

**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 30, 2022

☐ **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 SOLUTIONS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

88-1121891

(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 27, 2023: 126,714,126

JACOBS SOLUTIONS INC.

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Part I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	December 30, 2022	September 30, 2022
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,211,102	\$ 1,140,479
Receivables and contract assets	3,439,940	3,405,381
Prepaid expenses and other	156,704	176,134
Total current assets	<u>4,807,746</u>	<u>4,721,994</u>
Property, Equipment and Improvements, net	<u>356,784</u>	<u>346,676</u>
Other Noncurrent Assets:		
Goodwill	7,341,082	7,184,658
Intangibles, net	1,411,959	1,394,052
Deferred income tax assets	29,805	31,480
Operating lease right-of-use assets	466,331	476,913
Miscellaneous	504,466	504,646
Total other noncurrent assets	<u>9,753,643</u>	<u>9,591,749</u>
	<u>\$ 14,918,173</u>	<u>\$ 14,660,419</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 51,643	\$ 50,415
Accounts payable	929,745	966,792
Accrued liabilities	1,370,561	1,441,762
Operating lease liability	152,360	150,171
Contract liabilities	736,953	641,705
Total current liabilities	<u>3,241,262</u>	<u>3,250,845</u>
Long-term Debt	3,434,318	3,357,256
Liabilities relating to defined benefit pension and retirement plans	293,134	271,332
Deferred income tax liabilities	297,746	269,077
Long-term operating lease liability	607,674	607,447
Other deferred liabilities	182,532	167,548
Commitments and Contingencies		
Redeemable Noncontrolling interests	627,909	632,522
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 - 126,668,513 shares and 127,393,378 shares as of December 30, 2022 and September 30, 2022, respectively	126,669	127,393
Additional paid-in capital	2,672,421	2,682,009
Retained earnings	4,230,866	4,225,784
Accumulated other comprehensive loss	(845,852)	(975,130)
Total Jacobs stockholders' equity	<u>6,184,104</u>	<u>6,060,056</u>
Noncontrolling interests	49,494	44,336
Total Group stockholders' equity	<u>6,233,598</u>	<u>6,104,392</u>
	<u>\$ 14,918,173</u>	<u>\$ 14,660,419</u>

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
Three Months Ended December 30, 2022 and December 31, 2021
(In thousands, except per share information)
(Unaudited)

	For the Three Months Ended	
	December 30, 2022	December 31, 2021
Revenues	\$ 3,798,668	\$ 3,380,625
Direct cost of contracts	(2,983,955)	(2,584,151)
Gross profit	814,713	796,474
Selling, general and administrative expenses	(576,908)	(619,141)
Operating Profit	237,805	177,333
Other Income (Expense):		
Interest income	3,007	1,501
Interest expense	(40,077)	(19,426)
Miscellaneous (expense) income, net	(3,254)	9,682
Total other expense, net	(40,324)	(8,243)
Earnings from Continuing Operations Before Taxes	197,481	169,090
Income Tax Expense from Continuing Operations	(50,103)	(15,889)
Net Earnings of the Group from Continuing Operations	147,378	153,201
Net Loss of the Group from Discontinued Operations	(708)	(232)
Net Earnings of the Group	146,670	152,969
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(7,031)	(9,252)
Net Earnings Attributable to Redeemable Noncontrolling interests	(3,992)	(9,683)
Net Earnings Attributable to Jacobs from Continuing Operations	136,355	134,266
Net Earnings Attributable to Jacobs	\$ 135,647	\$ 134,034
Net Earnings Per Share:		
Basic Net Earnings from Continuing Operations Per Share	\$ 1.08	\$ 1.04
Basic Net Loss from Discontinued Operations Per Share	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.07	\$ 1.04
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.07	\$ 1.03
Diluted Net Loss from Discontinued Operations Per Share	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.06	\$ 1.03

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three Months Ended December 30, 2022 and December 31, 2021
(In thousands)
(Unaudited)

	For the Three Months Ended	
	December 30, 2022	December 31, 2021
Net Earnings of the Group	\$ 146,670	\$ 152,969
Other Comprehensive Income:		
Foreign currency translation adjustment	165,335	(8,685)
(Loss) gain on cash flow hedges	(10,144)	8,855
Change in pension and retiree medical plan liabilities	(22,266)	8,039
Other comprehensive income before taxes	132,925	8,209
Income Tax (Expense) Benefit:		
Foreign currency translation adjustment	(6,609)	2,990
Cash flow hedges	3,270	(2,945)
Change in pension and retiree medical plan liabilities	(308)	(1,468)
Income Tax Benefit (Expense):	(3,647)	(1,423)
Net other comprehensive income	129,278	6,786
Net Comprehensive Income of the Group	275,948	159,755
Net Earnings Attributable to Noncontrolling Interests	(7,031)	(9,252)
Net Earnings Attributable to Redeemable Noncontrolling interests	(3,992)	(9,683)
Net Comprehensive Income Attributable to Jacobs	\$ 264,925	\$ 140,820

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended December 30, 2022 and December 31, 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 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
Balances at September 30, 2022	\$ 127,393	\$ 2,682,009	\$ 4,225,784	\$ (975,130)	\$ 6,060,056	\$ 44,336	\$ 6,104,392
Net earnings	—	—	135,647	—	135,647	7,031	142,678
Foreign currency translation adjustments, net of deferred taxes of \$6,609	—	—	—	158,726	158,726	—	158,726
Pension liability, net of deferred taxes of \$308	—	—	—	(22,574)	(22,574)	—	(22,574)
Loss on derivatives, net of deferred taxes of \$(3,270)	—	—	—	(6,874)	(6,874)	—	(6,874)
Dividends	—	—	(874)	—	(874)	—	(874)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(23,317)	—	(23,317)	—	(23,317)
Repurchase and issuance of redeemable noncontrolling interests	—	—	11,337	—	11,337	—	11,337
Noncontrolling interests - distributions and other	—	—	—	—	—	(1,873)	(1,873)
Stock based compensation	—	20,231	—	—	20,231	—	20,231
Issuances of equity securities including shares withheld for taxes	514	(3,762)	(4,484)	—	(7,732)	—	(7,732)
Repurchases of equity securities	(1,238)	(26,057)	(113,227)	—	(140,522)	—	(140,522)
Balances at December 30, 2022	\$ 126,669	\$ 2,672,421	\$ 4,230,866	\$ (845,852)	\$ 6,184,104	\$ 49,494	\$ 6,233,598

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended December 30, 2022 and December 31, 2021
(In thousands)
(Unaudited)

	For the Three Months Ended	
	December 30, 2022	December 31, 2021
Cash Flows from Operating Activities:		
Net earnings attributable to the Group	\$ 146,670	\$ 152,969
Adjustments to reconcile net earnings to net cash flows provided by operations:		
Depreciation and amortization:		
Property, equipment and improvements	27,979	26,237
Intangible assets	49,773	46,907
Stock based compensation	20,231	7,014
Equity in earnings of operating ventures, net of return on capital distributions	2,613	12,749
Loss on disposals of assets, net	241	151
Impairment of long-lived assets	27,142	72,266
Deferred income taxes	13,797	(17,659)
Changes in assets and liabilities, excluding the effects of businesses acquired:		
Receivables and contract assets, net of contract liabilities	127,144	163,535
Prepaid expenses and other current assets	8,219	32,286
Miscellaneous other assets	42,578	24,618
Accounts payable	(51,669)	(88,470)
Accrued liabilities	(127,043)	(91,263)
Other deferred liabilities	8,462	(18,407)
Other, net	6,160	(1,288)
Net cash provided by operating activities	302,297	321,645
Cash Flows from Investing Activities:		
Additions to property and equipment	(32,187)	(19,318)
Disposals of property and equipment and other assets	8	43
Capital contributions to equity investees, net of return of capital distributions	384	(480)
Acquisitions of businesses, net of cash acquired	(16,943)	(229,813)
Net cash used for investing activities	(48,738)	(249,568)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	1,282,000	637,000
Repayments of long-term borrowings	(1,289,421)	(400,287)
Repayments of short-term borrowings	—	(5,326)
Proceeds from issuances of common stock	14,798	17,862
Common stock repurchases	(140,522)	—
Taxes paid on vested restricted stock	(22,530)	(28,226)
Cash dividends to shareholders	(29,811)	(27,498)
Net dividends associated with noncontrolling interests	(2,307)	(14,067)
Repurchase of redeemable noncontrolling interests	(58,353)	(35,095)
Net cash (used for) provided by financing activities	(246,146)	144,363
Effect of Exchange Rate Changes	51,806	2,722
Net Increase in Cash and Cash Equivalents and Restricted Cash	59,219	219,162
Cash and Cash Equivalents, including Restricted Cash, at the Beginning of the Period	1,154,207	1,026,575
Cash and Cash Equivalents, including Restricted Cash, at the End of the Period	\$ 1,213,426	\$ 1,245,737

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Unless the context otherwise requires:

- References herein to "Jacobs" are to Jacobs Solutions Inc. and its predecessors;
- References herein to the "Company", "we", "us" or "our" are to Jacobs Solutions 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.

On August 29, 2022, Jacobs Engineering Group Inc. (JEGI), the predecessor to Jacobs Solutions Inc., implemented a holding company structure, which resulted in Jacobs Solutions Inc. becoming the parent company of, and successor issuer to, JEGI (the "Holding Company Reorganization"). For purposes of this Quarterly Report, references to the "Company", "we", "us" or "our" or our management or business at any point prior to August 29, 2022 (the "Holding Company Implementation Date") refer to JEGI and its consolidated subsidiaries as the predecessor to Jacobs Solutions Inc.

The accompanying consolidated financial statements and financial information included herein have been prepared pursuant to the interim period reporting requirements of Form 10-Q. Consequently, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted. Readers of this Quarterly Report on Form 10-Q should also read our consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 ("2022 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 30, 2022, and for the three month period ended December 30, 2022.

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

As part of the new Company strategy, during the first quarter of fiscal year 2023 Jacobs formed a reporting and operating segment, Divergent Solutions ("DVS"), to further strengthen our ability to drive value for our clients. DVS supports both lines of business as the core foundation for developing and delivering innovative, next-generation cloud, cyber, data and digital technologies. For a further discussion of our segment information, please refer to Note 18- *Segment Information*.

On February 4, 2022, the Company acquired StreetLight Data, Inc. ("StreetLight"). 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. The Company paid total base consideration of approximately \$190.8 million in cash, and issued \$0.9 million in equity and \$5.2 million in in-the-money stock options to the former owners of StreetLight. The Company also paid off StreetLight's debt of approximately \$1.0 million simultaneously with the consummation of the acquisition. The Company has recorded its final purchase price allocation associated with the acquisition, which is summarized in Note 15- *Other Business Combinations*.

On November 19, 2021, Jacobs acquired all outstanding shares of common stock of BlackLynx, Inc. ("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 \$235.4 million in cash to the former owners of BlackLynx. 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 final purchase price allocation associated with the acquisition, which is summarized in Note 15- *Other Business Combinations*.

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting Group Limited ("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. 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

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

adjustments. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment. See Note 14- *PA Consulting Business Combination* for more discussion on the investment and Note 11- *Borrowings* for more discussion on the financing for the transaction.

On April 26, 2019, Jacobs completed the sale of its Energy, Chemicals and Resources ("ECR") business to Worley Limited ("Worley"), a company incorporated in Australia, 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 and 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.

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 believed to be reasonable under the circumstances and are based on management's most recent assessment of the underlying facts and circumstances utilizing the most current information available and past experience, actual results could differ significantly from those estimates and assumptions. Our estimates, judgments, and assumptions are evaluated periodically and adjusted accordingly.

Please refer to Note 2- *Significant Accounting Policies* of Notes to Consolidated Financial Statements included in our 2022 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 2022 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 17- *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 11- *Borrowings* for a discussion of the fair value of long-term debt.

Fair value measurements relating to our business combinations and goodwill allocations related to our segment realignment are made primarily using Level 3 inputs including discounted cash flow 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

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

include (i) revenue projections of the business, including profitability, (ii) attrition rates 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. 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 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 18- *Segment Information* for additional information on how we disaggregate our revenues by reportable segment.

The following table further disaggregates our revenue by geographic area for the three months ended December 30, 2022 and December 31, 2021 (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Revenues:		
United States	\$ 2,536,114	\$ 2,148,554
Europe	854,734	866,351
Canada	61,829	65,039
Asia	34,824	32,087
India	40,344	22,148
Australia and New Zealand	161,040	177,652
Middle East and Africa	109,783	68,794
Total	<u>\$ 3,798,668</u>	<u>\$ 3,380,625</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 30, 2022 that was previously included in the contract liability balance on September 30, 2022 was \$330.3 million. Revenue recognized for the three months ended December 31, 2021 that was included in the contract liability balance on October 1, 2021 was \$291.5 million.

Remaining Performance Obligation

The Company's remaining performance obligations as of December 30, 2022 represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. The Company had approximately \$17.2 billion in remaining performance obligations as of December 30, 2022. The Company expects to recognize approximately 46% of our remaining performance obligations into revenue within the next twelve months and the remaining 54% thereafter.

Although remaining performance obligations reflect business that is considered to be firm, cancellations, scope adjustments 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.

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

5. 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.

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 30, 2022 and December 31, 2021 (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Numerator for Basic and Diluted EPS:		
Net earnings from continuing operations allocated to common stock for EPS calculation	<u>\$ 136,355</u>	<u>\$ 134,266</u>
Net loss from discontinued operations allocated to common stock for EPS calculation	<u>\$ (708)</u>	<u>\$ (232)</u>
Net earnings allocated to common stock for EPS calculation	<u>\$ 135,647</u>	<u>\$ 134,034</u>
Denominator for Basic and Diluted EPS:		
Shares used for calculating basic EPS attributable to common stock	<u>126,824</u>	<u>129,342</u>
Effect of dilutive securities:		
Stock compensation plans	672	952
Shares used for calculating diluted EPS attributable to common stock	<u>127,496</u>	<u>130,294</u>
Net Earnings Per Share:		
Basic Net Earnings from Continuing Operations Per Share	<u>\$ 1.08</u>	<u>\$ 1.04</u>
Basic Net Loss from Discontinued Operations Per Share	<u>\$ (0.01)</u>	<u>\$ —</u>
Basic Earnings Per Share	<u>\$ 1.07</u>	<u>\$ 1.04</u>
Diluted Net Earnings from Continuing Operations Per Share	<u>\$ 1.07</u>	<u>\$ 1.03</u>
Diluted Net Loss from Discontinued Operations Per Share	<u>\$ (0.01)</u>	<u>\$ —</u>
Diluted Earnings Per Share	<u>\$ 1.06</u>	<u>\$ 1.03</u>

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 (the "2020 Repurchase Authorization"). In the fourth quarter of fiscal 2021, the Company initiated an accelerated share repurchase program under the 2020 Repurchase Authorization 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.

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

The following table summarizes the activity under the 2020 Repurchase Authorization through the first fiscal quarter of 2023:

Amount Authorized (2020 Repurchase Authorization)	Average Price Per Share (1)	Total Shares Retired	Shares Repurchased
\$1,000,000,000	\$113.56	1,237,688	1,237,688

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

The 2020 Repurchase Authorization expired on January 15, 2023. On January 25, 2023, the Company's Board of Directors authorized an incremental share repurchase program of up to \$1.0 billion of the Company's stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). No repurchase activity has taken place under the 2023 Share Repurchase Authorization to date. Subsequent to the expiration of the 2020 Repurchase Authorization and the approval of the 2023 Repurchase Authorization, the Company has \$1.0 billion remaining under the 2023 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 25, 2023, the Company's Board of Directors declared a quarterly dividend of \$0.26 per share of the Company's common stock to be paid on March 24, 2023, to shareholders of record on the close of business on February 24, 2023. Future dividend declarations are subject to review and approval by the Company's Board of Directors. Dividends paid through the first fiscal quarter of 2023 and the preceding fiscal year are as follows:

Declaration Date	Record Date	Payment Date	Cash Amount (per share)
September 15, 2022	September 30, 2022	October 28, 2022	\$0.23
July 13, 2022	July 29, 2022	August 26, 2022	\$0.23
April 28, 2022	May 27, 2022	June 24, 2022	\$0.23
January 26, 2022	February 25, 2022	March 25, 2022	\$0.23
September 23, 2021	October 15, 2021	October 29, 2021	\$0.21

6. Goodwill and Intangibles

As a result of the formation of a new operating segment this quarter, Divergent Solutions, see Note 1- *basis of Presentation*, the historical carrying value of a portion of goodwill has been reallocated to the Divergent Solutions segment based on a relative fair value basis to the Divergent Solutions segment. The carrying value of goodwill appearing in the

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

accompanying Consolidated Balance Sheets at December 30, 2022 and September 30, 2022 was as follows (in thousands):

	Critical Mission Solutions	People & Places Solutions	Divergent Solutions	PA Consulting	Total
Balance September 30, 2022	\$ 2,251,724	\$ 3,196,796	\$ 576,986	\$ 1,159,152	\$ 7,184,658
Acquired	—	—	—	16,425	16,425
Post-Acquisition Adjustments	—	(138)	—	1,409	1,271
Foreign currency translation and other	10,460	13,168	2,680	112,420	138,728
Balance December 30, 2022	<u>\$ 2,262,184</u>	<u>\$ 3,209,826</u>	<u>\$ 579,666</u>	<u>\$ 1,289,406</u>	<u>\$ 7,341,082</u>

The following table provides certain information related to the Company's acquired intangibles in the accompanying Consolidated Balance Sheets at December 30, 2022 and September 30, 2022 (in thousands):

	Customer Relationships, Contracts and Backlog	Developed Technology	Trade Names	Total
Balances September 30, 2022	\$ 1,136,438	\$ 88,931	\$ 168,683	\$ 1,394,052
Amortization	(43,383)	(3,895)	(2,495)	(49,773)
Acquired	1,318	—	—	1,318
Post-Acquisition Adjustments	(1,409)	—	—	(1,409)
Foreign currency translation and other	52,603	404	14,764	67,771
Balances December 30, 2022	<u>\$ 1,145,567</u>	<u>\$ 85,440</u>	<u>\$ 180,952</u>	<u>\$ 1,411,959</u>

The following table presents estimated amortization expense of intangible assets for the remainder of fiscal 2023 and for the succeeding years.

Fiscal Year	(in millions)
2023	\$ 151.6
2024	201.8
2025	201.4
2026	178.2
2027	146.8
Thereafter	532.2
Total	<u>\$ 1,412.0</u>

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

7. Receivables and Contract Assets

The following table presents the components of receivables and contract assets appearing in the accompanying Consolidated Balance Sheets at December 30, 2022 and September 30, 2022, as well as certain other related information (in thousands):

	December 30, 2022	September 30, 2022
Components of receivables and contract assets:		
Amounts billed, net	\$ 1,457,752	\$ 1,400,088
Unbilled receivables and other	1,428,150	1,523,249
Contract assets	554,038	482,044
Total receivables and contract assets, net	<u>\$ 3,439,940</u>	<u>\$ 3,405,381</u>
Other information about receivables:		
Amounts due from the United States federal government, included above, net of contract liabilities	<u>\$ 796,118</u>	<u>\$ 749,323</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 that have been provided in advance 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.

8. Accumulated Other Comprehensive Income

The following table presents the Company's roll forward of accumulated other comprehensive income (loss) after-tax as of December 30, 2022 (in thousands):

	Change in Net Pension Obligation	Foreign Currency Translation Adjustment ⁽¹⁾	Gain/(Loss) on Cash Flow Hedges	Total
Balance at September 30, 2022	\$ (307,395)	\$ (786,040)	\$ 118,305	\$ (975,130)
Other comprehensive income (loss)	(22,574)	158,726	(2,758)	133,394
Reclassifications from accumulated other comprehensive income (loss)	—	—	(4,116)	(4,116)
Balance at December 30, 2022	<u>\$ (329,969)</u>	<u>\$ (627,314)</u>	<u>\$ 111,431</u>	<u>\$ (845,852)</u>

(1) Included in the overall foreign currency translation adjustment for the three months ended December 30, 2022 and December 31, 2021 are \$(74.9) million and \$18.9 million, respectively in unrealized gains (losses) on long-term foreign currency denominated intercompany loans not anticipated to be settled in the foreseeable future.

Included in the Company's cumulative net unrealized gains from interest rate and cross currency swaps recorded in accumulated other comprehensive income as of December 30, 2022 were approximately \$21.8 million in unrealized gains, net of taxes, which are expected to be realized in earnings during the twelve months subsequent to December 30, 2022.

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

9. Income Taxes

The Company's effective tax rates from continuing operations for the three months ended December 30, 2022 and December 31, 2021 were 25.4% and 9.4%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended December 30, 2022 were U.S. state income tax expense of \$4.6 million and U.S. tax on foreign earnings of \$3.6 million. Both items are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year.

The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended December 31, 2021 were a tax benefit of \$15.7 million related to the release of previously reserved foreign tax credit assets, \$4.2 million excess tax benefit attributable to stock compensation, and \$4.0 million benefit from filing amended state 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. During the next 12 months, it is reasonably possible that U.S. tax audit resolutions may reduce unrecognized tax benefits by up to \$44.2 million, resulting in a reduction of the Company's provision for taxes on earnings.

10. 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 17- *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 \$358.2 million and \$218.4 million, respectively, as of December 30, 2022 and \$353.9 million and \$228.1 million, respectively, as of September 30, 2022. There are no consolidated VIEs that have debt or credit facilities.

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 SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

For the proportionate consolidated VIEs, the carrying value of assets and liabilities was \$118.7 million and \$139.2 million, respectively, as of December 30, 2022, and \$109.3 million and \$129.2 million, respectively, as of September 30, 2022. 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 Revenues. 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 30, 2022, the Company does not have any equity method investments that exceed its share of venture net assets. Our investments in equity method joint ventures on the Consolidated Balance Sheets as of December 30, 2022 and September 30, 2022 were \$55.9 million and \$56.6 million, respectively. During the three months ended December 30, 2022 and December 31, 2021, we recognized income from equity method joint ventures of \$10.0 million and \$6.8 million, respectively.

Accounts receivable from unconsolidated joint ventures accounted for under the equity method was \$23.1 million and \$21.1 million as of December 30, 2022 and September 30, 2022, respectively.

11. Borrowings

At December 30, 2022 and September 30, 2022, long-term debt consisted of the following (principal amounts in thousands):

	Interest Rate	Maturity	December 30, 2022	September 30, 2022
Revolving Credit Facility	Benchmark + applicable margin (1) (2)	March 2024	\$ 1,610,794	\$ 1,105,294
2021 Term Loan Facility	Benchmark + applicable margin (1) (3)	March 2024	987,410	923,580
2020 Term Loan Facility	Benchmark + applicable margin (1) (4)	March 2025 (5)	890,833	882,263
Fixed-rate notes due:				
Senior Notes, Series A	4.27%	May 2025 (6)	—	190,000
Senior Notes, Series B	4.42%	May 2028 (6)	—	180,000
Senior Notes, Series C	4.52%	May 2030 (6)	—	130,000
Less: Current Portion (5)			(51,643)	(50,415)
Less: Deferred Financing Fees			(3,076)	(3,466)
Total Long-term debt, net			<u>\$ 3,434,318</u>	<u>\$ 3,357,256</u>

- (1) During fiscal 2022, 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 30, 2022 and September 30, 2022 were approximately 5.76% and 4.08%. 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 30, 2022.
- (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 30, 2022 and September 30, 2022 was approximately 5.76% and 4.06%. 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 4.84% and 3.60% at December 30, 2022 and September 30, 2022, respectively.
- (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 30, 2022 and September 30, 2022 were approximately 5.76% and 4.49%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus

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

a margin of between 0.875% and 1.625%, which was approximately 4.84% and 3.60% at December 30, 2022 and September 30, 2022, respectively.

- (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.
- (6) All amounts due under the Note Purchase Agreement pursuant to which the Senior Notes were issued were repaid in the first fiscal quarter of 2023.

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.

Senior Notes

On March 12, 2018, the Company 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, "Senior Notes"). In connection with the Holding Company Reorganization, which was completed in August 2022, the Company launched an offer to repurchase its outstanding Senior Notes at par plus accrued and unpaid interest, and without any make-whole premium. In fiscal first quarter 2023, the Company repurchased \$481 million of Senior Notes held by holders who accepted the offer with proceeds from the Revolving Credit Facility. In December 2022, the Company repurchased the remaining \$19 million of Senior Notes.

Revolving Credit Facility and Term Loans

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 30, 2022.

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.

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".

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

In the fourth quarter of fiscal year 2022, the Revolving Credit Facility and Term Loan Facilities were amended to permit the Holding Company Reorganization.

We were in compliance with the covenants under the Term Loan Facilities at December 30, 2022.

On February 6, 2023, the Company refinanced its Revolving Credit Facility and Term Loan Facilities (the "Refinancing"). In connection with the Refinancing, the Revolving Credit Facility was amended and restated to, among other things: (a) extend the maturity date to February 6, 2028, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (d) eliminate the net worth financial covenant, and (e) add Jacobs as a guarantor of the obligations of JEGI and its subsidiaries under the Revolving Credit Agreement. The 2021 Term Loan Facility was amended and restated to, among other things: (a) extend the maturity date of the U.S. dollar term loan to February 6, 2026 and the British sterling term loan to September 1, 2025, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (d) eliminate the net worth financial covenant, and (e) add Jacobs as a guarantor of the obligations of JEGI under the 2021 Term Loan Facility. Finally, the Company amended the 2020 Term Loan Facility to, among other things: (a) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (b) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (c) eliminate the net worth financial covenant, and (d) add Jacobs as a guarantor of the obligations of JEGI and Jacobs U.K.

Other arrangements

During fiscal 2022 the Company entered into two treasury locks to manage its interest rate exposure with the anticipated issuance of fixed rate debt before December 2023. 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 17- *Commitments and Contingencies and Derivative Financial Instruments* for discussion regarding the Company's derivative instruments.

The Company has issued \$1.3 million in letters of credit under the Revolving Credit Facility, leaving \$637.9 million of available borrowing capacity under the Revolving Credit Facility at December 30, 2022. In addition, the Company had issued \$291.2 million under separate, committed and uncommitted letter-of-credit facilities for total issued letters of credit of \$292.5 million at December 30, 2022.

12. 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 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.

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

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.

The components of lease expense (reflected in selling, general and administrative expenses) for the three months ended December 30, 2022 and December 31, 2021 were as follows (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Lease expense		
Operating lease expense	\$ 35,282	\$ 40,538
Variable lease expense	9,346	7,084
Sublease income	(4,406)	(3,668)
Total lease expense	\$ 40,222	\$ 43,954

Supplemental information related to the Company's leases for the three months ended December 30, 2022 and December 31, 2021 was as follows (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Cash paid for amounts included in the measurements of lease liabilities	\$ 45,770	\$ 65,430
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 29,801	\$ 1,262
Weighted average remaining lease term - operating leases	6.2 years	7 Years
Weighted average discount rate - operating leases	3.0%	2.7%

Total remaining lease payments under the Company's leases for the remainder of fiscal 2023 and for the succeeding years is as follows (in thousands):

Fiscal Year	Operating Leases
2023	\$ 131,069
2024	157,609
2025	131,712
2026	110,618
2027	90,708
Thereafter	212,711
	834,427
Less Interest	(74,393)
	\$ 760,034

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

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

During fiscal 2023 and 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 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.

As a result of the analysis, the Company recognized impairment losses during the first quarters of fiscal 2023 and 2022 of \$27.1 million and \$72.3 million, respectively, which is included in selling, general and administrative expenses in the accompanying statement of earnings. The impairment losses recorded include \$24.3 million and \$54.9 million related to right-of-use lease assets and \$2.8 million and \$17.4 million related to other long-lived assets, including property, equipment and improvements and leasehold improvements for the fiscal 2023 and 2022 periods, respectively.

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.

13. 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 30, 2022 and December 31, 2021 (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Component:		
Service cost	\$ 1,748	\$ 1,709
Interest cost	20,233	13,784
Expected return on plan assets	(21,091)	(23,263)
Amortization of previously unrecognized items	1,304	3,092
Total net periodic pension benefit cost/(income) recognized	\$ 2,194	\$ (4,678)

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 2023 (in thousands):

Cash contributions made during the first three months of fiscal 2023	\$ 7,260
Cash contributions projected for the remainder of fiscal 2023	19,391
Total	\$ 26,651

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
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14. PA Consulting Business Combination

Deal Summary and Opening Balance Sheet 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. 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 11- *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	166.5
Property, equipment and improvements, net	40.5
Goodwill	1,454.0
Identifiable intangible assets	1,004.2
Prepaid expenses and other current assets	9.5
Miscellaneous long term assets	84.0
Total Assets	\$ 2,893.6
Liabilities	
Accounts payable	\$ 6.5
Accrued liabilities and other current liabilities	354.8
Other long term liabilities	248.0
Total Liabilities	609.3
Redeemable Noncontrolling interests	582.4
Net assets acquired	\$ 1,701.9

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 was deductible for tax purposes. The Company has completed its final assessment of the fair values of PA Consulting's assets acquired and liabilities assumed. Since the initial preliminary estimates reported in the second quarter of fiscal 2021, the Company updated certain provisional amounts reflected in the final purchase price allocation, as summarized in the estimated fair values of PA Consulting assets acquired and liabilities assumed above.

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 SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Redeemable Noncontrolling Interests

In connection with the PA Consulting investment, the Company recorded redeemable noncontrolling interests, including subsequent purchase accounting adjustments, representing the noncontrolling interest holders' equity interests 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 2023 and 2022, PA Consulting repurchased certain shares of the redeemable noncontrolling interest holders for \$58.4 million and \$35.1 million, respectively, in cash.

Changes in the redeemable noncontrolling interests during the three months ended December 30, 2022 are as follows (in thousands):

Balance at September 30, 2022	\$	632,522
Accrued Preferred Dividend to Preference Shareholders		16,290
Attribution of Preferred Dividend to Common Shareholders		(16,290)
Net earnings attributable to redeemable noncontrolling interests to Common Shareholders		3,992
Redeemable Noncontrolling interests redemption value adjustment		23,317
Repurchase of redeemable noncontrolling interests		(69,690)
Cumulative translation adjustment and other		37,768
Balance at December 30, 2022	\$	<u>627,909</u>

In addition, certain employees and non-employees of PA Consulting are eligible to receive equity-based incentive grants in the future under the terms of the applicable agreements. During first quarter of fiscal 2023 and 2022, the Company recorded \$4.3 million and \$0.2 million, respectively, in expenses associated with these agreements which is reflected in selling, general and administrative expenses in the consolidated statements of earnings.

Restricted Cash

The Company, through its investment in PA Consulting, held \$2.3 million and \$13.7 million at December 30, 2022 and September 30, 2022, respectively, in cash that is restricted from general use and is included in prepaid expenses and other current assets on the Consolidated Balance Sheets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

15. Other Business Combinations

StreetLight Data, Inc.

On February 4, 2022, the Company acquired StreetLight Data, Inc. ("StreetLight"). 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. The Company paid total base consideration of approximately \$190.8 million in cash, and issued \$0.9 million in equity and \$5.2 million in in-the-money stock options to the former owners of StreetLight. The Company also paid off StreetLight's debt of approximately \$1.0 million simultaneously with the consummation of the acquisition. The following summarizes the fair values of StreetLight's assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 7.3
Receivables	5.2
Property, equipment and improvements, net	0.1
Goodwill	116.4
Identifiable intangible assets	105.1
Prepaid expenses and other current assets	2.0
Total Assets	\$ 236.1
Liabilities	
Accounts payable, accrued expenses and other current liabilities	\$ 23.1
Other long term liabilities	16.1
Total Liabilities	39.2
Net assets acquired	\$ 196.9

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 completed its final assessment of the fair values of StreetLight's assets acquired and liabilities assumed. Since the initial preliminary estimates reported in the second quarter of fiscal 2022, the Company has updated certain amounts reflected in the preliminary purchase price allocation, as summarized in the fair values of StreetLight's assets acquired and liabilities assumed as of the acquisition date set forth above, the majority of which related to reclassifications between goodwill and intangibles and for deferred taxes.

Identifiable intangibles are technology, data and customer relationships, contracts and backlog and have estimated lives of 5, 4 and 9 years, respectively.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

BlackLynx

On November 19, 2021, 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 \$235.4 million in cash to the former owners of BlackLynx. 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	195.8
Identifiable intangible assets	51.1
Prepaid expenses and other current assets	3.2
Total Assets	\$ 263.7
Liabilities	
Accounts payable, accrued expenses and other current liabilities	19.5
Other long term liabilities	8.8
Total Liabilities	28.3
Net assets acquired	\$ 235.4

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 was deductible for tax purposes. The Company has completed its final assessment of the fair values of BlackLynx's assets acquired and liabilities assumed. Since the initial preliminary estimates reported in the first quarter of fiscal 2022, the Company has updated certain amounts reflected in the preliminary purchase price allocation, as summarized in the fair values of BlackLynx's assets acquired and liabilities assumed as of the acquisition date set forth above, the majority of which related to reclassifications between goodwill and intangibles and for deferred taxes.

Identifiable intangibles are technology and customer relationships, contracts and backlog and have estimated lives of 8 and 4 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.

16. Restructuring and Other Charges

During fiscal 2022, the Company implemented certain restructuring and integration initiatives relating to the StreetLight and BlackLynx acquisitions, the activities of which are expected to be substantially completed before the end of fiscal 2023. Also, during fiscal 2022 and continuing into fiscal 2023, 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 through the remainder of fiscal 2023.

During fiscal 2021, the Company implemented certain restructuring and integration initiatives relating to the Buffalo Group acquisition of Buffalo Group LLC ("Buffalo Group") and the PA Consulting investment. The activities of the Buffalo Group initiative are substantially completed and the activities of the PA Consulting initiative are expected to end before the end of fiscal 2025.

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 KeyW Holding Corporation ("KeyW"), and other related cost reduction initiatives. Additionally, in fiscal 2020, the Company implemented certain restructuring and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

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. 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. The activities of these initiatives have been substantially completed.

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 reportable segment in connection with the CH2M, KeyW, John Wood Group's nuclear business, Buffalo Group, StreetLight and BlackLynx acquisitions, the PA Consulting investment, the ECR sale and the Company's transformation initiatives relating to real estate and other staffing programs for the three months ended December 30, 2022 and December 31, 2021 (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Critical Mission Solutions	\$ 2,212	\$ 1,153
People & Places Solutions	27,317	61,169
Divergent Solutions	1,581	—
PA Consulting	—	199
Corporate	3,333	6,838
Total	<u>\$ 34,443</u>	<u>\$ 69,359</u>
Amounts included in:		
Operating profit (mainly SG&A) (1)	\$ 35,072	\$ 77,903
Other (Income) Expense, net (2)	(629)	(8,544)
	<u>\$ 34,443</u>	<u>\$ 69,359</u>

- (1) Included in the three month periods ended December 30, 2022 and December 31, 2021 were \$27.8 million and \$71.0 million in charges associated mainly with real estate impairments and related charges, the majority of which related to People and Places Solutions.
- (2) The three month periods ended December 30, 2022 and December 31, 2021 included gains of \$0.6 million and \$6.9 million related to lease terminations.

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The activity in the Company's accruals for Restructuring and other charges for the three months ended December 30, 2022 is as follows (in thousands):

Balance at September 30, 2022	\$ 4,137
Net Charges (Credits) (1)	6,685
Payments and other	(3,178)
Balance at December 30, 2022	<u>\$ 7,644</u>

(1) Excludes \$27.8 million associated mainly with real estate related impairments and other transformation activities described above during the three months ended December 30, 2022.

The following table summarizes the Restructuring and other charges by major type of costs for the three months ended December 30, 2022 and December 31, 2021 (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Lease Abandonments and Impairments	\$ 26,831	\$ 65,542
Voluntary and Involuntary Terminations	6,570	563
Outside Services	675	4,676
Other	367	(1,422)
Total	<u>\$ 34,443</u>	<u>\$ 69,359</u>

Cumulative amounts incurred to date under our various Restructuring and other activities described above by each major type of cost as of December 30, 2022 are as follows (in thousands):

Lease Abandonments and Impairments	\$ 414,432
Voluntary and Involuntary Terminations	156,947
Outside Services	317,009
Other	208,632
Total	<u>\$ 1,097,020</u>

17. 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.

During fiscal 2022, the Company entered into two treasury lock agreements with a total notional value of \$500.0 million to manage its interest rate exposure to the anticipated issuance of fixed rate debt before December 2023. The fair value of the treasury locks at December 30, 2022 and September 30, 2022 was \$41.5 million and \$40.9 million, respectively, all of which is included in current assets within receivables and contract assets on the consolidated balance sheets. The unrealized net gain on these instruments was \$31.3 million and \$30.8 million, net of tax, and is included in accumulated other comprehensive income as of December 30, 2022 and September 30, 2022, respectively. Upon issuance of up to \$500 million of fixed rate debt, the gain (loss) will be amortized to interest expense over the term of the debt.

The Company is party to interest rate swap agreements and a cross-currency swap agreement with notional values of \$766.7 million and \$127.8 million, respectively, as of December 30, 2022 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

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
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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. The swaps were designated as cash-flow hedges in accordance with ASC 815, *Derivatives and Hedging*. The fair value of the interest rate and cross currency swaps at December 30, 2022 and September 30, 2022 was \$108.0 million and \$128.2 million, respectively, which 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 \$80.2 million and \$87.5 million, net of tax, and was included in accumulated other comprehensive income as of December 30, 2022 and September 30, 2022, 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 \$382.5 million at December 30, 2022 and \$298.2 million at September 30, 2022. The length of these contracts currently ranges from one to 12 months. The fair value of the foreign exchange contracts at December 30, 2022 and September 30, 2022 was \$12.1 million and \$(3.2) million, respectively, which is included within receivables and contract assets for the current period and within accounts payable for the prior period 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 30, 2022 and September 30, 2022, the Company had issued and outstanding approximately \$292.5 million and \$280.5 million, respectively, in LOCs and \$2.0 billion and \$2.2 billion, respectively, in surety bonds.

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

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

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

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 are currently stayed pending a ruling from the Tennessee Supreme Court. 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 June 2021. In August 2021, Thomas Ryan, a resident of Roane County, filed an action against Jacobs and TVA claiming personal injury and property damage. In June 2022, the Court granted Jacobs' motion to dismiss Ryan's action in its entirety, closing the case. 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 16, 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.

18. Segment Information

During the first quarter of fiscal 2023, the Company reorganized its operating and reporting structure to report results under a new operating segment, Divergent Solutions (DVS), in addition to the current operating segments. The Company's four operating segments are now comprised of its two global lines of business ("LOBs"): Critical Mission Solutions ("CMS") and People & Places Solutions ("P&PS"), its business unit Divergent Solutions ("DVS") and its majority investment in PA Consulting. The formation of the DVS operating segment resulted in certain portions of our CMS and PPS businesses moving to the new segment to align with the Company's business strategy.

The Company's 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. Under this organization, the sales function is managed by segment, 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 segment 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 1999 Stock

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Incentive Plan, which was amended and restated in the second quarter of 2023 and is now referred to as the Jacobs 2023 Stock Incentive Plan (the "2023 SIP") have likewise been charged to the segments except for those amounts determined to relate to the business as a whole (which amounts remain in other corporate expenses).

Financial information for each segment is reviewed by the CODM to assess performance and make decisions regarding the allocation of resources. 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 16- *Restructuring and Other Charges*) and transaction and integration costs (in thousands).

	For the Three Months Ended	
	December 30, 2022	December 31, 2021
Revenues from External Customers:		
Critical Mission Solutions	\$ 1,075,175	\$ 976,777
People & Places Solutions	2,226,985	1,920,997
Divergent Solutions	214,465	192,877
PA Consulting	282,043	289,974
Total	<u>\$ 3,798,668</u>	<u>\$ 3,380,625</u>

	For the Three Months Ended	
	December 30, 2022	December 31, 2021
Segment Operating Profit:		
Critical Mission Solutions	\$ 82,220	\$ 91,239
People & Places Solutions	226,619	188,841
Divergent Solutions	11,967	23,108
PA Consulting	51,027	63,071
Total Segment Operating Profit	371,833	366,259
Other Corporate Expenses (1)	(93,686)	(105,360)
Restructuring, Transaction and Other Charges (2)	(40,342)	(83,566)
Total U.S. GAAP Operating Profit	237,805	177,333
Total Other Income (Expense), net (3)	(40,324)	(8,243)
Earnings from Continuing Operations Before Taxes	<u>\$ 197,481</u>	<u>\$ 169,090</u>

(1) Other corporate expenses included intangibles amortization of \$49.8 million and \$46.9 million for the three months ended December 30, 2022 and December 31, 2021, respectively. Additionally, the three month period of fiscal 2023 included approximately \$15.0 million in net favorable impacts from cost reductions compared to the prior year period, which was associated mainly with net favorable impacts during the current quarter from changes in employee benefit programs of \$41 million offset by approximately \$26 million in higher quarter over quarter spend in company technology platforms and other personnel and corporate cost increases.

(2) Included in the three months ended December 30, 2022 and December 31, 2021 are \$27.1 million and \$72.3 million, respectively, in real estate impairment charges related to the Company's transformation initiatives.

(3) The three months ended December 31, 2021 included a gain of \$6.9 million related to a lease termination. Additionally, the increase in net interest expense year over year is primarily due to the higher levels of debt outstanding due to the funding of the StreetLight and BlackLynx acquisitions in fiscal 2022 and increased borrowings associated with the payment of the Legacy CH2M Matter settlement also in the prior year, in addition to higher interest rates.

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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 30, 2022 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 2022 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 2022 Form 10-K;
- The Company's fiscal 2022 audited consolidated financial statements and notes thereto included in our 2022 Form 10-K; and
- Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2022 Form 10-K.

In addition to historical information, this MD&A and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of the United States 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 our business, financial condition and results of operations and our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal year 2023 or future fiscal years, our expectations for the percentage of backlog we will realize as revenue in fiscal year 2023, and the anticipated benefits of any acquisition or the strategic investment in PA Consulting. 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 our ability to execute on our three-year corporate strategy, including our ability to invest in the tools needed to fully implement our strategy, competition from existing and future competitors in our target markets, our ability to achieve the cost-savings and synergies contemplated by our recent acquisitions within the expected time frames or to achieve them fully and to successfully integrate acquired businesses while retaining key personnel, the impact of the COVID-19 pandemic or any future pandemic, and any resulting economic downturn on our results, prospects and opportunities, measures or restrictions imposed by governments and health officials in response to such pandemic, the timing of the award of projects and funding and potential changes to the amounts provided for, under the Infrastructure Investment and Jobs Act, financial market risks that may affect the Company, including by affecting the Company's access to capital, the cost of such capital and/or the Company's funding obligations under defined benefit pension and postretirement plans, as well as general economic conditions, including inflation and the actions taken by monetary authorities in response to inflation, changes in interest rates and foreign currency exchange rates, changes in capital markets, the impact of a possible recession or economic downturn on our results, prospects and opportunities, and geopolitical events and conflicts, among others. The impact of such matters includes, but is not limited to, the possible reduction in demand for certain of our product solutions and 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 have and could continue to negatively affect our supply chain and our ability to timely and satisfactorily complete our clients' projects; difficulties associated with retaining and 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 pandemics 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 2022 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").

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, turning abstract ideas into realities that transform the world for good. Leveraging a talent force of more than 60,000, Jacobs provides a full spectrum of professional services including consulting, technical, engineering, scientific and project delivery for the government and private sectors.

Our previous three-year corporate strategy launched at our Investor Day in February 2019 focused on innovation and continued transformation to build upon our position as the leading solutions provider for our clients. Setting the wheels in motion for our current path, this transformation included acquiring a 65% stake in PA Consulting Group Limited ("PA Consulting") in fiscal year 2021. Acquisitions of John Wood Group's nuclear business, The Buffalo Group and most recently BlackLynx and StreetLight further position us as a leader in high-value government services and technology-enabled solutions.

We are now focused on broadening our leadership in sustainable, high growth sectors. As part of our strategy, our brand promise: "Challenging today. Reinventing tomorrow." signals our transition to a global technology-forward solutions company. We began trading as "J" on the New York Stock Exchange in December 2019, and in March 2021 our Global Industry Classifications Standard code changed to Research & Consulting Services. Our Focus 2023 Transformation Office is charged with driving further innovation, delivering value-creating solutions for our clients and leveraging an integrated digital and technology strategy to improve our efficiency and effectiveness, ultimately freeing up valuable time and resources for reinvestment in our people.

In the fourth quarter fiscal 2022, Jacobs Engineering Group Inc. (the predecessor parent company) created a new holding company, Jacobs Solutions Inc., which, through a reverse triangular merger, became the new parent company of Jacobs Engineering Group, Inc. As a result of the transaction, the predecessor parent company's then-current stockholders automatically became stockholders of Jacobs Solutions Inc., on a one-for-one basis, with the same number of shares and same ownership percentage of the predecessor parent company's common stock that they held immediately prior to the transaction.

Operating Segments

The services we provide fall into the following two lines of business (LOB): Critical Mission Solutions (CMS) and People & Places Solutions (P&PS). Our LOBs, our business unit Divergent Solutions (DVS), which operates as an integrated offering to both LOBs, and a majority investment in PA Consulting (PA) constitute the Company's reportable segments and are the foundation for how Jacobs helps create a more connected, sustainable world. For additional information regarding our segments, including information about our financial results by segment and financial results by geography, see Note 4- *Revenue Accounting for Contracts* of Notes to Consolidated Financial Statements.

Critical Mission Solutions (CMS)

Jacobs' Critical Mission Solutions line of business provides a full spectrum of solutions for clients to address evolving challenges like information and cyber warfare, digital transformation and modernization, national security and defense, space exploration, digital asset management and the green energy transition. Our core capabilities include program management and mission operations; systems digital engineering and mission integration, research development, test and evaluation; integration, operation, maintenance and sustainment of systems and facilities; enterprise-level IT operations and mission IT delivery, software development, and software application integration; engineering, design and construction of specialized technical facilities and systems; environmental remediation; specialized training; robotics and automation; and other highly technical consulting solutions. We deliver these capabilities for government agencies as well as commercial clients in the U.S. and international markets.

We leverage our deep experience to support clients in the Aerospace, Automotive, Space, Telecom, Intel, Defense and Energy sectors to develop lasting solutions in the communities where we live and work.

People & Places Solutions (P&PS)

Jacobs' People & Places Solutions line of business provides end-to-end solutions for our clients' most complex challenges related to climate change, energy transition, connected mobility, integrated water management, smart cities and biopharmaceutical manufacturing. In doing so, we combine deep experience in the following markets - Infrastructure, Cities & Places, Energy & Environmental, Health & Life Sciences and Advanced Manufacturing. Our core capabilities revolve around consulting, planning, science, architecture, design and engineering, as well as infrastructure delivery services and long-term operation of facilities. Solutions may be delivered as standalone professional service engagements, comprehensive program management partnerships, and selective progressive design-build and construction management at-risk delivery services in targeted markets. Increasingly, we leverage our data science and technology-enabled expertise with our core capabilities to deliver positive and enduring solutions for the clients and communities we serve.

Our clients include national, state and local governments in the U.S., Europe, U.K., Middle East and Asia-Pacific, as well as multinational and local private sector clients throughout the world.

Divergent Solutions (DVS)

Jacobs' new operating segment, Divergent Solutions (DVS), serves as the core foundation for developing and delivering innovative, next-generation cloud, cyber, data and digital technologies. DVS further strengthens our ability to drive value for clients of both LOBs by leveraging a full spectrum of cyber, data analytics, systems and software application integration services across Jacobs. Our core capabilities include global strategic alliances, innovation collaboration, next-generation technologies, software and data as a service and data and secure solutions. DVS clients include government agencies and commercial clients in the U.S. and international markets.

PA Consulting

Jacobs invested in a 65% stake in PA Consulting, the consultancy that is Bringing Ingenuity to Life, which offers end-to-end innovation to accelerate new growth ideas from concept, through design and development and to commercial success. We revitalize organizations, building the leadership, culture, systems and processes to make innovation a reality. PA Consulting's team of roughly 4,000 strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists work across seven sectors: consumer and manufacturing, defense and security, energy and utilities, financial services, government, health and life sciences, and transport to make a positive impact alongside the clients it supports. PA Consulting has a diverse mix of private and public sector clients, from global household names to start-ups, to national and local public services. Recently, PA Consulting supported the launch of a new Electric Vehicle Infrastructure Fund to drive the roll-out of electric vehicle charging infrastructure in the U.K.; innovated cell and gene therapy manufacturing with Ori Biotech in the U.S.; and designed a growth strategy for Green Boom, a U.S.-based start-up that has developed a patent-pending and sustainable way to help prevent, reduce and clean up oil spills.

Together, the collective strengths of PA Consulting and Jacobs drive value creation for clients around the globe and support projects to address five key trends: product and service innovation, the future of work, sustainability and climate change.

Results of Operations for the three months ended December 30, 2022 and December 31, 2021

(in thousands, except per share information)

	For the Three Months Ended	
	December 30, 2022	December 31, 2021
Revenues	\$ 3,798,668	\$ 3,380,625
Direct cost of contracts	(2,983,955)	(2,584,151)
Gross profit	814,713	796,474
Selling, general and administrative expenses	(576,908)	(619,141)
Operating Profit	237,805	177,333
Other Income (Expense):		
Interest income	3,007	1,501
Interest expense	(40,077)	(19,426)
Miscellaneous (expense) income, net	(3,254)	9,682
Total other expense, net	(40,324)	(8,243)
Earnings from Continuing Operations Before Taxes	197,481	169,090
Income Tax Expense from Continuing Operations	(50,103)	(15,889)
Net Earnings of the Group from Continuing Operations	147,378	153,201
Net Loss of the Group from Discontinued Operations	(708)	(232)
Net Earnings of the Group	146,670	152,969
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(7,031)	(9,252)
Net Earnings Attributable to Redeemable Noncontrolling interests	(3,992)	(9,683)
Net Earnings Attributable to Jacobs from Continuing Operations	136,355	134,266
Net Earnings Attributable to Jacobs	\$ 135,647	\$ 134,034
Net Earnings Per Share:		
Basic Net Earnings from Continuing Operations Per Share	\$ 1.08	\$ 1.04
Basic Net Loss from Discontinued Operations Per Share	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.07	\$ 1.04
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.07	\$ 1.03
Diluted Net Loss from Discontinued Operations Per Share	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.06	\$ 1.03

Overview – Three Months Ended December 30, 2022

Net earnings attributable to the Company from continuing operations for the first fiscal quarter ended December 30, 2022 were \$136.4 million (or \$1.07 per diluted share), an increase of \$2.1 million, from net earnings of \$134.3 million (or \$1.03 per diluted share) for the corresponding period last year. While operating profit levels were up for the respective three-month periods of fiscal 2023 due primarily to our P&PS business, the first fiscal quarter of 2023 was impacted by \$39.7 million in pre-tax Restructuring and other charges and transaction costs compared to fiscal 2022 amounts of \$75.0 million, for both periods associated mainly with the Company's transformation initiatives relating to real estate which is discussed in Note 16- *Restructuring and Other Charges*. Additionally, the 2023 first fiscal quarter was impacted by approximately \$15.0 million in net favorable impacts from overhead cost reductions associated mainly with one-time benefit program changes, while partly offset by higher incentive and other compensation charges and higher investments in company technology platforms. Also, first quarter fiscal 2023 other expense, net, of \$40.3 million was higher by \$32.1 million versus first quarter fiscal 2022 amounts of \$8.2 million, with the current period primarily impacted by unfavorable higher net interest expense compared to the prior year quarter as discussed further below. Our reported net earnings for the current year quarter were unfavorably impacted by higher income taxes of \$34.2 million compared to the fiscal 2022 period, attributable to higher effective tax rates in the current quarter due mainly to the absence of prior year tax benefits including \$15.7 million related to the release of previously valued foreign tax credits and other prior year favorable tax items combined with current quarter income tax expense items further discussed in Note 9- *Income Taxes*. Additionally, redeemable noncontrolling interests was \$5.7 million lower in the current quarter due to unfavorable net earnings results in our PA Consulting investment compared to the prior year quarter.

On February 4, 2022, the Company acquired StreetLight Data, Inc., ("StreetLight"). For further discussion, see Note 15- *Other Business Combinations*.

Consolidated Results of Operations

Revenues for the first fiscal quarter of 2023 were \$3.80 billion, an increase of \$418.0 million, or 12.4%, from \$3.38 billion for the corresponding period last year. Revenue increases for the year over year period were due mainly to the Company's P&PS and CMS legacy businesses and in addition, to a smaller degree, fiscal 2023 incremental revenues benefited from the StreetLight acquisition (owned for the full period in fiscal 2023) and other increases in our DVS business. The P&PS business benefited primarily from stronger performance in its Advanced Facilities and U.S. business operations. Our CMS business benefited from increased spending in our U.S. government business sector, which was primarily attributable to fiscal 2022 contract awards for the U.S. Department of Energy. Due to foreign currency translation impacts, revenues in our PA Consulting investment decreased (excluding translation impacts, PA Consulting experienced year over year growth). Also, revenue was unfavorably impacted by foreign currency translation of \$158.5 million for the three months ended December 30, 2022 in our international businesses, with no significant impact in the prior year period. Pass-through costs included in revenues for the three months ended December 30, 2022 amounted to \$673.7 million, an increase of \$195.6 million, or 40.9%, from \$478.1 million from the corresponding period last year.

Gross profit for the first fiscal quarter of 2023 was \$814.7 million, an increase of \$18.2 million, or 2.3%, from \$796.5 million from the corresponding period last year. Our gross profit margins were 21.4% and 23.6% for the three months ended December 30, 2022 and December 31, 2021, respectively, with these margin differences being mainly attributable to lower utilization trends primarily in the PA Consulting business, project mix impacts in our legacy CMS portfolio and unfavorable foreign currency translation impacts, partly offset by new program startups won in fiscal 2022 and favorable performance in our P&PS advanced facilities and U.S. businesses. Additionally, gross profit benefited from favorable impacts from overhead cost reductions associated mainly with one-time benefit program changes, while partly offset by higher incentive and other compensation charges and higher investments in company technology platforms in the current year, as mentioned above.

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 30, 2022 were \$576.9 million, a decrease of \$42.2 million or (6.8)% from \$619.1 million for the corresponding period last year. The current year's three months ended results were impacted by decreases in real estate related costs, as well as other department spend decreases due in part to the Company's transformation initiatives. Also, Restructuring and other charges for fiscal 2023 and 2022 included \$27.1 million and \$73.2 million, respectively, in costs associated with the Company's transformation initiatives relating to real

estate. Lastly, SG&A expenses benefited from favorable foreign exchange impacts of \$27.5 million for the three months ended December 30, 2022, with no significant impact in the corresponding prior year period.

Net interest expense for the three months ended December 30, 2022 was \$37.1 million, an increase of \$19.1 million from \$17.9 million for the corresponding period last year. The increase in net interest expense for the three month period was due to higher levels of debt outstanding due to the funding of the StreetLight and BlackLynx acquisitions and increased borrowings associated with the payment of the settlement of a legacy litigation matter involving a subsidiary of CH2M (the "Legacy CH2M Matter") in fiscal 2022, in addition to higher interest rates.

Miscellaneous (expense) income, net for the three months ended December 30, 2022 was \$(3.3) million in comparison to \$9.7 million for the corresponding period last year. The \$12.9 million decrease from the prior three-month comparable period was due primarily to an increase in pension costs due to higher interest rate impacts in the current year along with the prior year \$6.9 million gain related to a lease termination.

The Company's effective tax rates from continuing operations for the three months ended December 30, 2022 and December 31, 2021 were 25.4% and 9.4%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended December 30, 2022 were U.S. state income tax expense of \$4.6 million and U.S. tax on foreign earnings of \$3.6 million. Both items are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year.

The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended December 31, 2021 were a tax benefit of \$15.7 million related to the release of previously reserved foreign tax credit assets, \$4.2 million excess tax benefit attributable to stock compensation, and \$4.0 million benefit from filing amended state 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 30, 2022	December 31, 2021
Revenues from External Customers:		
Critical Mission Solutions	\$ 1,075,175	\$ 976,777
People & Places Solutions	2,226,985	1,920,997
Divergent Solutions	214,465	192,877
PA Consulting	282,043	289,974
Total	\$ 3,798,668	\$ 3,380,625
	Three Months Ended	
	December 30, 2022	December 31, 2021
Segment Operating Profit:		
Critical Mission Solutions	\$ 82,220	\$ 91,239
People & Places Solutions	226,619	188,841
Divergent Solutions	11,967	23,108
PA Consulting	51,027	63,071
Total Segment Operating Profit	371,833	366,259
Other Corporate Expenses (1)	(93,686)	(105,360)
Restructuring, Transaction and Other Charges (2)	(40,342)	(83,566)
Total U.S. GAAP Operating Profit	237,805	177,333
Total Other Income (Expense), net (3)	(40,324)	(8,243)
Earnings Before Taxes from Continuing Operations	\$ 197,481	\$ 169,090

- (1) Other corporate expenses included intangibles amortization of \$49.8 million and \$46.9 million for the three months ended December 30, 2022 and December 31, 2021, respectively. Additionally, the three month period of fiscal 2023 included approximately \$15.0 million in net favorable impacts from cost reductions compared to the prior year period, which was associated mainly with net favorable impacts during the current quarter from changes in employee benefit programs of \$41 million offset by approximately \$26 million in higher quarter over quarter spend in company technology platforms and other personnel and corporate cost increases.
- (2) Included in the three months ended December 30, 2022 and December 31, 2021 are \$27.1 million and \$72.3 million, respectively, in real estate impairment charges related to the Company's transformation initiatives.
- (3) The three months ended December 31, 2021 included a gain of \$6.9 million related to a lease termination. Additionally, the increase in net interest expense year over year is primarily due to the higher levels of debt outstanding due to the funding of the StreetLight and BlackLynx acquisitions in fiscal 2022 and increased borrowings associated with the payment of the Legacy CH2M Matter settlement also in the prior year, in addition to higher interest rates.

Critical Mission Solutions

	Three Months Ended	
	December 30, 2022	December 31, 2021
Revenue	\$ 1,075,175	\$ 976,777
Operating Profit	\$ 82,220	\$ 91,239

Critical Mission Solutions (CMS) segment revenues for the three months ended December 30, 2022 were \$1.08 billion, an increase of \$98.4 million, or 10.1%, from \$976.8 million for the corresponding period last year. During the three months ended December 30, 2022, revenue benefited from contracts awarded in late fiscal 2022, including the Department of Energy Nuclear remediation program. Also, impacts on revenues from unfavorable foreign currency translation were approximately \$33.1 million for the three month period ended December 30, 2022, compared to \$2.2 million in favorable impacts in the corresponding prior year period.

Operating profit for the segment was \$82.2 million for the three months ended December 30, 2022, representing a decrease of \$9.0 million, or (9.9)%, from \$91.2 million for the corresponding period last year. Operating profit levels were down from the prior year, with impacts from large contract wind downs in early fiscal 2022, which carried higher profit margins, offset in part by growth in nuclear remediation work for the U.S. Department of Energy noted above. Impacts on operating profit from unfavorable foreign currency translation were approximately \$3.9 million for the three months ended December 30, 2022, as compared to insignificant impacts in the corresponding prior year period.

People & Places Solutions

	Three Months Ended	
	December 30, 2022	December 31, 2021
Revenue	\$ 2,226,985	\$ 1,920,997
Operating Profit	\$ 226,619	\$ 188,841

Revenues for the People & Places Solutions (P&PS) segment for the three months ended December 30, 2022 was \$2.23 billion, an increase of \$306.0 million, or 15.9%, from \$1.92 billion for the corresponding period last year. The increase in revenue for the three months ended December 30, 2022 was primarily driven by growth in both our advanced facilities and U.S. businesses as compared to the prior year corresponding period. Foreign currency translation had a \$83.2 million unfavorable impact on revenues in our international businesses for the three period ended December 30, 2022, respectively, as compared to unfavorable impacts of \$2.6 million in the corresponding prior year period.

Operating profit for the segment for the three month period ended December 30, 2022 was \$226.6 million, an increase of \$37.8 million, or 20.0%, from \$188.8 million for the corresponding period last year. The year-over-year increase in operating profit for the three months ended December 30, 2022 was driven primarily by the revenue growth mentioned above while holding selling, general and administrative expenses relatively flat. Foreign currency translation had a \$15.9 million unfavorable impact on operating profit in our international businesses for the three month periods ended December 30, 2022, respectively as compared to insignificant impacts in the corresponding prior year period.

Divergent Solutions

	Three Months Ended			
	December 30, 2022		December 31, 2021	
Revenue	\$	214,465	\$	192,877
Operating Profit	\$	11,967	\$	23,108

Revenues for the Divergent Solutions segment for the three months ended December 30, 2022 were \$214.5 million, an increase of \$21.6 million, or 11.2%, from \$192.9 million for the corresponding period last year. The increase in revenue for the three months ended December 30, 2022 benefited from incremental revenues from the StreetLight acquisition (owned for the full period in fiscal 2023) and the startup of new programs previously won in fiscal 2022. Foreign currency translation impacts on revenue were not significant for either period.

Operating profit for the segment was \$12.0 million for the three months ended December 30, 2022, a decrease of \$11.1 million, or 48.2%, from \$23.1 million, for the corresponding period last year. The decrease in operating profit for the three months ended December 30, 2022 was primarily driven by unfavorable impacts of changes in overhead billing rates during the current year quarter of 2023 vs. the prior year quarter mainly in our cyber intelligence market. Impacts on operating profit from foreign currency were not significant for either period.

PA Consulting

	Three Months Ended			
	December 30, 2022		December 31, 2021	
Revenue	\$	282,043	\$	289,974
Operating Profit	\$	51,027	\$	63,071

Revenues for the PA Consulting segment for the three months ended December 30, 2022 were \$282.0 million, a decrease of \$7.9 million, or 2.7%, from \$290.0 million for the corresponding period last year. The decrease in revenue for the three months ended December 30, 2022 was driven by foreign currency translation which had a \$41.6 million unfavorable impact on revenues in our international businesses for the three months ended December 30, 2022, and a favorable impact of \$5.3 million for the corresponding prior year quarter. In local currency (primarily GBP), PA Consulting experienced an approximate 10% increase in revenues as compared to the prior year period, primarily due to higher volumes in PA Consulting's existing business for previously delayed projects in fiscal 2022.

Operating profit for the segment for the three months ended December 30, 2022 was \$51.0 million, a decrease of \$12.0 million, or 19.1%, from \$63.1 million, for the corresponding period last year, with the decrease partly due to unfavorable foreign currency translation impacts in our international business of \$6.9 million as compared to \$1.0 million in favorable impact in the corresponding prior year period. Additionally, operating profit was impacted by lower utilization as compared to the prior year quarter.

Other Corporate Expenses

Other corporate expenses for the three months ended December 30, 2022 were \$93.7 million, a decrease of \$11.7 million from \$105.4 million for the corresponding period last year. This decrease during the three month period was primarily driven by approximately \$15.0 million in net favorable impacts from overhead cost reductions associated mainly with one-time benefit program changes, while partly offset by higher incentive and other compensation charges and higher investments in company technology platforms.

Included in other corporate expenses 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 16- *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 have presented 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 30, 2022 and December 31, 2021 (in millions):

	December 30, 2022	December 31, 2021
Critical Mission Solutions	\$ 7,632	\$ 7,525
People & Places Solutions	17,243	16,930
Divergent Solutions	3,077	3,275
PA Consulting	306	276
Total	\$ 28,258	\$ 28,006

The increase in backlog in Critical Mission Solutions (CMS) from December 31, 2021 was primarily driven by new business awards in the U.S. government space and nuclear remediation sectors offsetting slower growth in the U.S. Defense market.

The increase in backlog in People & Places Solutions (P&PS) from December 31, 2021 was primarily driven by new business awards in our federal, environmental and advanced facilities business.

The decrease in backlog in Divergent Solutions (DVS) from December 31, 2021 was primarily driven by delays of new awards because of continuing resolution throughout fiscal 2022.

The increase in backlog in PA Consulting from December 31, 2021 was primarily driven by strategic focus on long-term projects as well as organic year over year growth of the business.

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 30, 2022, our principal sources of liquidity consisted of \$1.21 billion in cash and cash equivalents and \$637.9 million 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 30, 2022 represented an increase of \$70.6 million from \$1.14 billion at September 30, 2022, the reasons for which are described below.

Our net cash flow provided by operations of \$302.3 million during the three months ended December 30, 2022 was unfavorable by \$19.3 million in comparison to the cash flow provided by operations of \$321.6 million for the corresponding prior year period. The year-over-year decrease in cash from operations is primarily attributable to lower earnings after adjustments for non-cash items compared to the prior period, in addition to a small decrease in working capital performance compared to the prior period.

Our net cash used for investing activities for the three months ended December 30, 2022 was \$48.7 million, compared to cash used for investing activities of \$249.6 million in the corresponding prior year period, with this change due primarily to the acquisition of BlackLynx in the prior year.

Our net cash used for financing activities of \$246.1 million for the three months ended December 30, 2022 resulted mainly from cash used for share repurchases of \$140.5 million, \$58.4 million in repurchase of redeemable noncontrolling interests and \$29.8 million in dividends to shareholders and \$2.3 million in dividends to noncontrolling interest holders, partly offset by net proceeds from issuance of common stock of \$14.8 million. Cash provided by financing activities in the corresponding prior year period was \$144.4 million, due primarily to net proceeds from borrowings of \$231.4 million, offset by cash used for repurchases of redeemable noncontrolling interests of \$35.1 million and \$27.5 million in dividends to shareholders and \$14.1 million in net dividends to noncontrolling interest holders.

At December 30, 2022, the Company had approximately \$210.0 million in cash and cash equivalents held in the U.S. and \$1.0 billion held outside of the U.S. (primarily in the U.K., the Eurozone, Australia, India, Canada, Israel 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 6- *Income Taxes* of Notes to Consolidated Financial Statements included in our 2022 Form 10-K), there are no material impediments to repatriating these funds to the U.S.

The Company had \$292.5 million in letters of credit outstanding at December 30, 2022. Of this amount, \$1.3 million was issued under the Revolving Credit Facility and \$291.2 million was issued under separate, committed and uncommitted letter-of-credit facilities.

On February 6, 2023, the Company refinanced its Revolving Credit Facility and Term Loan Facilities. See Note 11- *Borrowings* for further discussion relating to the terms of the Revolving Credit Facility and Term Loan Facilities following the refinancing.

On February 4, 2022, the Company acquired StreetLight Data, Inc. ("StreetLight"). 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. The Company paid total base consideration of approximately \$190.8 million in cash, and issued \$0.9 million in equity and \$5.2 million in in-the-money stock options to the former owners of StreetLight. The Company also paid off StreetLight's debt of approximately \$1.0 million simultaneously with the consummation of the acquisition.

On November 19, 2021, 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 \$235.4 million in cash to the former owners of BlackLynx. 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.

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 were in compliance with all of our debt covenants at December 30, 2022.

Supplemental Obligor Group Financial Information

On February 6, 2023, Jacobs and its wholly-owned subsidiary, JEGI (together, the "Obligor Group"), filed an automatic shelf registration statement on Form S-3, registering, among other securities, Senior Debt Securities, and Subordinated Debt Securities of Jacobs, which may be fully and conditionally guaranteed by JEGI, and Senior Debt Securities, and Subordinated Debt Securities of JEGI, which may be fully and conditionally guaranteed by Jacobs. All other subsidiaries of the Company that will not guarantee the registered debt securities of either JEGI or Jacobs are referred to collectively as the "Non-Obligor Subsidiaries". As of the date of this report, no Senior or Subordinated Debt Securities subject to such guarantees have been issued.

In accordance with the SEC Regulation S-X Rule 13-01, set forth below is the summarized financial information for the Obligor Group on a combined basis after elimination of (i) intercompany transactions and balances between Jacobs and JEGI and (ii) equity in the earnings from and investments in the Non-Obligor Subsidiaries. This summarized financial information (in thousands) has been prepared and presented pursuant to Regulation S-X Rule 13-01, "Financial Disclosures about Guarantors and Issuers of Guaranteed Securities" and is not intended to present the financial position or results of operations of the Obligor Group in accordance with U.S. GAAP.

<i>(in thousands)</i>	Three Months Ended December 30, 2022	
Summarized Statement of Earnings Data		
Revenue	\$	757,688
Direct Costs	\$	645,637
Selling, General and Administrative Expenses	\$	121,268
Net earnings attributable to Guarantor Subsidiaries from continuing operations	\$	(26,927)
Noncontrolling interests	\$	(227)

(in thousands)	December 30, 2022		September 30, 2022	
Summarized Balance Sheet Data				
Current assets, less receivables from Non-Guarantor Subsidiaries	\$	670,764	\$	641,281
Current receivables from Non-Guarantor Subsidiaries	\$	132,560	\$	144,564
Noncurrent assets, less noncurrent receivables from Non-Guarantor Subsidiaries	\$	489,598	\$	494,185
Noncurrent receivables from Non-Guarantor Subsidiaries	\$	654,156	\$	612,260
Current liabilities	\$	591,260	\$	573,614
Long-term Debt	\$	3,045,486	\$	2,986,124
Other Noncurrent liabilities, less amounts payable to Non-Guarantor Subsidiaries	\$	289,442	\$	289,452
Noncurrent liabilities to Non-Guarantor Subsidiaries	\$	462,306	\$	434,092
Noncontrolling interests	\$	765	\$	947
Accumulated deficit	\$	(2,442,181)	\$	(2,391,939)

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 11- *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 30, 2022, we had an aggregate of \$3.49 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 17- *Commitments and Contingencies and Derivative Financial Instruments*, we are party to swap agreements with an aggregate notional value of \$894.5 million to convert the variable rate interest based liabilities associated with a corresponding amount of our debt into fixed interest rate liabilities, leaving \$2.59 billion in principal amount subject to variable interest rate risk. Additionally, during fiscal 2022, we entered into two treasury lock arrangements with an aggregate notional value of \$500.0 million which is disclosed in further detail in Note 17- *Commitments and Contingencies and Derivative Financial Instruments*.

For the three months ended December 30, 2022, our weighted average borrowings that are subject to floating rate exposure were approximately \$2.81 billion. If floating interest rates had increased by 1.00%, our interest expense for the three months ended December 30, 2022 would have increased by approximately \$7.0 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 \$382.5 million in notional value of exchange rate sensitive instruments at December 30, 2022. See Note 17- *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 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 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 30, 2022, 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 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 30, 2022 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 17- *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 2022 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 securities during the first fiscal quarter of 2023.

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, that expired on January 15, 2023 (the "2020 Repurchase Authorization"). A summary of repurchases of the Company's common stock made during the first quarter of fiscal 2023 under the 2020 Share Repurchase Authorization follows:

Period	Total Number of Shares Purchased	Average Price Per Share (1)	Total Number of Shares Purchased under the 2020 Repurchase Authorization	Approximate Dollar Value of Shares that May Yet Be Purchased Under the 2020 Repurchase Authorization (2)
October 3, 2022 - October 28, 2022	912,812	\$112.10	912,812	\$398,661,297
October 31, 2022 - November 25, 2022	316,876	\$117.49	316,876	\$361,430,317
November 28, 2022 - December 30, 2022	8,000	\$123.36	8,000	\$360,443,420

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

(2) Expired on January 15, 2023 when 2020 Repurchase Authorization expired.

On January 25, 2023, the Company's Board of Directors authorized an incremental share repurchase program of up to \$1.0 billion of the Company's stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). No repurchase activity has taken place under the 2023 Share Repurchase Authorization to date.

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.

- [3.1](#) [Amended and Restated Bylaws of Jacobs Solutions Inc., dated as of October 11, 2022. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A on October 14, 2022 and incorporated herein by reference.](#)
- [10.1#*](#) [Form of Restricted Stock Unit Agreement \(Performance Shares – Earnings Per Share Growth\) \(awarded pursuant to the Jacobs Solutions Inc. 1999 Stock Incentive Plan\).](#)
- [10.2#*](#) [Form of Restricted Stock Unit Agreement \(Performance Shares – ROIC\) \(awarded pursuant to the Jacobs Solutions Inc. 1999 Stock Incentive Plan\).](#)
- [10.3#*](#) [Form of Restricted Stock Unit Agreement \(Time-Based Vesting\) \(awarded pursuant to the Jacobs Solutions Inc. 1999 Stock Incentive Plan\).](#)
- [10.4#*](#) [Employment Agreement by and between Patrick X. Hill and Jacobs Group \(Australia\) Pty Ltd, effective as of August 1, 2021.](#)
- [10.5#](#) [Jacobs Solutions Inc. Executive Severance Plan, as amended and restated effective November 16, 2022. Filed as Exhibit 10.25 to the Registrant's Annual Report on Form 10-K on November 21, 2022 and incorporated herein by reference.](#)
- [31.1*](#) [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934.](#)
- [31.2*](#) [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934.](#)
- [32.1*](#) [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.](#)
- [32.2*](#) [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.](#)
- 101 The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended December 30, 2022, 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 30, 2022, (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

Management contract or compensatory plan or arrangement

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 SOLUTIONS INC.

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

Date: February 7, 2023

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

(Awarded Pursuant to the Jacobs Solutions Inc. 1999 Stock Incentive Plan, as Amended and Restated)

This Agreement is executed as of _____, by and between JACOBS SOLUTIONS INC. (the “Company” or “Jacobs”) and _____ (“Employee”) pursuant to the Jacobs Solutions 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 Solutions 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 [20__]; 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 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 r 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.
 - (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 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);
- (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

¹ Included in the award agreements for certain senior officers.

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.
 - (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
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(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, 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.
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- (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 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 SOLUTIONS INC.

JACOBS SOLUTIONS INC.
FORM OF RESTRICTED STOCK UNIT AGREEMENT

(Performance Shares - ROIC)

(Awarded Pursuant to the Jacobs Solutions Inc. 1999 Stock Incentive Plan, as Amended and Restated)

This Agreement is executed as of _____, by and between JACOBS SOLUTIONS INC. (the “Company” or “Jacobs”) and _____ (“Employee”) pursuant to the Jacobs Solutions 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 Solutions 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 [20__]; 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
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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 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 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,
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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 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,

¹ Included in the award agreements for certain senior officers.

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 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 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 SOLUTIONS INC.

**JACOBS SOLUTIONS INC.
FORM OF RESTRICTED STOCK UNIT AGREEMENT**

This Agreement is executed as of _____ by and between JACOBS SOLUTIONS INC. (the “Company” or “Jacobs”) and _____ (“Employee”) pursuant to the Jacobs Solutions 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 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.
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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:

(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

¹ Included in the award agreements for certain senior officers.

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, 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 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, 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

(d) 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 SOLUTIONS INC

EMPLOYMENT AGREEMENT

PARTIES: Patrick Xavier Hill ("**you**"); and
Jacobs Group (Australia) Pty Ltd

EFFECTIVE DATE: 1 August 2021

Commencement date and Employer

The terms and conditions of employment set out in this Employment Agreement are effective from your commencement date of 1 August 2021 ("**Commencement Date**") in your new role as EVP and President, People & Places Solutions. Your continuous service date is 20 July 1998.

Your employer will be Jacobs Group (Australia) Pty Ltd, a Jacobs Engineering Group Inc. company (**collectively, the "Company" or "Jacobs"**).

If any of the terms or provisions of this agreement give rise to a conflict with other Jacobs agreements previously signed or agreed by you or to Company policies or procedures, this agreement will take precedence.

Residency or Work Status

You are required to be permanent resident of Australia or to possess an appropriate work visa (permitting employment as per the offer) which has been approved by Australian authorities. Your employment at all times is subject to you satisfying and continuing to satisfy these conditions.

Engagement and Position

You are employed by the Company on a Full Time, Permanent basis in the position of EVP and President, People & Places Solutions based in Melbourne Australia, or such other location(s) as you have agreed upon with executive management and/or as reasonably directed in accordance with this Employment Agreement.

In this position, the Company will advise you of who you will be reporting to from time to time at the Company's discretion, taking into account the needs of the business.

Confidentiality and Business Conduct

As a further condition of employment, you are required and agree to continue to abide by any and all agreements you have signed pertaining to maintaining the confidentiality of Jacobs' confidential, proprietary or trade secret information, as well as to annually signing, acknowledging and abiding by Jacobs' Code of Conduct.

Acceptable Use of Jacobs' Information System Requirements

Jacobs' information systems, including but not limited to computer equipment, software, operating systems, storage media, and network accounts providing electronic mail or other communications, are the property of Jacobs and are intended to promote Jacobs' business and support the needs of its clients. Use of Jacobs' resources, such as information systems, must be appropriate. Unauthorized use of Jacobs' information systems is prohibited.

AU Policies and Procedures

Information, rules, policies and procedures formulated by the Company from time to time are to facilitate the smooth administration of employment matters and to maintain a fair and consistent approach to our people.

You agree to be familiar with and adhere to and comply with all Company rules, policies and procedures, including any applicable code of conduct, as amended, replaced, varied or introduced from time to time at the Company's absolute discretion. The Company's code of conduct, rules, policies and procedures (as varied from time to time) are not incorporated into this Employment Agreement and do not form part of your terms and conditions of employment. Such rules, policies and procedures constitute lawful and reasonable directions to you by the Company.

From time to time you will be directed to re-affirm your commitment to the Jacobs Code of Conduct and other associated policies.

Such rules, policies and procedures as varied from time to time will be accessible on Jacobs Connect. As an executive with the company, you are expected to reasonably familiarize yourself with the Company's policies and procedures during and throughout your employment with the Company. Where important policies, procedures and standards change, the Company will make you aware of the changes.

In addition to complying with Jacobs' published safety and health policies, you are required to take all reasonably practicable steps to ensure your own fitness for work and safety and the safety of others in the workplace.

Failure to comply with Company policies, procedures or expectations may result in disciplinary action.

To the extent that the contents of Company policies or procedures refer to obligations on the Company, you agree that they are general guides only and are not contractual terms, conditions, or representations on which you rely.

If the Company's rules, policies and procedures are inconsistent with the terms of this Employment Agreement, the terms of this Employment Agreement will prevail (except where the policy is consistent with applicable legislation that may not be varied or contracted out of).

Duties

You will be required to perform the duties assigned to your position, and as reasonably required or directed by the Company from time to time. Your position duties and reporting requirements may be varied at the absolute and sole discretion of the Company. Any significant change to your duties shall include discussions between you and the Company. For the avoidance of doubt nothing in this clause shall infringe on your employment rights in relation to termination of employment.

In addition to the performance of your duties and responsibilities, you agree to:

- promote the Company's interests.
- act in good faith towards the Company.
- display due care and uphold professional standards in the performance of your work.
- not commit the Company to any obligation unless you are duly authorised to do so.
- follow the lawful and reasonable directions of the Company and your manager, including as reflected in the Jacobs Code of Conduct and other policies and procedures as amended from time to time (which, for the avoidance of doubt are not incorporated into this Employment Agreement but instead constitute lawful and reasonable directions to you).
- follow directions given by the Company in relation to occupational health and safety and to promote a safe and secure working environment.
- act diligently and to the best of your ability and knowledge.
- act in the Company's best interests.
- comply with all laws applicable to the position and the duties assigned to you.
- create and maintain records of your work-related activities as required by the Company; and
- devote the whole of your time and attention during normal working hours to the business of the Company.

The parties agree that the nature of your role and levels of responsibility may be varied throughout your service. It is agreed that irrespective of any such variations, the terms and conditions set out in this Employment Agreement continue unless amended in writing.

Hours of Work (Full Time)

As a fulltime employee, you are required to work 40 hours per week. You are required to work any other irregular reasonable additional hours as directed by the Company, in order for you to perform all of your duties and functions and discharge all allocated responsibilities with the required attention and skill.

You and the Company agree that the hours you may be required to work under this Employment Agreement (including any irregular additional hours) are reasonable having regard to all relevant factors including but not limited to:

- i. the nature of the position you hold, and the duties and responsibilities associated with that position;
- ii. the nature of the Company's business and the operational requirements of the business;
- iii. the remuneration paid to you which you acknowledge has been calculated taking into account the hours required to be worked by you;
- iv. you agreeing, under the terms of this Employment Agreement, that any additional hours worked are reasonable and necessary to properly perform your obligations under this Employment Agreement and meet the requirements of the Company.

You shall be available to carry out your duties during normal business hours and at other times as necessary and reasonable in order to satisfy the requirements of your position.

The requirement to work 40 hours per week and any other irregular reasonable additional hours has been taken into account in calculating your Remuneration Package and you are not entitled to receive any additional remuneration for any reasonable additional hours you may be required to work.

Flexible Working

Jacobs encourages flexible working and will facilitate requests for flexible work arrangements in line with the Jacobs Flexibility Toolkit (which may be varied from time to time) and legislative requirements. Jacobs aims to support the work life balance of its employees and encourages its employees to discuss flexible work arrangements with their managers.

To satisfy legal responsibilities, Jacobs must confirm standard operating hours. To that end, Jacobs operates a standard five-day week Monday to Friday to be worked within the Company's usual business hours between 8:00am and 5:00pm with a one-hour lunch break each day at a time agreed with your manager.

Flexibility to vary the standard start and finish times and the average hours worked per day may be exercised based on employee and business needs and subject to pre-approval from the manager.

You may be required to work reasonable additional hours in excess of your normal/ordinary working hours as are reasonable to fulfil your duties and responsibilities to meet the operational requirements of the Company.

As set out in clause ***Remuneration Package***, your Remuneration Package has been set to take into account the Company standard working week and calculated to compensate you for all the hours you work, including those worked over and above your normal/ ordinary hours of duty; and additional hours deemed necessary.

You will be required to complete and submit an accurate timesheet in line with company protocols detailing, among other things, the hours that have been worked.

If you are assigned to a Project with separate additional Terms & Conditions (including payment for additional specified hours), supplementary Project Assignment provisions may be forwarded to you for review and agreement for the period you are assigned to that project.

Remuneration Package

Your Remuneration Package is made up of:

1. Annual Base Salary; and
2. Statutory employer superannuation contributions in accordance with the Superannuation Guarantee Contribution (SGC) legislation.

Your Annual Base Salary will be \$900,000.00 gross per annum.

In addition to your annual base salary you are eligible to participate in LPP (Leadership Performance Plan) and LTI (Long Term Incentive) the details of which will be provided separately.

Your Annual Base Salary will be reviewed annually by the Company but there is no automatic entitlement to a Salary increase unless required by law.

Payment of wages

Your Annual Base Salary (less applicable income taxation) will be paid by direct deposit into your nominated bank account(s) in Australia on a monthly basis on around the 15th of the calendar month for the full calendar month (i.e., two weeks in advance and two weeks in arrears). For example: the period 1 May – 31 May is paid on or around the 15th May.

Superannuation Contributions

The Company will make contributions for and on your behalf at the minimum level to avoid the imposition of a superannuation guarantee charge under (and in accordance with) current Federal Superannuation legislation, up to the Maximum Superannuation Contributions Base which is indexed each year. The prescribed level of contribution is set by the Government.

Choice of Fund

Choice of Fund legislation enables most employees to choose the fund into which their future superannuation contributions are paid.

Unless you nominate an alternative fund (by completing the Superannuation Choice of Fund form), your contributions will be paid to the Company appointed Superannuation Fund.

Salary Continuation Insurance

If you work a minimum of 15 hours a week, you may, at the Company's sole and absolute discretion, be eligible to receive Salary Continuation Insurance under the Jacobs Group Salary Continuation Plan as in place or amended from time to time. For the avoidance of doubt,

nothing in this clause gives you a contractual entitlement to receive any Salary Continuance Insurance and/or is intended to in any way restrict or limit the Company's ability to, from time to time, amend, vary, delete, cancel, replace, or deal in any other manner with its Jacobs Group Salary Continuance Plan from time to time.

Leave entitlements

Your entitlements to leave are in accordance with the National Employment Standards in the Fair Work Act 2009 (Cth) (NES), the Award and the relevant legislation applying to long service leave. In the event of any inconsistency between the terms of this Employment Agreement and the NES/Award or relevant long service leave legislation, the NES/Award or relevant long service leave legislation will prevail. For the avoidance of doubt, the NES, the Award and relevant long service leave legislation are not incorporated into this Employment Agreement.

All of your leave entitlements have carried forward from previous revisions of your employment agreement – originating from your continuous service date stated in Clause 1.

Public Holidays

Employees are entitled to paid public holidays in accordance with relevant State or Territory legislation. Part time employees are entitled to public holidays in accordance relevant State or Territory legislation without any loss in pay for the days they are normally scheduled to work.

The Company may from time to time request that you work on a public holiday. In the event that you are required to work on a public holiday, any applicable overtime, penalties or loadings you may be entitled to have been included in your Annual Base Salary.

Annual Leave

Full time employees are entitled to 4 weeks paid annual leave for each year of continuous employment (or 5 weeks of paid annual leave if a modern award applies to them and defines them as a shiftworker for the purposes of the National Employment Standards). Annual leave accrues progressively and will be taken at mutually agreed times. Part time employees are entitled to annual leave on a pro-rata basis. Any applicable annual leave loading is included in your Annual Base Salary.

Cashing out of annual leave is permitted for applicable employees only in accordance with legislation and applicable industrial instruments. This must be agreed in writing and a minimum balance of 4 weeks accrued annual leave days after the cash out must be maintained, or pro rata amount if part time.

Where you have an excessive leave accrual (more than 8 weeks' paid annual leave, or 10 weeks' paid annual leave if you are a defined shift worker), the Company may direct you to take annual leave.

Jacobs offices close between Christmas and approximately the second Monday in January. Unless you and your manager agree you are required to work during the closedown, you are required to take annual leave during the closedown period, even where this requires you to take unpaid leave for some or all of the closedown period. Jacobs shall provide at least one months' notice of the closedown.

If you have insufficient leave accrued to cover the period of the closedown, you may apply for annual leave in advance, up to a total balance of 7 days. It is Jacobs' strong preference that annual leave be taken in the year it is accrued.

Purchase Leave

Jacobs offers employees the opportunity to purchase additional leave subject to manager approval and in accordance with the Australian Purchased Leave Policy as amended by the Company from time to time.

Personal Leave

Full-time employees are entitled to 10 days paid personal leave per year which will accrue progressively during each year of service and be credited to you throughout the year. Part-time employees are entitled to paid personal leave on a pro rata basis which will accrue and be credited throughout the year.

You must provide a medical certificate from a registered health practitioner or, if it is not reasonably practicable to provide a medical certificate, a statutory declaration for any personal leave absence in excess of two (2) consecutive days or for any personal leave immediately preceding or following a public holiday.

Personal leave accumulates from year to year but is not paid out on termination of employment.

This leave may be used as sick leave, or to care for immediate family or household members who require care or support due to illness, injury or unexpected emergency.

Unless you are unable to do so due to circumstances beyond your control, you must notify your manager as soon as reasonably practicable of your inability to attend for duty and state the reason that you require personal leave (e.g., personal illness; to provide care and support to an injured immediate family member, etc.), without disclosing personal health or medical information.

Leave Without Pay

Other than in accordance with legislation, leave without pay may be granted by special arrangement at the sole discretion of Jacobs.

Compassionate Leave

You will be entitled to three (3) days paid compassionate leave for each occasion where a member of your immediate family or household dies.

Long Service Leave

You are entitled to Long Service Leave in accordance with relevant State or Territory long service leave legislation.

Standards of Ethical Behaviour

You are required to perform all functions of your position, including but not limited to any business transactions fairly and with integrity. You must not, directly or through a third party offer or promise any personal or improper advantage (whether financial or otherwise) in order to secure a more advantageous business outcome. This applies to both government and private sector partners and third parties. You are also prohibited from accepting information, financial or other reward in return for an advantage that is improper.

BeyondZero® - Environment Health & Safety

You must fulfill your duties safely, ensuring you take care of your health and safety and ensuring that by your acts or omissions you do not adversely affect the health and safety of your colleagues.

You must participate in Jacobs BeyondZero® learning and development programs. The Company recognises its moral and legal responsibility for occupational health and safety, and is committed to providing, insofar as is practicable, a safe and healthy work environment.

The Company's philosophy is to aim to provide its services in an environmentally responsible manner, compatible with the needs of the environment in which we live and work. You must act in a manner consistent with our philosophy in all the activities which you undertake on behalf of the Company.

Fitness for Work

The company will provide a full annual executive health check details of which will be provided separately. You are required to be fit for work and are prohibited from working or attending work under the influence of alcohol or other drugs, including but not limited to whilst representing the Company or its business or on company premises. Such action may result in disciplinary action, and potentially the termination of your employment.

It is important to be aware that the Company and many of our clients have strict policies relating to alcohol and other drugs, including mandatory drug and alcohol testing. You agree to comply with these policies when engaged on assignments for these clients and you agree to submit to any such testing. Similarly, depending on your work assignment and your client engagements, you may be required to undertake medical examinations to review your health and assess your level of fitness. This is particularly applicable for remote site assignments.

If you incur any work related injury or illness, you agree to sign an authority, if requested by the Company, authorising the Company to seek from and/or provide to any treating health professional or relevant insurer (including workers' compensation and any disability insurer) information about your medical condition or any past medical condition relating to your work.

If at any time the Company has any doubts about your capacity to perform the duties of the position due to illness or injury, or the Company considers it appropriate to ensure compliance with its workplace health and safety obligations, the Company may request that you undergo, at the Company's expense, an examination by a medical practitioner nominated by the Company. In these circumstances, you agree that a written authority enabling the Company to discuss your fitness for duty with the examining medical practitioner will not be unreasonably withheld.

The Company acknowledges that all information obtained relating to your health under the above provision will be kept confidential and will only be used for the purpose of assessing your ability to perform the duties of the position and/or the Company's workplace health and safety obligations.

If you refuse to attend a medical examination or assessment under this Agreement, Jacobs reserves the right to make a decision regarding your fitness to perform your duties under this Agreement on the information it has available.

Computer Equipment and Software/Company Property

All Company property, including computer equipment, software, methodologies, documentation, materials, working papers, any other items developed during the course of employment, security cards and keys which belong to the Company, including any copies which have been reproduced, must be returned upon termination of employment or whenever requested.

You will be provided with access to a computer for your business use in the office. If you are allocated a portable computer for use at work, you are required to take additional responsibility for the physical security of the equipment as well as the software and information stored within it.

Confidentiality

These confidentiality provisions are in supplement to, and do not override, any confidentiality obligations you already have or in the future may agree to in association with your employment. You must keep confidential and not use or disclose to any person any of the Company or its affiliates' or subsidiaries', or the Company's clients' Confidential Information (see definition below), except with the Company's prior authorisation, or in the proper performance of your duties for the Company, or as obliged by legislation.

When you disclose any Confidential Information as permitted by these provisions, you will ensure that whoever it is disclosed to is made aware of its confidential nature. You will take

all reasonable steps to ensure that those persons do not disclose that Confidential Information, and agree to not use it for any purpose, other than the purpose for which it was disclosed to them.

The Company takes confidentiality seriously. You must not compromise the Company by bringing confidential materials with you to the Company that belong or relate to other organisations such as former employers or competitors. Any confidential information of, or relating to, another organisation must not be adapted or used by you or any staff while employed at the Company.

Many of the Company's clients have strict protocols relating to preserving Confidential Information, which, if breached, may result in the Company being held liable for breach of confidentiality. In addition to contractual liability, the Company and its personnel may be criminally prosecuted if confidentiality protocols in respect of government client's information is breached. There may be a requirement by some of the Company's government or other clients for you to confirm your agreement to maintain confidentiality of their Confidential Information by signing an additional project specific declaration or other similar document. It is a requirement of the Company that you confirm your agreement to a client's requirements with respect to Confidential Information, as and when you are requested to do so. Should you fail to confirm that agreement, you may be unable to work for those clients and, therefore, potentially the Company.

"Confidential information," for the purposes of this Employment Agreement, means information that you have become aware of or acquired while employed by the Company which relates to the business, organisation, clients, technical matters or affairs of the Company, its affiliates and subsidiaries or its clients and includes but is not limited to:

- information which is specifically designated as confidential by us or our clients;
- information which by its nature may be reasonably understood to be confidential;
- our trade secrets and Intellectual Property;
- information regarding our financial or business affairs;
- information about the identity, contact details or requirements of our clients, prospective clients, suppliers or prospective suppliers;
- any agreements, arrangements or terms of trade with a client, prospective client, supplier or prospective supplier;
- our contractual, technical and production information;
- our marketing and strategic plans, and marketing and sales techniques;
- notes and developments regarding Confidential Information;
- our employee information;
- our business systems, and operating procedures or manuals;
- techniques and processes;
- formulas and computer software;
- human resources information including remuneration details; and
- research or development information,

except for information that is publicly available, other than due to a breach of this Employment Agreement.

This provision continues to apply after your Employment Agreement with the Company comes to an end.

All Confidential Information belonging to the Company, its affiliates or subsidiaries or clients, whether in hard copy or electronic format must be returned or destroyed by you on the earlier of (i) any date specified by the Company or (ii) the date on which this Employment Agreement comes to an end.

You acknowledge that the Company may be irreparably harmed by any breach by you of this confidentiality clause and that damages alone may not be an adequate remedy for such breach and, accordingly, without prejudice to any other rights or remedies that the Company might have, the Company shall be entitled, without proof of special damage, to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of the provisions of this confidentiality clause.

Intellectual Property and Moral Rights

These intellectual property and moral rights provisions are in supplement to, and do not override, any other intellectual property and moral rights obligations you already have or in the future may agree to in association with your employment. By signing this Employment Agreement you agree that all Intellectual Property (defined below) of any nature that you develop or conceive in the course of your employment with the Company is the property of the Company and that those rights will automatically vest in the Company on the date on which the Intellectual Property comes into existence.

The nature of our business means that in some instances our clients may wish to adapt work the Company has created for them or the Company may need to provide a client with material without acknowledging each individual who worked on it. In other instances, pursuant to contractual obligations, our clients own Intellectual Property rights in work product prepared or developed by the Company, without acknowledging each individual who worked on it. By signing this Agreement, you irrevocably consent to the Company supplying to clients material that you have contributed to without acknowledgment. Further, you irrevocably accept that the material you produce or contribute to in connection with your employment may be used, reproduced, adapted and exploited by the Company and our clients in a manner that would otherwise infringe the Moral Rights that you have under Copyright law. The expression "Moral Rights" is defined below.

You will do anything reasonably necessary, including signing any documents such as an assignment, for the purpose of effecting, perfecting and protecting the Company's title or that of the Company's nominee to the Company's Intellectual Property, in the country in which you are employed or such other countries as the Company reasonably requires.

You may not make use of or reproduce any Intellectual Property owned by the Company without the Company's prior written approval, other than in the ordinary course, and for the purposes, of your employment with the Company.

For the purposes of this Agreement:

"Intellectual Property" includes all rights in relation to:

- copyright;
- design, patent, trademark, semiconductor, circuit layout or plant breeder rights (whether registered, unregistered or applied for);
- trade, business, company or domain name;
- know-how, inventions, processes (whether in writing or recorded in any form); and
- any other proprietary, license or personal rights arising from intellectual activity in the business, industrial, scientific or artistic fields;

"Moral Rights" means:

- a right of attribution or authorship;
- a right not to have authorship falsely attributed;
- a right of integrity of authorship; or
- any other similar rights arising under any applicable Copyright legislation or any other law.

These intellectual property and moral rights provision continues to apply after your Employment Agreement with the Company comes to an end.

You must disclose to the Company a complete list of any Intellectual Property which you have conceived or developed prior to employment with the Company.

Conflicts of interest, outside employment positions and anti-corruption obligations

You must not undertake any outside employment or directorships, or any commitments that may be in conflict with your employment with the Company. Before accepting any position outside the company (regardless of whether it is a paying position or otherwise) you must first discuss your plans with your manager and obtain written permission from the Company via the Legal Ethics & Compliance function or its designated legal in-house legal counsel.

This written permission if granted may, at the discretion of your manager or the Company, be withdrawn at any time without prior notice. Any granted permission is subject to the following requirements:

1. documentary evidence of the nature and scope of all outside employment or directorships. This documentary evidence may be required on an on-going basis by the Company;
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2. receipt of a written undertaking that no engagement commitment outside of your employment with the Company conflicts in any way with, or will interfere with your ability to complete, your employment obligations to the Company and our clients.

As a senior level executive with Jacobs, you are not permitted to serve on more than one paid outside board absent written approval from the Chief Executive Officer.

During the course of your employment you must:

1. perform the requirements of your position and conduct any business on behalf of the Company in compliance with all Anti-Corruption Legislation;
2. comply with the Jacobs Global Anti-Corruption Policy as varied from time to time;
3. maintain detailed, accurate and up to date records and accounts showing all payments made by you, or to you, in connection with your performance of the requirements of your position under this Employment Agreement, and in the course of conducting any business on behalf of the Company;
4. promptly report to your manager any breach or potential breach of the Anti-Corruption Legislation or the Jacobs Global Anti-Corruption Policy by you or by another employee, agent, consultant or contractor, of which you become aware (**Potential Breach**);
5. cooperate fully with the Company in respect of any Potential Breach and provide all information, documents, communications (electronic or otherwise), records, systems, names and details of persons concerned or involved as requested or directed by the Company for the purpose of investigating the Potential Breach pursuant to the Anti-Corruption Legislation or the Jacobs Global Anti-Corruption Policy;
6. co-operate with the Company in connection with our continuing compliance with Anti-Corruption Legislation and the Jacobs Global Anti-Corruption Policy;
7. undergo all applicable training in relation to the Anti-Corruption Legislation and the Jacobs Global Anti- Corruption Policy, as directed by the Company from time to time.

In this clause:

1. **Anti-Corruption Legislation** means all applicable laws, regulations, rule, codes or other legally binding measure of any jurisdiction relating to anti-bribery and anti-corruption including, but not limited to, the Bribery Act 2010 (UK), Foreign Corrupt Practices Act of 1977 (USA) and the relevant provisions of the Australian Criminal Code Act 1995 (Cth) (in each case as amended from time to time).
 2. **Jacobs Global Anti-Corruption Policy** means the Jacobs Code of Conduct, anti-bribery and anti- corruption guidelines and associated policies (in each case as amended or varied from time to time).
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Contacts from the Media

Jacobs Corporate Communications Department is the focal point for dealings with any member of the press or media. Any approach from or to the media by you must first be referred to this Jacobs Corporate Communications Department.

Privacy and Surveillance

If you deal with Personal Information (as defined in the *Privacy Act 1988* (Cth) (**Privacy Act**), you must comply with the requirements of:

- the Privacy Act;
- any applicable State legislation regarding privacy; and
- any applicable policies of the Company.

You acknowledge that as a result of and during the course of your employment, the Company will obtain Personal Information (including health, medical, biodata and other sensitive information) about you. You consent to the Company obtaining this Personal Information and disclosing the Personal Information to the other Company offices in Australia and overseas, the Australian Tax Office, superannuation funds trustees and administrators, insurers, medical or occupational practitioners, financial and legal advisers, potential purchasers in a sale of business, law enforcement bodies and other organisations (including travel agencies the Company appoints for its domestic or international travel arrangements), clients and project participants in Australia and overseas.

The Company may use video surveillance equipment in strategically located internal and external areas of the workplace to monitor movements. Cameras may operate continuously, and surveillance may be ongoing.

The Company notifies you that it carries out ongoing surveillance of the use of computer systems and other electronic communications systems by employees including emails, internet and files. The Company may at any time access, monitor and record any communication or information developed, used, received, stored or transmitted by you using Company and/or your resources.

Security Clearance

You may be required to obtain a security clearance to work on a particular assignment. You agree to provide the information necessary to secure the clearance. You acknowledge and understand that if such cases if you are unable to secure the required clearance for any given assignment it could impact the Company's ability to place and/or keep you on such assignment and/or continue your employment with the Company. Should your ongoing employment be impacted, any severance/redundancy arrangements will be consistent with applicable laws, policies and Executive Severance Plan agreements between yourself and the Company.

Non-Solicitation

The following non-solicitation provisions will only apply in instances, if any, where you do not have a longer and/or more restrictive non-solicitation obligation (e.g., pursuant to the Executive Severance Plan, Long Term Incentive Grant Agreement(s), etc.). In such instance, you agree that during the 3 months immediately following the cessation of your employment you will not (either personally or through any other entity, and either on your own account or for any other party), other than with the prior written consent of Jacobs:

solicit or endeavour to solicit from Jacobs the business or services of any person who was a client or supplier of Jacobs (including any person in the process of being engaged as such a client or supplier) in respect of whom you carried out work or had a business relationship during the 12 months immediately prior to the cessation of your employment; or

solicit for employment any employee, contractor or agent of Jacobs with whom you worked or had a business relationship during the 12 months immediately prior to the cessation of your employment or induce or seek to induce any such person to leave Jacobs.

You agree that each of these restraints are fair and reasonable and goes no further than is reasonably necessary to protect the Confidential Information, the Company's staff, and the Company's client connections, goodwill and business.

You acknowledge and agree that you have received substantial and valuable consideration for each separate covenant and restraint in this clause, including the Remuneration Package.

This clause continues to apply after this Employment Agreement comes to an end for any reason, including on the basis of repudiation.

Severability

If a provision of this Employment Agreement becomes void, voidable, unenforceable or illegal, then:

- a. if the provision would not be void, voidable, unenforceable or illegal if only a word or words were omitted or severed, or a particular provision were severed, then that word or those words or that provision will be severed;
- b. in any other case, the whole provision is severed;

and the remainder of the Employment Agreement continues to have full force and effect.

Suspension

If the Company considers it in the best interests of the Company to do so, the Company may suspend you from the Employment without loss of pay at any time and for any reasonable period, where the Company has serious concerns regarding your conduct, capacity or performance, which concerns, if proven, may warrant termination of your employment.

Notice - Terminating Employment

The following notice of terminating employment provision will apply only during periods in which you are not a participant under the Executive Severance Plan (e.g., if your position with the company should change such that you are no longer eligible to participate in the Executive Severance Plan). In such instances, termination of employment may be effected by:

- a. the Company giving you six month's written notice, or payment in lieu of notice; or
- b. you giving the Company six months' written notice.

The Company may require you to continue working for part or all of the notice period. Alternatively, the Company may, at its discretion, make a payment in lieu of all or any part of the notice period.

Following provision of notice to terminate your employment by either party, or if you purport to terminate your employment in breach of this Employment Agreement, the Company may, in its absolute discretion, by written notice require you not to perform any services (or to perform only specified services) for the Company, or any related entity, until the termination of your employment takes effect. During any such period the Company shall be under no obligation to provide any work to or vest any powers in you and you shall have no right to perform any services for the Company, or any related entity, and you shall:

Continue to receive your Remuneration Package and all contractual benefits in the usual way;

Remain an employee of the Company and be bound by the terms of this Employment Agreement;

Not attend your place of work or any other premises of the Company, or any related entity or access the information technology systems of the Company and any related entity, unless requested by the Company;

Not, without the Company's prior consent, contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Company, or any related entity; and

Except during any periods of leave approved in the usual way, ensure that you are available during normal working hours and able to attend the office at any time requested by the Company.

Termination without notice

The following termination without notice provision will apply only during periods in which you are not a participant under the Executive Severance Plan (e.g., if your position with the company should change such that you are no longer eligible to participate in the Executive Severance Plan). In such instances, the Company may terminate your employment without notice if you:

engage in a conflict of interest or a material breach of your obligations under this Employment Agreement;

are guilty of serious or persistent misconduct or willful neglect in the discharge of your duties;
act in a manner that is likely to seriously injure the reputation or interests of the Company;
fail to comply with a material provision of the policies or procedures of the Company as determined from time to time;
accept any form of commission, payment or gift from a third party in breach of your obligations under this Agreement or for services rendered for which you did not have the prior written consent of the Company;
become of unsound mind or a person whose person or estate is liable to be dealt with under the laws relating to mental health;
are charged with or convicted of any criminal offence (other than a traffic offence) which, in the opinion of the Company, may embarrass or bring you or the Company into disrepute;
commit a material breach of this Employment Agreement.

If you are terminated under this clause, you are not entitled to receive any payment in lieu of notice.

Redundancy

During any periods in which you are a participant in the Executive Severance Plan, a situation of redundancy will have handled in accordance with the Executive Severance Plan. During periods in which you are not a participant under the Executive Severance Plan (e.g., if your position with the company should change such that you are no longer eligible to participate in the Executive Severance Plan), a situation of redundancy will be handled in accordance with the Company's obligations under applicable laws in Australia and any applicable Company policy(ies) or procedure(s) pertaining to redundancy actions.

Money owed to the Company

If, on termination, you owe any amount to the Company, you explicitly agree and authorize the Company, to the extent permitted by the Fair Work Act 2009 (Cth) and a relevant Award, as follows:

- to off-set the amount owed against any payments the Company is legally obliged to make to you;
 - in the event you have been granted a leave advance and at termination you have a negative leave accrual, or if you have any leave owing to the Company, to deduct the value of the negative leave accrual from your final pay; and/or
 - in the event you have been granted a cash advance during your employment, if monies are still owing to the Company upon termination, to deduct the amount owed from your final pay.
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You agree and acknowledge that the Company is not obligated to off-set or recoup any amounts owed by you from any final pay or payments otherwise to be made to you, and its decision not to do so does not relieve you of your obligations to pay amounts owed the Company.

Payment in Lieu of Notice

The Company, at its sole discretion, may pay you in lieu of any period of notice calculated based on the payment you would have received had you worked your notice period (i.e., on your salary).

Review of and variations to the Employment Agreement

The terms of this Employment Agreement may be reviewed by the Company at any time and varied by mutual agreement at any time (in circumstances where mutual agreement is required).

Any changes or amendments to this Employment Agreement that are agreed to by the parties (such mutual agreement not being required for any changes that are already contemplated by this Employment Agreement as being able to be made by the Company without your agreement) shall not take effect unless it is recorded in writing and signed (in writing or electronically) by both parties. All such changes will form part of this Employment Agreement and will supersede any prior provisions affected by such changed terms.

Employee Warrantees

You warrant and undertake to the Company that:

- I. You possess the experience, credentials and academic qualifications contained in your curriculum vitae and applicable to the role you are filling as EVP and President, People & Places Solutions.
- II. You can legally reside and work in Australia.
- III. All representations, whether oral or in writing, made by you as to qualifications, skills, knowledge, experience and history in relation to the position and duties you are taking on are true and complete.
- IV. You have not failed to disclose any matter which, if known to Jacobs, may have materially influenced Jacobs' decision to appoint you to the role of EVP and President, People & Places Solutions.
- V. If any representations as to qualifications, skills, knowledge, experience or history are found to be untrue or incomplete, or if it becomes known that you did not disclose any matter that may have materially influenced Jacobs' decision to appoint you to the role of EVP and President, People & Places Solutions, then Jacobs may cancel this Employment Agreement.

These warrantees and undertakings are continuing warrantees.

You must immediately notify the Company in writing if any of the warranties and undertakings are, become, or are likely to become, inaccurate.

Entire Agreement

Unless otherwise expressly stated in this Employment Agreement, the parties agree that this Employment Agreement represents the whole of the agreement reached between them and supersedes all previous employment agreements, arrangements and understandings. For the avoidance of any doubt, you acknowledge that you remain bound by continuing obligations signed agreements, such as confidentiality, code of conduct, and

Governing Law

This Employment Agreement is governed by the law in force in the State or Territory in which you perform the majority of your work under this Employment Agreement, and as to any provisions in this Employment Agreement the Parties submit to the exclusive jurisdiction of the courts of the State or Territory in which you perform the majority of your work under this Employment Agreement or any competent Federal court exercising jurisdiction in that State or Territory. Any such dispute shall be determined in accordance with the law and practice applicable in the court.

Acknowledgement

You acknowledge that you have entered into this Employment Agreement without duress, and after having had the opportunity to take independent advice on its terms and effect.

Continuing obligations

Any provision of this Employment Agreement remaining to be performed or observed by you or the Company, or having effect after the termination of this Employment Agreement for whatever reason remains in full force and effect and is binding on you and the Company.

Counterparts and Execution

This Employment Agreement may be executed in counterparts.

The parties agree that this Employment Agreement may be validly executed in any manner allowed/permitted by law, including electronically. Examples of how this Employment Agreement may be validly executed include (but are not limited to):

- a. personally signing the Employment Agreement;
 - b. applying the parties electronic signature (or in the case of the Company, an electronic signature of a person with authority to enter into this Employment Agreement on the Company's behalf);
 - c. by return email from the employee's personal email address (as notified to the Company) confirming acceptance of the terms of the Employment Agreement and attaching a copy of the agreed terms of the Employment Agreement; or
-

- d. by indicating acceptance of the terms of this Employment Agreement via the Company's online recruitment system; or
- e. by attending for work after having been provided the Employment Agreement and being given a reasonable period to review and execute the Employment Agreement by other means.

/s/ Patrick Hill
PATRICK HILL 22/3/2022

Executed as an Agreement.

{Ltr Signatory Name}
{Ltr Signatory Title} For and on behalf of
Jacobs Group (Australia) Pty Ltd

"I, Patrick X. Hill, confirm that I accept the offer of EVP and President, People & Places Solutions, and I agree to the Terms and Conditions contained in this Employment Agreement with an effective date of 1 August 2021"

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

I, Bob Pragada, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 30, 2022 of Jacobs Solutions 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/ Bob Pragada

Bob Pragada
Chief Executive Officer

February 7, 2023

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 30, 2022 of Jacobs Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kevin C. Berryman

Kevin C. Berryman
 Chief Financial Officer

February 7, 2023

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 Solutions Inc. (the "Company") on Form 10-Q for the quarter ended December 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bob Pragada, 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/Bob Pragada

Bob Pragada
Chief Executive Officer

February 7, 2023

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 Solutions Inc. (the "Company") on Form 10-Q for the quarter ended December 30, 2022 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 7, 2023

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.