs will be providing Employee with Jacobs' confidential, highly sensitive, proprietary, and/or trade secret information, including, but not limited to, in the very competitive consulting, engineering/advanced engineering, design, construction, construction management, project and program management, technology solutions, government and municipal services, and/or intelligence, cyber/cybersecurity and counterterrorism services businesses. In this regard, Employee also acknowledges and recognizes that Jacobs will be placing Employee in a position or in positions of trust with respect to building Jacobs' business goodwill on a global basis, and with respect to learning Jacobs' global business information of a highly sensitive, confidential, proprietary, and/or trade secret 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 (collectively, "Sensitive Information"). In accepting the award, Employee promises not to use or disclose Jacobs' Sensitive Information, other than on behalf of, and/or as authorized by, Jacobs. Employee further acknowledges and agrees that the restrictive covenants in this Section 6 and its Subsections are reasonable as to geographical area, scope and duration, and are necessary to protect Jacobs' global business goodwill and Sensitive Information that Employee will receive, and will have access to, during Employee's employment with Jacobs. Employee agrees that the restrictive covenants do not impose a greater restraint than is necessary to protect Jacobs' goodwill and business interests. Accordingly, in accepting the Award, Employee acknowledges, understands and agrees that:

¹ Included in the award agreements for certain senior officers.

- (a) Employee shall not, during the one (1) year period following the termination of Employee's employment with Jacobs for any reason other than an involuntary layoff without Cause (as defined in the Plan), directly or indirectly, provide services to a Competitor (as defined below) that are the same or similar to those that Employee provides or has provided to Jacobs (including in a lateral or promotional position, e.g., as a Chief Executive Officer), or that are otherwise competitive with Jacobs' business, within any geographic region, area, market, district, territory, county, parish or other location for which Employee was responsible, or performed duties, for Jacobs during the last twelve (12) months of Employee's employment. Competitor, for purposes of this Subsection 6(a) (and for Subsection 6(d), below), means the consulting, engineering/advanced engineering, design, construction, construction management, project and program management, technology solutions, government and municipal services, and/or intelligence, cyber/cybersecurity and/or counterterrorism services companies in the building and infrastructure, advance facilities, transportation, water/waste water, aerospace, nuclear, and/or technology sectors in which Jacobs does business, provided that such Competitors shall for purposes of this Subsection 6(a) be confined to the Competitors listed on Exhibit "A" to this Agreement.
 - (b) All Sensitive Information and rights relating thereto shall be and remain the sole and exclusive property of Jacobs. While in the employ of Jacobs and at all times thereafter, Employee will not, without the express prior written consent of Jacobs, directly or indirectly, communicate or divulge to, or use (or permit others to communicate, divulge or use) Sensitive Information for Employee's personal benefit or for the benefit of any person, firm, partnership, entity or corporation not authorized by Jacobs. Employee will not use Sensitive Information in any way or in any capacity other than as an employee of Jacobs to further the interests of Jacobs. Notwithstanding the foregoing, Employee may disclose or use such Sensitive Information only to the extent that disclosure or use thereof is required (i) in the course of Employee's employment with Jacobs and consistent with the promotion of its best interests, or (ii) by a court or other governmental agency of competent jurisdiction, provided that Employee promptly notifies Jacobs' Legal Department and cooperates fully with Jacobs in obtaining any available protective order or the equivalent thereof prior to the disclosure of such information; provided, further that any Sensitive Information shall continue to be subject to this Agreement for other purposes to the extent it is subject to a protective order or the equivalent.
 - (c) In the event Employee breaches Subsection 6(a) and/or 6(b) of this Agreement, in addition to and without limiting any other right or remedy that Jacobs may have, including Jacobs' right to obtain injunctive relief pursuant to Subsection 6(g), below, an award of monetary damages, and/or any other form of remedy, Jacobs shall be entitled to receive from Employee all Common Stock that vested under this Agreement during the period beginning twelve (12) months prior to
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Employee's termination date. If Employee has sold, transferred, or otherwise disposed of such vested Common Stock, Jacobs shall be entitled to receive from Employee the full value of such Common Stock on the date of sale, transfer, or other disposition (less any taxes withheld at the time of vesting and any taxes withheld or otherwise paid by Employee with respect to the sale, transfer or other disposition).

- (d) While employed with Jacobs, and following termination of employment with Jacobs for any reason, Employee shall not perform work for any company or third party on any proposals, bids, statements of qualifications, or other business development tasks (collectively, "Proposals") that are open as of Employee's termination of employment date and not yet awarded as of such date that Jacobs is (i) exploring, pursuing and/or bidding upon (collectively, "Open Pursuits") and (ii) about which Employee learned or had knowledge of Jacobs', its clients' and/or its business affiliates' Sensitive Information or other confidential, proprietary and trade secret information. Employee agrees not to work, directly or indirectly, on any such Open Pursuits for any company or third party since it would not be possible for Employee to assist such company or third party in submitting any Proposals or refining offers on the same Open Pursuits without using and inevitably disclosing Jacobs', its clients' and/or its business affiliates' Sensitive Information or other confidential, proprietary and trade secret information in Employee's possession.
 - (e) For a period of one (1) year following Employee's termination of employment date, Employee shall not, either directly or indirectly, for Employee or on behalf of any third party, solicit, induce, recruit, or cause another person in the employ of Jacobs to terminate his or her employment for the purpose of joining, associating or becoming employed with any Competitor (as defined above).
 - (f) For a period of one (1) year following Employee's termination of employment date, Employee shall not, either directly or indirectly, for Employee or on behalf of any third party, solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any client, vendor or contractor of Jacobs to modify, alter and/or terminate its relationship with Jacobs.
 - (g) By accepting this Agreement, Employee hereby acknowledges (i) that the Company will suffer irreparable harm if Employee breaches his or her obligations under this Agreement; and (ii) that monetary damages will be inadequate to compensate the Company for such a breach. Therefore, Employee agrees, acknowledges and understands that if Employee breaches any of the restrictive convention provisions in this Section 6 and its Subsections, then the Company shall be entitled to injunctive relief, in addition to any other remedies at law or equity, to enforce such provisions.
 - (h) In the event of a breach by Employee of any of the restrictive covenant provisions in Section 6 and its Subsections, Employee agrees that the restricted period
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applicable to the restricted covenant provision being breached shall be automatically extended for a period equal to the breaching period.

- (i) The restrictive covenant provisions are material and important terms of this Agreement, and therefore Employee further agrees that should all or any part or application of the restrictive covenant provisions of Subsections 6(a), 6(b), 6(c), and/or 6(d) of this Agreement be held or found invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction in an action between Employee and the Company, Jacobs shall be entitled to receive from Employee all Common Stock that vested under this Agreement during the period beginning twenty-four (24) months prior to Employee's termination date. If Employee has sold, transferred, or otherwise disposed of such vested Common Stock, Jacobs shall be entitled to receive from Employee the full value of such Common Stock on the date of sale, transfer, or other disposition (less any taxes withheld at the time of vesting and any taxes withheld or otherwise paid by Employee with respect to the sale, transfer or other disposition).
- (j) In case any one or more of the restrictive covenant provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement. Additionally, if any one or more of the restrictive covenant provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, scope, activity, or subject, it shall be construed or reformed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law.

7. 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.

8. 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.

9. Services as Employee

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

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 Delaware. By accepting this Agreement, Employee agrees to submit to the jurisdiction and venue of any court of competent jurisdiction in Delaware without regard to conflict of laws, rules or principles, for any claim arising out of this Agreement.

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, (i) 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 for such Inaccurate Financial Statement that are in excess of what would have been paid had such incentive-based compensation instead been determined under the accounting restatement; and (ii) all earned but unpaid incentive-based compensation awarded to Employee during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement for such Inaccurate Financial Statement that is in excess of what would have been earned had such incentive-based compensation instead been determined under the accounting restatement shall be forfeited. 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 the policies and procedures of the Company as may be adopted from time to time, any current or future applicable law or listing standard or regulatory body requirement. The Committee shall have final authority to determine the amount to be repaid by Employee

and shall have sole and absolute discretion to offset required claw-back amounts against any payments due to Employee. 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.

JACOBS ENGINEERING GROUP INC.
FORM OF RESTRICTED STOCK UNIT AGREEMENT

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.

2. Vesting, 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.
 - (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, 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 (i) the Employee's employment status with the
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Company or Related Company; (ii) the Employee's employer; and (iii) the Company's ownership interest in Employee's employer.

- (d) After the Award Date, the Restricted Stock Units [INSERT VESTING SCHEDULE] (collectively referred to as "Vested Units") on the [] anniversary of the Award Date (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 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). 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) but in no event later than 30 days following the Maturity Date (or such earlier date that the Award becomes vested). 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, it is intended that this Award shall be exempted from the definition of "non-qualified deferred compensation" within the meaning of Section 409A of the IRS Code (together with any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury of the Internal Revenue Service, collectively "Section 409A"), and the Plan shall be interpreted accordingly (including to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code). 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, including any taxes, penalties or interest imposed under Section 409A of the Code. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any payment or benefit under this Agreement, or any other plan or arrangement of the Company or its affiliates, is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to Employee by reason of Employee's termination of employment, then (a) such payment or benefit shall be made or provided to Employee

only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations and (b) if Employee is a "specified employee" (within the meaning of Section 409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of Employee's separation from service (or Employee's earlier death). Each payment under this Agreement will be treated as a separate payment under Section 409A of the Code.

4. Status of Participant

Except as set forth in the next sentence, 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. Each Restricted Stock Unit that vests solely on the passage of time ("Time-Based RSU") shall entitle the Employee to a "Dividend Equivalent Right," to the extent the Company pays an ordinary cash dividend with respect to its outstanding Jacobs 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 to the Employee in cash at the same time the underlying share of Jacobs Common Stock is delivered to the Employee. The Employee 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 Jacobs Common Stock or has been terminated), and the Employee will not be entitled to any payment for Dividend Equivalent Rights with respect to Time-Based RSUs that terminate without vesting.

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, that the Plan 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 Unit 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 Company 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 Restricted Stock Unit and the shares of Jacobs Common Stock subject to the Restricted Stock Unit, 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 Restricted Stock Unit 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 of the Restricted Stock Unit 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. [Restrictive Covenants, Repayment Obligations and Injunctive Relief]¹

¹ Included in the award agreements for certain senior officers.

In accepting the Award, Employee acknowledges and agrees that Jacobs will be providing Employee with Jacobs' confidential, highly sensitive, proprietary, and/or trade secret information, including, but not limited to, in the very competitive consulting, engineering/advanced engineering, design, construction, construction management, project and program management, technology solutions, government and municipal services, and/or intelligence, cyber/cybersecurity and counterterrorism services businesses. In this regard, Employee also acknowledges and recognizes that Jacobs will be placing Employee in a position or in positions of trust with respect to building Jacobs' business goodwill on a global basis, and with respect to learning Jacobs' global business information of a highly sensitive, confidential, proprietary, and/or trade secret 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 (collectively, "Sensitive Information"). In accepting the award, Employee promises not to use or disclose Jacobs' Sensitive Information, other than on behalf of, and/or as authorized by, Jacobs. Employee further acknowledges and agrees that the restrictive covenants in this Section 6 and its Subsections are reasonable as to geographical area, scope and duration, and are necessary to protect Jacobs' global business goodwill and Sensitive Information that Employee will receive, and will have access to, during Employee's employment with Jacobs. Employee agrees that the restrictive covenants do not impose a greater restraint than is necessary to protect Jacobs' goodwill and business interests. Accordingly, in accepting the Award, Employee acknowledges, understands and agrees that:

- (a) Employee shall not, during the one (1) year period following the termination of Employee's employment with Jacobs for any reason other than an involuntary layoff without Cause (as defined in the Plan), directly or indirectly, provide services to a Competitor (as defined below) that are the same or similar to those that Employee provides or has provided to Jacobs (including in a lateral or promotional position, e.g., as a Chief Executive Officer), or that are otherwise competitive with Jacobs' business, within any geographic region, area, market, district, territory, county, parish or other location for which Employee was responsible, or performed duties, for Jacobs during the last twelve (12) months of Employee's employment. Competitor, for purposes of this Subsection 6(a) (and for Subsection 6(d), below), means the consulting, engineering/advanced engineering, design, construction, construction management, project and program management, technology solutions, government and municipal services, and/or intelligence, cyber/cybersecurity and/or counterterrorism services companies in the building and infrastructure, advance facilities, transportation, water/waste water, aerospace, nuclear, and/or technology sectors in which Jacobs does business, provided that such Competitors shall for purposes of this Subsection 6(a) be confined to the Competitors listed on Exhibit "A" to this Agreement.
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- (b) All Sensitive Information and rights relating thereto shall be and remain the sole and exclusive property of Jacobs. While in the employ of Jacobs and at all times thereafter, Employee will not, without the express prior written consent of Jacobs, directly or indirectly, communicate or divulge to, or use (or permit others to communicate, divulge or use) Sensitive Information for Employee's personal benefit or for the benefit of any person, firm, partnership, entity or corporation not authorized by Jacobs. Employee will not use Sensitive Information in any way or in any capacity other than as an employee of Jacobs to further the interests of Jacobs. Notwithstanding the foregoing, Employee may disclose or use such Sensitive Information only to the extent that disclosure or use thereof is required (i) in the course of Employee's employment with Jacobs and consistent with the promotion of its best interests, or (ii) by a court or other governmental agency of competent jurisdiction, provided that Employee promptly notifies Jacobs' Legal Department and cooperates fully with Jacobs in obtaining any available protective order or the equivalent thereof prior to the disclosure of such information; provided, further that any Sensitive Information shall continue to be subject to this Agreement for other purposes to the extent it is subject to a protective order or the equivalent.
 - (c) In the event Employee breaches Subsection 6(a) and/or 6(b) of this Agreement, in addition to and without limiting any other right or remedy that Jacobs may have, including Jacobs' right to obtain injunctive relief pursuant to Subsection 6(g), below, an award of monetary damages, and/or any other form of remedy, Jacobs shall be entitled to receive from Employee all Common Stock that vested under this Agreement during the period beginning twelve (12) months prior to Employee's termination date. If Employee has sold, transferred, or otherwise disposed of such vested Common Stock, Jacobs shall be entitled to receive from Employee the full value of such Common Stock on the date of sale, transfer, or other disposition (less any taxes withheld at the time of vesting and any taxes withheld or otherwise paid by Employee with respect to the sale, transfer or other disposition).
 - (d) While employed with Jacobs, and following termination of employment with Jacobs for any reason, Employee shall not perform work for any company or third party on any proposals, bids, statements of qualifications, or other business development tasks (collectively, "Proposals") that are open as of Employee's termination of employment date and not yet awarded as of such date that Jacobs is (i) exploring, pursuing and/or bidding upon (collectively, "Open Pursuits") and (ii) about which Employee learned or had knowledge of Jacobs', its clients' and/or its business affiliates' Sensitive Information or other confidential, proprietary and trade secret information. Employee agrees not to work,
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directly or indirectly, on any such Open Pursuits for any company or third party since it would not be possible for Employee to assist such company or third party in submitting any Proposals or refining offers on the same Open Pursuits without using and inevitably disclosing Jacobs', its clients' and/or its business affiliates' Sensitive Information or other confidential, proprietary and trade secret information in Employee's possession.

- (e) For a period of one (1) year following Employee's termination of employment date, Employee shall not, either directly or indirectly, for Employee or on behalf of any third party, solicit, induce, recruit, or cause another person in the employ of Jacobs to terminate his or her employment for the purpose of joining, associating or becoming employed with any Competitor (as defined above).
 - (f) For a period of one (1) year following Employee's termination of employment date, Employee shall not, either directly or indirectly, for Employee or on behalf of any third party, solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any client, vendor or contractor of Jacobs to modify, alter and/or terminate its relationship with Jacobs.
 - (g) By accepting this Agreement, Employee hereby acknowledges (i) that the Company will suffer irreparable harm if Employee breaches his or her obligations under this Agreement; and (ii) that monetary damages will be inadequate to compensate the Company for such a breach. Therefore, Employee agrees, acknowledges and understands that if Employee breaches any of the restrictive covenant provisions in this Section 6 and its Subsections, then the Company shall be entitled to injunctive relief, in addition to any other remedies at law or equity, to enforce such provisions.
 - (h) In the event of a breach by Employee of any of the restrictive covenant provisions in Section 6 and its Subsections, Employee agrees that the restricted period applicable to the restricted covenant provision being breached shall be automatically extended for a period equal to the breaching period.
 - (i) The restrictive covenant provisions are material and important terms of this Agreement, and therefore Employee further agrees that should all or any part or application of the restrictive covenant provisions of Subsections 6(a), 6(b), 6(c), and/or 6(d) of this Agreement be held or found invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction in an action between Employee and the Company, Jacobs shall be entitled to receive from Employee all Common Stock that vested under this Agreement during the period beginning twenty-four (24) months prior to Employee's termination date. If Employee has sold, transferred, or otherwise disposed of such vested Common Stock, Jacobs
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shall be entitled to receive from Employee the full value of such Common Stock on the date of sale, transfer, or other disposition (less any taxes withheld at the time of vesting and any taxes withheld or otherwise paid by Employee with respect to the sale, transfer or other disposition).

- (j) In case any one or more of the restrictive covenant provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement. Additionally, if any one or more of the restrictive covenant provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, scope, activity, or subject, it shall be construed or reformed by limiting and reducing it so as to be enforceable to the extent compatible with the applicable law.

7. Data Privacy

Employee understands that the Company and/or a Related Company may hold certain personal information about the Employee, 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 ("Data").

Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Employee's personal data as described in this Agreement and any other Award materials 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.

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.

8. 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.

9. Services as Employee

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 Section, however, is intended to adversely affect any independent contractual right of the Employee without his consent thereto.

10. 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
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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.

11. 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 Delaware. By accepting this Agreement, Employee agrees to submit to the jurisdiction and venue of any court of competent jurisdiction in Delaware without regard to conflict of laws, rules or principles, for any claim arising out of this Agreement.

12. 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, (i) 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 for such Inaccurate Financial Statement that are in excess of what would have been paid had such incentive-based compensation instead been determined under the accounting restatement; and (ii) all earned but unpaid incentive-based compensation awarded to Employee during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement for such Inaccurate Financial Statement that is in excess of what would have been earned had such incentive-based compensation instead been determined under the accounting restatement shall be forfeited. 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 the policies and procedures of the Company as may be adopted from time to time, any current or future applicable law or listing standard or regulatory body requirement. The Committee shall have final authority to determine the amount to be repaid by Employee and shall have sole and absolute discretion to offset required claw-back amounts against any payments due to Employee. 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.

13. 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

**SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT
(LIBOR TRANSITION)**

THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (LIBOR TRANSITION) (this “Agreement”), dated as of December 6, 2021 (the “Amendment Effective Date”), is entered into between **JACOBS ENGINEERING GROUP INC.**, a Delaware corporation (the “Company”), and **BANK OF AMERICA, N.A.**, as administrative agent (the “Administrative Agent”).

RECITALS

WHEREAS, the Company, the Designated Borrowers party thereto, the lenders from time to time party thereto (the “Lenders”), and Bank of America, N.A., as Administrative Agent, have entered into that certain Second Amended and Restated Credit Agreement, dated as of March 27, 2019 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the “Credit Agreement”);

WHEREAS, certain loans and/or other extensions of credit (the “Loans”) under the Credit Agreement denominated in Sterling, Euros and Singapore Dollars (collectively, the “Impacted Currencies”) incur or are permitted to incur interest, fees, commissions or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration (“LIBOR”) in accordance with the terms of the Credit Agreement; and

WHEREAS, applicable parties under the Credit Agreement have determined in accordance with the Credit Agreement that LIBOR for the Impacted Currencies should be replaced with a successor rate in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent has determined that certain conforming changes are necessary or advisable.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein (including on any Appendix attached hereto) shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement.
2. Agreement. Notwithstanding any provision of the Credit Agreement or any other document related thereto (the “Loan Documents”) to the contrary, the parties hereto hereby agree that the terms set forth on Appendix A shall apply to the Impacted Currencies. For the avoidance of doubt, to the extent provisions in the Credit Agreement apply to the Impacted Currencies and such provisions are not specifically addressed by Appendix A, the provisions in the Credit Agreement shall continue to apply to the Impacted Currencies.
3. Conflict with Loan Documents. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.
4. Conditions Precedent. This Agreement shall become effective upon receipt by the Administrative Agent of counterparts of this Agreement, properly executed by the Company and the Administrative Agent.
5. Payment of Expenses. The Company agrees to reimburse the Administrative Agent for all reasonable and documented out-of-pocket fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (paid directly to such counsel if requested by the Administrative Agent).

6. Miscellaneous.

(a) The Loan Documents, and the obligations of the Borrowers under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Agreement is a Loan Document.

(b) The Company, on its own behalf and on behalf of the Designated Borrowers, (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents.

(c) The Company, on its own behalf and on behalf of the Designated Borrowers, represents and warrants that:

(i) The execution, delivery and performance by such Person of this Agreement is within such Person's organizational powers and has been duly authorized by all necessary organizational, partnership, member or other action, as applicable, as may be necessary or required.

(ii) This Agreement has been duly executed and delivered by such Person, and constitutes a valid and binding obligation of such Person, enforceable against it in accordance with the terms hereof, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(iii) The execution and delivery by such Person of this Agreement and performance by such Person of this Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (b) conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Person is a party or affecting such Person or the properties of such Person or any subsidiary thereof or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Person or any subsidiary thereof or its property is subject or (c) violate any law.

(iv) Before and after giving effect to this Agreement, (A) all representations and warranties of such Person set forth in the Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) on and as of the Amendment Effective Date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) as of such earlier date), and (B) no Event of Default exists.

(d) This Agreement may be in the form of an electronic record (in ".pdf" form or otherwise) and may be executed using electronic signatures, which shall be considered as originals and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts shall be one and the same Agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed Agreement which has been converted into electronic form (such as scanned into ".pdf" format), or an electronically signed Agreement converted into another format, for transmission, delivery and/or retention.

(e) Any provision of this Agreement held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) The terms of the Credit Agreement with respect to governing law, submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[Remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

COMPANY: **JACOBS ENGINEERING GROUP INC.**

By: /S/ Kevin Berryman
Name: Kevin Berryman
Title: Chief Financial Officer

ADMINISTRATIVE AGENT: **BANK OF AMERICA, N.A.**

By: /S/ Liliana Claar
Name: Liliana Claar
Title: Vice President

Jacobs Engineering Group, Inc. LIBOR Replacement Amendment

Appendix A

TERMS APPLICABLE TO ALTERNATIVE CURRENCY LOANS

1. Defined Terms. The following terms shall have the meanings set forth below:

“Administrative Agent’s Office” means, with respect to any currency, the Administrative Agent’s address and, as appropriate, account specified in the Credit Agreement with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Company, the L/C Issuers and the Lenders.

“Alternative Currency” means each of the following currencies: Sterling, Euros and Singapore Dollars.

“Alternative Currency Daily Rate” means, for any day, with respect to any extension of credit under the Credit Agreement:

(a) denominated in Sterling, the rate per annum equal to SONIA determined pursuant to the definition thereof plus the SONIA Adjustment; and

(b) denominated in Singapore Dollars, the rate per annum equal to the SORA Daily Rate determined pursuant to the definition thereof plus the SORA Adjustment;

provided, that, if any Alternative Currency Daily Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Any change in an Alternative Currency Daily Rate shall be effective from and including the date of such change without further notice.

“Alternative Currency Daily Rate Loan” means a Loan that bears interest at a rate based on the definition of “Alternative Currency Daily Rate.” All Alternative Currency Daily Rate Loans must be denominated in an Alternative Currency.

“Alternative Currency Loan” means an Alternative Currency Daily Rate Loan or an Alternative Currency Term Rate Loan, as applicable.

“Alternative Currency Term Rate” means, for any Interest Period, with respect to any extension of credit under the Credit Agreement denominated in Euros, the rate per annum equal to the Euro Interbank Offered Rate (“EURIBOR”), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) on the day that is two TARGET Days preceding the first day of such Interest Period with a term equivalent to such Interest Period; provided, that, if any Alternative Currency Term Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Alternative Currency Term Rate Loan” means a Loan that bears interest at a rate based on the definition of “Alternative Currency Term Rate.” All Alternative Currency Term Rate Loans must be denominated in an Alternative Currency.

“Applicable Rate” means the Applicable Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate” means the Base Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate Loans” means a Loan that bears interest at a rate based on the Base Rate.

“Borrowing” means a Committed Borrowing, Borrowing, or any similar or analogous definition in the Credit Agreement.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located; provided that

(a) if such day relates to any interest rate settings as to an Alternative Currency Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Alternative Currency Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Alternative Currency Loan, means a Business Day that is also a TARGET Day;

(b) if such day relates to any interest rate settings as to an Alternative Currency Loan denominated in (i) Sterling, means a day other than a day banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom; (ii) Singapore Dollars, means a day (other than a Saturday or Sunday) on which banks are open for general business in Singapore, and (iii) in any other Alternative Currency, means a day on which dealings in deposits in the relevant Alternative Currency are conducted by and between banks in the London or other applicable offshore interbank market for such Alternative Currency; and

(c) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Euro in respect of an Alternative Currency Loan denominated in a currency other than Euro, or any other dealings in any currency other than Euro to be carried out pursuant to this Agreement in respect of any such Alternative Currency Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Committed Loan Notice” means a Committed Loan Notice or any similar or analogous definition in the Credit Agreement, and such term shall be deemed to include the Committed Loan Notice attached hereto as Exhibit A.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SONIA, EURIBOR, SORA Daily Rate or any proposed Successor Rate for any currency, any conforming changes to the definitions of “SONIA”, “EURIBOR”, “SORA Daily Rate”, “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of “Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice for such currency (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate for such currency exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Dollar” and “\$” mean lawful money of the United States.

“Dollar Equivalent” means the Dollar Equivalent or any similar or analogous definition in the Credit Agreement.

“Eurocurrency Rate” means Eurocurrency Rate or any similar or analogous definition in the Credit Agreement.

“Eurocurrency Rate Loans” means a Loan that bears interest at a rate based on the Eurocurrency Rate.

“Interest Payment Date” means, (a) as to any Alternative Currency Daily Rate Loan, the last Business Day of each month and the applicable maturity date set forth in the Credit Agreement, and (b) as to any Alternative Currency Term Rate Loan, the last day of each Interest Period applicable to such Loan; provided, however, that if any Interest Period for an Alternative Currency Term Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall be Interest Payment Dates.

“Interest Period” means, as to each Alternative Currency Term Rate Loan, the period commencing on the date such Alternative Currency Term Rate Loan is disbursed or converted to or continued as an Alternative Currency Term Rate Loan and ending on the date one, three or six months thereafter (in each case, subject to availability for the interest rate applicable to the relevant currency), as selected by the Company in its Committed Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of an Alternative Currency Term Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to an Alternative Currency Term Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the applicable maturity date set forth in the Credit Agreement.

“Relevant Rate” means, with respect to any Loan denominated in (a) Sterling, SONIA, (b) Euros, EURIBOR, and (c) Singapore Dollars, SORA Daily Rate, as applicable.

“Required Lenders” means the Required Lenders, Requisite Lenders, Majority Lenders or any similar or analogous definition in the Credit Agreement.

“Revaluation Date” means, with respect to any Loan, each of the following: (a) each date of a Borrowing of an Alternative Currency Loan, (b) with respect to an Alternative Currency Daily Rate Loan, each Interest Payment Date, (c) each date of a continuation of an Alternative Currency Term Rate Loan pursuant to the terms of the Credit Agreement, and (d) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require.

“SONIA” means, with respect to any applicable determination date, the Sterling Overnight Index Average Reference Rate published on the fifth Business Day preceding such date on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time); provided however that if such determination date is not a Business Day, SONIA means such rate that applied on the first Business Day immediately prior thereto.

“SONIA Adjustment” means, with respect to SONIA, 0.0326% per annum.

“SORA Daily Rate” means, in relation to any Business Day:

(a) the SORA Screen Rate for that Business Day; or

(b) if the SORA Screen Rate is not available for that Business Day, a reference rate, being a daily rate, designated, nominated or recommended as the replacement for SORA Daily

Rate by the Monetary Authority of Singapore (and/or a committee officially endorsed or convened by the Monetary Authority of Singapore or any other person which takes over the administration of SORA Daily Rate); or

(c) if the SORA Screen Rate or a replacement rate referred to in clause (b) above is not available for that Business Day, a replacement rate, being a daily rate, selected by the Administrative Agent and agreed to by the Borrower, taking into account market conventions and regulatory guidance.

“SORA Adjustment” means, with respect to SORA Daily Rate, 0.08% per annum.

“SORA Screen Rate” means SORA Daily Rate as published by the Monetary Authority of Singapore (or any other person which takes over the publication of that rate) and is titled “SORA” at <https://eservices.mas.gov.sg/Statistics/dir/DomesticInterestRates.aspx> (or any replacement page which displays that rate) or on the appropriate page of such other information service which displays that rate from time to time in place of the Monetary Authority of Singapore, and if such page or service ceases to be available, the Lender may specify another page or service displaying the relevant rate after consultation with the Borrower.

“Successor Rate” means the Successor Rate, LIBOR Successor Rate or any similar or analogous definition in the Credit Agreement.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Type” means, with respect to a Loan, its character as a Base Rate Loan, a Eurocurrency Rate Loan, an Alternative Currency Daily Rate Loan or an Alternative Currency Term Rate Loan.

2. Terms Applicable to Alternative Currency Loans. From and after the Amendment Effective Date, the parties hereto agree as follows:

(a) Alternative Currencies. (i) No Alternative Currency shall be considered a currency for which there is a published LIBOR rate, and (ii) any request for a new Loan denominated in an Alternative Currency, or to continue an existing Loan denominated in an Alternative Currency, shall be deemed to be a request for a new Loan bearing interest at the Alternative Currency Daily Rate or Alternative Currency Term Rate, as applicable; provided, that, to the extent any Loan bearing interest at the Eurocurrency Rate is outstanding on the Amendment Effective Date, such Loan shall continue to bear interest at the Eurocurrency Rate until the end of the current Interest Period or payment period applicable to such Loan unless, in the case of a Loan that bears interest at a daily floating rate, such daily floating rate is no longer representative or being made available, in which case such Loan shall bear interest at the applicable Alternative Currency Rate immediately upon the effectiveness of this Agreement.

(b) References to Eurocurrency Rate and Eurocurrency Rate Loans in the Credit Agreement and Loan Documents.

(i) References to the Eurocurrency Rate and Eurocurrency Rate Loans in provisions of the Credit Agreement and the other Loan Documents that are not specifically addressed herein (other than the definitions of Eurocurrency Rate and Eurocurrency Rate Loan) shall be deemed to include Alternative Currency Daily Rates, Alternative Currency Term Rates, and Alternative Currency Loans, as applicable.

(ii) For purposes of any requirement for the Borrowers to compensate Lenders for losses in the Credit Agreement resulting from any continuation, conversion, payment or prepayment of any Alternative Currency Loan on a day other than the last day of any Interest Period (as defined in the Credit Agreement), references to the Interest Period (as defined in the Credit Agreement) shall be deemed to include any relevant interest payment date or payment period for an Alternative Currency Loan.

(c) Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Alternative Currency Daily Rate", "Alternative Currency Term Rate" or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate or the effect of any of the foregoing, or of any Conforming Changes.

(d) Revaluation Dates. The Administrative Agent shall determine the Dollar Equivalent amounts of Borrowings and Loans denominated in Alternative Currencies. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur.

(e) Borrowings and Continuations of Alternative Currency Loans. In addition to any other borrowing requirements set forth in the Credit Agreement:

(i) Alternative Currency Loans. Each Borrowing of Alternative Currency Loans, and each continuation of an Alternative Currency Term Rate Loan shall be made upon the Company's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (Eastern time) three Business Days (or five Business Days in the case of a Special Notice Currency) prior to the requested date of any Borrowing or, in the case of Alternative Currency Term Rate Loans, any continuation. Each Borrowing of or continuation of Alternative Currency Loans shall be in a principal amount of the Dollar Equivalent of \$5,000,000 or a whole multiple of the Dollar Equivalent of \$1,000,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the Company is requesting a Borrowing or a continuation of Alternative Currency Term Rate Loans, (ii) the requested date of the Borrowing or continuation, as the case may be (which shall be a Business Day), (iii) the currency and principal amount of Loans to be borrowed or continued, (iv) the Type of Loans to be borrowed, (v) if applicable, the duration of the Interest Period with respect thereto. If the Company fails to specify a currency in a Committed Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Dollars. If the Company fails to specify a Type of Loan in a Committed Loan Notice or if the Company fails to give a timely notice requesting a continuation, then the applicable Loans shall be made as Base Rate Loans denominated in Dollars; provided, however, that in the case of a failure to timely request a continuation of Alternative Currency Term Rate Loans, such Loans shall be continued as Alternative Currency Term Rate Loans in their original currency with an Interest Period of one month. If the Company requests a Borrowing of or continuation of Alternative Currency Term Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Except as otherwise specified in the Credit Agreement, no Alternative Currency Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Alternative Currency Loan and reborrowed in the other currency.

(ii) Conforming Changes. With respect to any Alternative Currency Rate the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein, in the Credit Agreement or in any

other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement, the Credit Agreement or any other Loan Document; provided, that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Company and the Lenders reasonably promptly after such amendment becomes effective.

(iii) Committed Loan Notice. For purposes of a Borrowing of Alternative Currency Loans, or a continuation of an Alternative Currency Term Rate Loan, the Company shall use the Committed Loan Notice attached hereto as Exhibit A.

(f) Interest.

(i) Subject to the provisions of the Credit Agreement with respect to default interest, (x) each Alternative Currency Daily Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternative Currency Daily Rate plus the Applicable Rate; and (y) each Alternative Currency Term Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Alternative Currency Term Rate for such Interest Period plus the Applicable Rate.

(ii) Interest on each Alternative Currency Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified the Credit Agreement. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any debtor relief law.

(g) Computations. All computations of interest for Alternative Currency Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed, or, in the case of interest in respect of Alternative Currency Loans as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Alternative Currency Loan for the day on which the Alternative Currency Loan is made, and shall not accrue on an Alternative Currency Loan, or any portion thereof, for the day on which the Alternative Currency Loan or such portion is paid, provided that any Alternative Currency Loan that is repaid on the same day on which it is made shall, subject to the terms of the Credit Agreement, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(h) Successor Rates. The provisions in the Credit Agreement addressing the replacement of a current Successor Rate for a currency shall be deemed to apply to Alternative Currency Loans and SONIA, EURIBOR and SORA Daily Rate, as applicable, and the related defined terms shall be deemed to include Sterling and Euros and SONIA, EURIBOR and SORA Daily Rate, as applicable.

Exhibit A

FORM OF COMMITTED LOAN NOTICE
(Alternative Currency Loans)

Date: _____, _____¹

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement, dated as of March 27, 2019 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “Agreement,” the terms defined therein being used herein as therein defined), among Jacobs Engineering Group Inc., a Delaware corporation (the “Company”), the Designated Borrowers from time to time party thereto, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

The Company hereby requests, on behalf of itself or, if applicable, the Designated Borrower referenced below (select one):²

Indicate:
Borrowing,
Conversion or
Continuation

Indicate:
Borrower
Name

Indicate:
Requested
Amount

Indicate:
Currency

Indicate:
Date (Business
Day)

Indicate:
Alternative
Currency Daily
Rate Loan or
Alternative
Currency Term
Rate Loan

For Alternative
Currency Term
Rate Loans
Indicate:

Interest Period (e.g.,
1, 3 or 6 month
interest period)

The Committed Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.01 of the Agreement and with the last sentence of Section 2.01 of the Agreement.

JACOBS ENGINEERING GROUP INC.

By:

Name: [Type Signatory Name]
Title: [Type Signatory Title]

¹ Note to Company. All requests submitted under a single Committed Loan Notice must be effective on the same date. If multiple effective dates are needed, multiple Committed Loan Notices will need to be prepared and signed.

² Note to Company. For multiple borrowings, conversions and/or continuations for a particular facility, fill out a new row for each borrowing/conversion and/or continuation.

**AMENDMENT TO TERM LOAN AGREEMENT
(LIBOR TRANSITION)**

THIS AMENDMENT TO TERM LOAN AGREEMENT (LIBOR TRANSITION) (this “Agreement”), dated as of December 6, 2021 (the “Amendment Effective Date”), is entered into by and among **JACOBS ENGINEERING GROUP INC.**, a Delaware corporation (the “Jacobs US”), **JACOBS U.K. LIMITED**, a private limited company incorporated under the laws of England and Wales (“Jacobs UK”, and together with Jacobs US, the “Borrowers”), and **BANK OF AMERICA, N.A.**, as administrative agent (the “Administrative Agent”).

RECITALS

WHEREAS, Jacobs US, Jacobs UK, the lenders from time to time party thereto (the “Lenders”), and Bank of America, N.A., as Administrative Agent, have entered into that certain Term Loan Agreement, dated as of March 25, 2020 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the “Credit Agreement”);

WHEREAS, certain loans and/or other extensions of credit (the “Loans”) under the Credit Agreement denominated in Sterling (the “Impacted Currency”) incur or are permitted to incur interest, fees, commissions or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration (“LIBOR”) in accordance with the terms of the Credit Agreement; and

WHEREAS, applicable parties under the Credit Agreement have determined in accordance with the Credit Agreement that LIBOR for the Impacted Currency should be replaced with a successor rate in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent has determined that certain conforming changes are necessary or advisable.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein (including on any Appendix attached hereto) shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement.
 2. Agreement. Notwithstanding any provision of the Credit Agreement or any other document related thereto (the “Loan Documents”) to the contrary, the parties hereto hereby agree that the terms set forth on Appendix A shall apply to the Impacted Currency. For the avoidance of doubt, to the extent provisions in the Credit Agreement apply to the Impacted Currency and such provisions are not specifically addressed by Appendix A, the provisions in the Credit Agreement shall continue to apply to the Impacted Currency.
 3. Conflict with Loan Documents. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.
 4. Conditions Precedent. This Agreement shall become effective upon receipt by the Administrative Agent of counterparts of this Agreement, properly executed by each Borrower and the Administrative Agent.
 5. Payment of Expenses. Jacobs US agrees to reimburse the Administrative Agent for all reasonable and documented out-of-pocket fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (paid directly to such counsel if requested by the Administrative Agent).
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6. Miscellaneous.

(a) The Loan Documents, and the obligations of the Borrowers under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Agreement is a Loan Document.

(b) Each Borrower (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents.

(c) Each Borrower represents and warrants that:

(i) The execution, delivery and performance by such Person of this Agreement is within such Person's organizational powers and has been duly authorized by all necessary organizational, partnership, member or other action, as applicable, as may be necessary or required.

(ii) This Agreement has been duly executed and delivered by such Person, and constitutes a valid and binding obligation of such Person, enforceable against it in accordance with the terms hereof, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(iii) The execution and delivery by such Person of this Agreement and performance by such Person of this Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (b) conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Person is a party or affecting such Person or the properties of such Person or any subsidiary thereof or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Person or any subsidiary thereof or its property is subject or (c) violate any law.

(iv) Before and after giving effect to this Agreement, (A) all representations and warranties of such Person set forth in the Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) on and as of the Amendment Effective Date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) as of such earlier date), and (B) no Event of Default exists.

(d) This Agreement may be in the form of an electronic record (in ".pdf" form or otherwise) and may be executed using electronic signatures, which shall be considered as originals and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts shall be one and the same Agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed Agreement which has been converted into electronic form (such as scanned into ".pdf" format), or an electronically signed Agreement converted into another format, for transmission, delivery and/or retention.

(e) Any provision of this Agreement held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality,

invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) The terms of the Credit Agreement with respect to governing law, submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[Remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BORROWERS: JACOBS ENGINEERING GROUP INC.

By: /S/ Kevin Berryman
Name: Kevin Berryman
Title: Chief Financial Officer

JACOBS U.K. LIMITED

By: /S/ Kevin Berryman
Name: Kevin Berryman
Title: Director

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Jacobs Engineering Group Inc.
LIBOR Replacement Amendment (2020 Term Loan)

ADMINISTRATIVE AGENT: **BANK OF AMERICA, N.A**

By: /S/ Liliana Claar
Name: Liliana Claar
Title: Vice President

Jacobs Engineering Group Inc.
LIBOR Replacement Amendment (2020 Term Loan)

Appendix A

TERMS APPLICABLE TO ALTERNATIVE CURRENCY DAILY RATE LOANS

1. Defined Terms. The following terms shall have the meanings set forth below:

“Administrative Agent’s Office” means, with respect to any currency, the Administrative Agent’s address and, as appropriate, account specified in the Credit Agreement with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Borrowers and the Lenders.

“Alternative Currency” means the following currency: Sterling.

“Alternative Currency Daily Rate” means, for any day, with respect to any extension of credit under the Credit Agreement denominated in Sterling, the rate per annum equal to SONIA determined pursuant to the definition thereof plus the SONIA Adjustment; provided, that, if any Alternative Currency Daily Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Any change in the Alternative Currency Daily Rate shall be effective from and including the date of such change without further notice.

“Alternative Currency Daily Rate Loan” means a Loan that bears interest at a rate based on the definition of “Alternative Currency Daily Rate.” All Alternative Currency Daily Rate Loans must be denominated in the Alternative Currency.

“Applicable Rate” means the Applicable Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate” means the Base Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate Loans” means a Loan that bears interest at a rate based on the Base Rate.

“Borrowing” means a GBP Term Borrowing, or any similar or analogous definition in the Credit Agreement.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, New York or such other state where the Administrative Agent’s Office with respect to Obligations denominated in U.S. Dollars is located; provided that if such day relates to any interest rate settings as to an Alternative Currency Daily Rate Loan denominated in Sterling, “Business Day” means a day other than a day banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom.

“Loan Notice” means a Loan Notice or any similar or analogous definition in the Credit Agreement, and such term shall be deemed to include the Loan Notice attached hereto as Exhibit A.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SONIA or any proposed Successor Rate for any currency, any conforming changes to the definitions of “SONIA”, “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of “Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice for such currency (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of

such rate for such currency exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Dollar” and “\$” mean lawful money of the United States.

“Dollar Equivalent” means the Dollar Equivalent or any similar or analogous definition in the Credit Agreement.

“Eurocurrency Rate” means Eurocurrency Rate or any similar or analogous definition in the Credit Agreement.

“Eurocurrency Rate Loans” means a Loan that bears interest at a rate based on the Eurocurrency Rate.

“Interest Payment Date” means, as to any Alternative Currency Daily Rate Loan, the last Business Day of each month and the applicable maturity date set forth in the Credit Agreement.

“Relevant Rate” means, with respect to any Loan denominated in Sterling, SONIA.

“Required Lenders” means the Required GBP Term Lenders or any similar or analogous definition in the Credit Agreement.

“Revaluation Date” means, with respect to any Loan, each of the following: (a) with respect to an Alternative Currency Daily Rate Loan, each Interest Payment Date, and (b) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require.

“SONIA” means, with respect to any applicable determination date, the Sterling Overnight Index Average Reference Rate published on the fifth Business Day preceding such date on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time); provided however that if such determination date is not a Business Day, SONIA means such rate that applied on the first Business Day immediately prior thereto.

“SONIA Adjustment” means, with respect to SONIA, 0.0326% per annum. “Successor Rate” means the Successor Rate, LIBOR Successor Rate or any similar or analogous definition in the Credit Agreement.

2. Terms Applicable to Alternative Currency Daily Rate Loans. From and after the Amendment Effective Date, the parties hereto agree as follows:

(a) Alternative Currencies. (i) No Alternative Currency shall be considered a currency for which there is a published LIBOR rate, and (ii) any request for a new Loan denominated in the Alternative Currency, or to continue an existing Loan denominated in the Alternative Currency, shall be deemed to be a request for a new Loan bearing interest at the Alternative Currency Daily Rate; provided, that, to the extent any Loan bearing interest at the Eurocurrency Rate is outstanding on the Amendment Effective Date, such Loan shall continue to bear interest at the Eurocurrency Rate until the end of the current Interest Period or payment period applicable to such Loan unless, in the case of a Loan that bears interest at a daily floating rate, such daily floating rate is no longer representative or being made available, in which case such Loan shall bear interest at the applicable Alternative Currency Daily Rate immediately upon the effectiveness of this Agreement.

(b) References to Eurocurrency Rate and Eurocurrency Rate Loans in the Credit Agreement and Loan Documents.

(i) References to the Eurocurrency Rate and Eurocurrency Rate Loans in provisions of the Credit Agreement and the other Loan Documents that are not specifically addressed herein (other than the definitions of Eurocurrency Rate and Eurocurrency Rate Loan) shall be deemed to include Alternative Currency Daily Rates.

(ii) For purposes of any requirement for the Borrowers to compensate Lenders for losses in the Credit Agreement resulting from any continuation, conversion, payment or prepayment of any Alternative Currency Daily Rate Loan on a day other than the last day of any Interest Period (as defined in the Credit Agreement), references to the Interest Period (as defined in the Credit Agreement) shall be deemed to include any relevant interest payment date or payment period for an Alternative Currency Daily Rate Loan.

(c) Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Alternative Currency Daily Rate" or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate or the effect of any of the foregoing, or of any Conforming Changes.

(d) Revaluation Dates. The Administrative Agent shall determine the Dollar Equivalent amounts of Borrowings and Loans denominated in the Alternative Currency. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur.

(e) Borrowings of Alternative Currency Daily Rate Loans. In addition to any other borrowing requirements set forth in the Credit Agreement:

(i) Alternative Currency Daily Rate Loans. Each Borrowing of Alternative Currency Daily Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (Eastern time) three Business Days prior to the requested date of any Borrowing. Each Borrowing of Alternative Currency Daily Rate Loans shall be in a principal amount of the Dollar Equivalent of £5,000,000 or a whole multiple of £1,000,000 in excess thereof. Each Loan Notice shall specify (i) which Borrower is requesting a Borrowing of Alternative Currency Daily Rate Loans, (ii) the requested date of the Borrowing (which shall be a Business Day), and (iii) the currency and principal amount of Loans to be borrowed. Except as otherwise specified in the Credit Agreement, no Alternative Currency Daily Rate Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Alternative Currency Daily Rate Loan and reborrowed in the other currency.

(ii) Conforming Changes. With respect to any Alternative Currency Daily Rate the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein, in the Credit Agreement or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement, the Credit Agreement or any other Loan Document; provided, that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrowers and the Lenders reasonably promptly after such amendment becomes effective.

(iii) Loan Notice. For purposes of a Borrowing of Alternative Currency Daily Rate Loans, the applicable Borrower shall use the Loan Notice attached hereto as Exhibit A.

(f) Interest.

(i) Subject to the provisions of the Credit Agreement with respect to default interest, each Alternative Currency Daily Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternative Currency Daily Rate plus the Applicable Rate.

(ii) Interest on each Alternative Currency Daily Rate Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified the Credit Agreement. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any debtor relief law.

(g) Computations. All computations of interest for Alternative Currency Daily Rate Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed, or, in the case of interest in respect of Alternative Currency Daily Rate Loans as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Alternative Currency Daily Rate Loan for the day on which the Alternative Currency Daily Rate Loan is made, and shall not accrue on an Alternative Currency Daily Rate Loan, or any portion thereof, for the day on which the Alternative Currency Daily Rate Loan or such portion is paid, provided that any Alternative Currency Daily Rate Loan that is repaid on the same day on which it is made shall, subject to the terms of the Credit Agreement, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(h) Successor Rates. The provisions in the Credit Agreement addressing the replacement of a current Successor Rate for a currency shall be deemed to apply to Alternative Currency Daily Rate Loans and SONIA, and the related defined terms shall be deemed to include Sterling and SONIA.

Exhibit A

FORM OF LOAN NOTICE
(Alternative Currency Daily Rate Loans)

Date: _____, _____¹

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Term Loan Agreement, dated as of March 25, 2020 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “Agreement,” the terms defined therein being used herein as therein defined), among Jacobs Engineering Group Inc., a Delaware corporation (the “Jacobs US”), Jacobs U.K Limited, a private limited company incorporated under the laws of England and Wales (“Jacobs UK”), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

[Jacobs US] [Jacobs UK] hereby requests a GBP Term Borrowing in Sterling at the Alternative Currency Daily Rate as follows:²

Indicate:
Borrower Name

Indicate:
Requested Amount

Indicate:
Date (Business Day)

[JACOBS ENGINEERING GROUP INC.]
[JACOBS U.K. LIMITED]

By:_____
Name: [Type Signatory Name]
Title: [Type Signatory Title]

¹ Note to Borrowers. All requests submitted under a single Loan Notice must be effective on the same date. If multiple effective dates are needed, multiple Loan Notices will need to be prepared and signed.

² Note to Borrowers. For multiple borrowings, fill out a new row for each borrowing.

**AMENDMENT TO TERM LOAN AGREEMENT
(LIBOR TRANSITION)**

THIS AMENDMENT TO TERM LOAN AGREEMENT (LIBOR TRANSITION) (this “Agreement”), dated as of December 6, 2021 (the “Amendment Effective Date”), is entered into between **JACOBS ENGINEERING GROUP INC.**, a Delaware corporation (the “Company”), and **BANK OF AMERICA, N.A.**, as administrative agent (the “Administrative Agent”).

RECITALS

WHEREAS, the Company, the Designated Borrowers party thereto, the lenders from time to time party thereto (the “Lenders”), and Bank of America, N.A., as Administrative Agent, have entered into that certain Term Loan Agreement, dated as of January 20, 2021 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the “Credit Agreement”);

WHEREAS, certain loans and/or other extensions of credit (the “Loans”) under the Credit Agreement denominated in Sterling (the “Impacted Currency”) incur or are permitted to incur interest, fees, commissions or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration (“LIBOR”) in accordance with the terms of the Credit Agreement; and

WHEREAS, applicable parties under the Credit Agreement have determined in accordance with the Credit Agreement that LIBOR for the Impacted Currency should be replaced with a successor rate in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent has determined that certain conforming changes are necessary or advisable.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein (including on any Appendix attached hereto) shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement.
2. Agreement. Notwithstanding any provision of the Credit Agreement or any other document related thereto (the “Loan Documents”) to the contrary, the parties hereto hereby agree that the terms set forth on Appendix A shall apply to the Impacted Currency. For the avoidance of doubt, to the extent provisions in the Credit Agreement apply to the Impacted Currency and such provisions are not specifically addressed by Appendix A, the provisions in the Credit Agreement shall continue to apply to the Impacted Currency.
3. Conflict with Loan Documents. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.
4. Conditions Precedent. This Agreement shall become effective upon receipt by the Administrative Agent of counterparts of this Agreement, properly executed by the Company and the Administrative Agent.
5. Payment of Expenses. The Company agrees to reimburse the Administrative Agent for all reasonable and documented out-of-pocket fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (paid directly to such counsel if requested by the Administrative Agent).

6. Miscellaneous.

(a) The Loan Documents, and the obligations of the Borrowers under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Agreement is a Loan Document.

(b) The Company, on its own behalf and on behalf of the Designated Borrowers, (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents.

(c) The Company, on its own behalf and on behalf of the Designated Borrowers, represents and warrants that:

(i) The execution, delivery and performance by such Person of this Agreement is within such Person's organizational powers and has been duly authorized by all necessary organizational, partnership, member or other action, as applicable, as may be necessary or required.

(ii) This Agreement has been duly executed and delivered by such Person, and constitutes a valid and binding obligation of such Person, enforceable against it in accordance with the terms hereof, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(iii) The execution and delivery by such Person of this Agreement and performance by such Person of this Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (b) conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Person is a party or affecting such Person or the properties of such Person or any subsidiary thereof or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Person or any subsidiary thereof or its property is subject or (c) violate any law.

(iv) Before and after giving effect to this Agreement, (A) all representations and warranties of such Person set forth in the Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) on and as of the Amendment Effective Date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) as of such earlier date), and (B) no Event of Default exists.

(d) This Agreement may be in the form of an electronic record (in ".pdf" form or otherwise) and may be executed using electronic signatures, which shall be considered as originals and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts shall be one and the same Agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed Agreement which has been converted into electronic form (such as scanned into ".pdf" format), or an electronically signed Agreement converted into another format, for transmission, delivery and/or retention.

(e) Any provision of this Agreement held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) The terms of the Credit Agreement with respect to governing law, submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[Remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

COMPANY: **JACOBS ENGINEERING GROUP INC.**

By: /S/ Kevin Berryman
Name: Kevin Berryman
Title: Chief Financial Officer

Jacobs Engineering Group Inc.
LIBOR Replacement Amendment (2021 Term Loan)

ADMINISTRATIVE AGENT: **BANK OF AMERICA, N.A**

By: /S/ Liliana Claar
Name: Liliana Claar
Title: Vice President

Jacobs Engineering Group Inc.
LIBOR Replacement Amendment (2021 Term Loan)

Appendix A

TERMS APPLICABLE TO ALTERNATIVE CURRENCY DAILY RATE LOANS

1. Defined Terms. The following terms shall have the meanings set forth below:

“Administrative Agent’s Office” means, with respect to any currency, the Administrative Agent’s address and, as appropriate, account specified in the Credit Agreement with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Company and the Lenders.

“Alternative Currency” means the following currency: Sterling.

“Alternative Currency Daily Rate” means, for any day, with respect to any extension of credit under the Credit Agreement denominated in Sterling, the rate per annum equal to SONIA determined pursuant to the definition thereof plus the SONIA Adjustment; provided, that, if any Alternative Currency Daily Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Any change in the Alternative Currency Daily Rate shall be effective from and including the date of such change without further notice.

“Alternative Currency Daily Rate Loan” means a Loan that bears interest at a rate based on the definition of “Alternative Currency Daily Rate.” All Alternative Currency Daily Rate Loans must be denominated in the Alternative Currency.

“Applicable Rate” means the Applicable Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate” means the Base Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate Loans” means a Loan that bears interest at a rate based on the Base Rate.

“Borrowing” means a GBP Term Borrowing, or any similar or analogous definition in the Credit Agreement.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, New York or such other state where the Administrative Agent’s Office with respect to Obligations denominated in U.S. Dollars is located; provided that if such day relates to any interest rate settings as to an Alternative Currency Daily Rate Loan denominated in Sterling, “Business Day” means a day other than a day banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom.

“Loan Notice” means a Loan Notice or any similar or analogous definition in the Credit Agreement, and such term shall be deemed to include the Loan Notice attached hereto as Exhibit A.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SONIA or any proposed Successor Rate for any currency, any conforming changes to the definitions of “SONIA”, “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of “Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice for such currency (or, if the Administrative Agent determines that adoption of any portion of such

market practice is not administratively feasible or that no market practice for the administration of such rate for such currency exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Dollar” and “\$” mean lawful money of the United States.

“Dollar Equivalent” means the Dollar Equivalent or any similar or analogous definition in the Credit Agreement.

“Eurocurrency Rate” means Eurocurrency Rate or any similar or analogous definition in the Credit Agreement.

“Eurocurrency Rate Loans” means a Loan that bears interest at a rate based on the Eurocurrency Rate.

“Interest Payment Date” means, as to any Alternative Currency Daily Rate Loan, the last Business Day of each month and the applicable maturity date set forth in the Credit Agreement.

“Relevant Rate” means, with respect to any Loan denominated in Sterling, SONIA.

“Required Lenders” means the Required GBP Term Lenders or any similar or analogous definition in the Credit Agreement.

“Revaluation Date” means, with respect to any Loan, each of the following: (a) with respect to an Alternative Currency Daily Rate Loan, each Interest Payment Date, and (b) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require.

“SONIA” means, with respect to any applicable determination date, the Sterling Overnight Index Average Reference Rate published on the fifth Business Day preceding such date on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time); provided however that if such determination date is not a Business Day, SONIA means such rate that applied on the first Business Day immediately prior thereto.

“SONIA Adjustment” means, with respect to SONIA, 0.0326% per annum. “Successor Rate” means the Successor Rate, LIBOR Successor Rate or any similar or analogous definition in the Credit Agreement.

2. Terms Applicable to Alternative Currency Daily Rate Loans. From and after the Amendment Effective Date, the parties hereto agree as follows:

(a) Alternative Currencies. (i) No Alternative Currency shall be considered a currency for which there is a published LIBOR rate, and (ii) any request for a new Loan denominated in the Alternative Currency, or to continue an existing Loan denominated in the Alternative Currency, shall be deemed to be a request for a new Loan bearing interest at the Alternative Currency Daily Rate; provided, that, to the extent any Loan bearing interest at the Eurocurrency Rate is outstanding on the Amendment Effective Date, such Loan shall continue to bear interest at the Eurocurrency Rate until the end of the current Interest Period or payment period applicable to such Loan unless, in the case of a Loan that bears interest at a daily floating rate, such daily floating rate is no longer representative or being made available, in which case such Loan shall bear interest at the applicable Alternative Currency Daily Rate immediately upon the effectiveness of this Agreement.

(b) References to Eurocurrency Rate and Eurocurrency Rate Loans in the Credit Agreement and Loan Documents.

(i) References to the Eurocurrency Rate and Eurocurrency Rate Loans in provisions of the Credit Agreement and the other Loan Documents that are not specifically addressed herein (other than the definitions of Eurocurrency Rate and Eurocurrency Rate Loan) shall be deemed to include Alternative Currency Daily Rates.

(ii) For purposes of any requirement for the Borrowers to compensate Lenders for losses in the Credit Agreement resulting from any continuation, conversion, payment or prepayment of any Alternative Currency Daily Rate Loan on a day other than the last day of any Interest Period (as defined in the Credit Agreement), references to the Interest Period (as defined in the Credit Agreement) shall be deemed to include any relevant interest payment date or payment period for an Alternative Currency Daily Rate Loan.

(c) Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Alternative Currency Daily Rate" or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate or the effect of any of the foregoing, or of any Conforming Changes.

(d) Revaluation Dates. The Administrative Agent shall determine the Dollar Equivalent amounts of Borrowings and Loans denominated in the Alternative Currency. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur.

(e) Borrowings of Alternative Currency Daily Rate Loans. In addition to any other borrowing requirements set forth in the Credit Agreement:

(i) Alternative Currency Daily Rate Loans. Each Borrowing of Alternative Currency Daily Rate Loans shall be made upon the Company's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (Eastern time) three Business Days prior to the requested date of any Borrowing. Each Borrowing of Alternative Currency Daily Rate Loans shall be in a principal amount of the Dollar Equivalent of £5,000,000 or a whole multiple of £1,000,000 in excess thereof. Each Loan Notice shall specify (i) which Borrower is requesting a Borrowing of Alternative Currency Daily Rate Loans, (ii) the requested date of the Borrowing (which shall be a Business Day), and (iii) the currency and principal amount of Loans to be borrowed. Except as otherwise specified in the Credit Agreement, no Alternative Currency Daily Rate Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Alternative Currency Daily Rate Loan and reborrowed in the other currency.

(ii) Conforming Changes. With respect to any Alternative Currency Daily Rate the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein, in the Credit Agreement or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement, the Credit Agreement or any other Loan Document; provided, that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Company and the Lenders reasonably promptly after such amendment becomes effective.

(iii) Loan Notice. For purposes of a Borrowing of Alternative Currency Daily Rate Loans, the Company shall use the Loan Notice attached hereto as Exhibit A.

(f) Interest.

(i) Subject to the provisions of the Credit Agreement with respect to default interest, each Alternative Currency Daily Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternative Currency Daily Rate plus the Applicable Rate.

(ii) Interest on each Alternative Currency Daily Rate Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified the Credit Agreement. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any debtor relief law.

(g) Computations. All computations of interest for Alternative Currency Daily Rate Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed, or, in the case of interest in respect of Alternative Currency Daily Rate Loans as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Alternative Currency Daily Rate Loan for the day on which the Alternative Currency Daily Rate Loan is made, and shall not accrue on an Alternative Currency Daily Rate Loan, or any portion thereof, for the day on which the Alternative Currency Daily Rate Loan or such portion is paid, provided that any Alternative Currency Daily Rate Loan that is repaid on the same day on which it is made shall, subject to the terms of the Credit Agreement, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(h) Successor Rates. The provisions in the Credit Agreement addressing the replacement of a current Successor Rate for a currency shall be deemed to apply to Alternative Currency Daily Rate Loans and SONIA, and the related defined terms shall be deemed to include Sterling and SONIA.

Exhibit A

FORM OF LOAN NOTICE
(Alternative Currency Daily Rate Loans)

Date: _____, _____¹

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Term Loan Agreement, dated as of January 20, 2021 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “Agreement,” the terms defined therein being used herein as therein defined), among Jacobs Engineering Group Inc., a Delaware corporation (the “Company”), certain subsidiaries of the Company party thereto pursuant to Section 2.13 of the Agreement (each a “Designated Borrower” and, together with the Company, the “Borrowers” and each a “Borrower”), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Company hereby requests a GBP Term Borrowing in Sterling at the Alternative Currency Daily Rate as follows:²

Indicate:
Borrower Name

Indicate:
Requested Amount

Indicate:
Date (Business Day)

JACOBS ENGINEERING GROUP INC.

By: _____
Name: [Type Signatory Name]
Title: [Type Signatory Title]

¹ Note to Company. All requests submitted under a single Loan Notice must be effective on the same date. If multiple effective dates are needed, multiple Loan Notices will need to be prepared and signed.

² Note to Company. For multiple borrowings, fill out a new row for each borrowing..

**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 31, 2021 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 8, 2022

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 31, 2021 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 8, 2022

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 31, 2021 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 8, 2022

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 31, 2021 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
President
and Chief Financial Officer

February 8, 2022

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.