

Jacobs - UK Group

Tax Strategy – Year Ending 30 September 2019

About Jacobs

Jacobs Engineering Group Inc. (“JEG”, “Jacobs” or the “Company”) is a Fortune 500 company whose shares are traded on the New York Stock Exchange.¹ Its vision is to provide solutions for a more connected, sustainable world and its mission is to be the premier design, engineering, construction and technical services delivering end-to-end, innovative solutions that provide superior value for clients. Its values stand on a foundation which include safety and integrity as well as people, clients, performance and profitable growth.²

Headquartered in Dallas, Texas, Jacobs has over 80,000 employees operating in approximately 40+ countries worldwide. Around 8,700 of these employees are in the United Kingdom.

Jacobs has historically been organized into three lines of business which transcend national boundaries. These are: Aerospace, Technology, Environmental and Nuclear (“ATEN”); Buildings, Infrastructure and Advanced Facilities (“BIAF”), and; Energy, Chemicals and Resources (“ECR”).³

Introduction

This document, approved by the Board of Directors of both Jacobs Europe Holdco Limited (the UK parent of the Jacobs UK entities) and CH2M Europe Limited⁴ (the UK parent of the CH2M UK entities), sets out the Jacobs’ policy and approach to conducting its UK tax affairs and dealing with UK tax risk.⁵ The document will be reviewed annually by the Jacobs tax team and its advisors, who will seek approval for amendments from the relevant Board of Directors. It is effective for the year ending 30 September, 2019.

Jacobs’ UK tax team partners with the Jacobs’ legal entities and the respective line of business to ensure:

- Compliance with the strategy with respect to UK tax risk by each line of business;

¹ All references to Jacobs includes JEG and its direct and indirect wholly owned subsidiaries and those subsidiaries which Jacobs owns majority control of.

² For additional information on Jacobs, please see www.jacobs.com

³ On 21 October 2018 Jacobs Engineering Group Inc (“ultimate parent company”) and WorleyParsons Limited (“buyer”), a company incorporated in Australia entered into a Stock and Asset Purchase Agreement to which the buyer agreed to acquire the ultimate parent company’s ECR business for a purchase price of \$3.3 billion consisting of (i) \$2.6 billion in cash plus (ii) ordinary shares of the buyer equal to \$700 million, subject to adjustments for changes in working capital and certain other items. The transaction which has been approved by the boards of directors of the ultimate parent company and the buyer completed on 26th April 2019.

⁴ On December 27, 2017, Jacobs acquired CH2M Limited, a US based engineering company which had its own significant UK operations, mainly through Halcrow Holding Limited. It is Jacobs intention that this policy and approach stated in this document apply to both its Jacobs UK operations as well as the CH2M UK operations. All references to Jacobs include CH2M.

⁵ This statement of tax strategy is published pursuant to and in compliance with Schedule 19, UK Finance Act of 2016.

- Alignment by each line of business with Jacobs' corporate government and management, the Jacobs Code of Conduct and its obligations to the Securities and Exchange Commission and other bodies in the United States of America, where Jacobs is incorporated, and;
- The integrity of Jacobs reported tax liabilities (income, VAT and other taxes) is maintained and all of its tax obligations are compliant.⁶

Jacobs Tax Policy

Jacobs is committed to conduct its tax affairs, including the affairs of its wholly owned subsidiaries or subsidiaries which it controls, in accordance with the following principles:

- To comply with all primary and secondary tax legislation, tax reporting and disclosure requirements in the countries in which it operates;
- Ensure the tax strategy is in accordance with the wider Jacobs group's overall strategy, its approach to risk and its vision, mission and values;⁷
- Apply professional diligence and care in the management of tax matters and ensure governance procedures are appropriate;
- Participate in HMRC's collaborative approach followed by their Large Business Directorate to the Jacobs' tax affairs;
- The Jacobs' group will use incentives and reliefs to minimize its tax liabilities, but will not utilize such incentives and reliefs for purposes which knowingly contradict the intention of Parliament in passing legislation, and;
- The Jacobs group does not tolerate the facilitation of tax evasion by parties who act for or on behalf of Jacobs.

UK Tax Governance and Risk Management

As noted above, Jacobs is organized around three lines of business which transcend national boundaries: ATEN, BIAF and ECR. Jacobs UK Directors and the related finance functions primary focus on their respective line of business. Therefore, direct oversight of tax and government risk doesn't belong solely to the Board of Directors of Jacobs Europe Holdco Limited and CH2M Europe Limited.

Responsibility for corporate income taxes is delegated by the Board of Directors of JEG to its Global Tax Department. The Global Tax Department is headquartered in Pasadena, California with personnel located in the UK, Australia, Canada, the Philippines and India. The UK team is responsible for tax reports to Global Tax. The Vice President of Global Tax reports directly to the JEG Chief Financial Officer and also regularly reports to the Board of Directors of JEG through the Audit Committee. The Audit Committee has close oversight of all material tax matters relating to the worldwide business of Jacobs.

Day-to-day management of taxes in the UK is delegated both tax staff and the local shared services finance department. The tax staff are responsible for corporate income tax matters and general tax risk

⁶ Please see the Jacobs website for additional information on Jacobs' integrity at <http://www.jacobs.com/about#ethics-and-integrity>.

management while the local shared services finance department is responsible for indirect taxes and payroll taxes.

Jacobs reduces the level of tax associated with its operations through the design and application of auditable processes encompassing areas that could materially affect compliance associated with tax obligations.

Processes relating to different taxes are allocated to the various process owners responsible for executing tax compliance controls.

Tax staff are appropriately qualified, experienced and continually trained.

UK Taxation Acceptable Level of Risk

The level of risk in relation to UK taxation which Jacobs accepts is consistent with its overall objective of achieving certainty in its tax affairs.

The following elements are considered during tax risk reviews:

- The legal and fiduciary duties of directors and employees;
- The Jacobs Code of Compliance;
- Maintenance of Jacobs' reputation;
- The tax benefits and impact on Jacobs' reported financial results, and;
- The consequences of disagreements with local tax authorities and the effect on Jacobs' relationship with them.

Tax Planning for UK Taxation

Jacobs meets its taxation obligation in the jurisdictions in which it operates.

In commercial transactions, Jacobs takes advantage of available tax incentives, relief programs and exemptions in line with the spirit of tax legislation. Jacobs does not undertake tax planning unrelated to its commercial transactions.

Approach Towards Dealing With HMRC

Jacobs seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in its business, tax risks and interpretation of the law in relation to all relevant taxes.

Jacobs ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss tax issues as they arise.