Risk Factors Comparison 2023-11-21 to 2022-11-21 Form: 10-K

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~~For a discussion of risks and uncertainties related to the challenges associated with the effects of disease outbreaks, including COVID- 19, and the potential impacts on our business, financial condition and results of operations, see Item 1A- Risk Factors. Page 11 Lines of Business The services we provided to our markets in fiscal year 2022 fall into the following lines of business (LOB): Critical Mission Solutions (CMS) and People & Places Solutions (P & PS), and a majority investment in PA Consulting (PA), which are also the Company' s reportable segments. As part of the new Company strategy, starting in fiscal year 2023 Jacobs is forming a new enabling platform, Divergent Solutions (DVS), which further strengthens our ability to drive value for our clients. DVS supports both LOBs as the core foundation for developing and delivering innovative, next- generation cloud, cyber, data and digital technologies. For additional information regarding our segments, including information about our financial results by segment and financial results by geography, see Note 20- Segment Information of Notes to Consolidated Financial Statements beginning on page F- 1 of this Annual Report on Form 10- K. In fiscal year 2022, our Critical Mission Solutions line of business provided a full spectrum of cyber, data analytics, systems and software application integration services and consulting; enterprise level IT operations and maintenance and mission IT services; engineering and design; software development, testing and mission integration; enterprise operations and maintenance; program management; research, development, test and evaluation services; specialized training and mission operations; environmental remediation; and other highly technical consulting solutions to government agencies as well as commercial customers in the domestic U. S. and international markets. Our representative clients include the U. S. Department of Defense (DoD), the Combatant Commands, the U. S. Intelligence Community, NASA, the U. S. Department of Energy (DoE), the U. K. Ministry of Defence, the U. K. Nuclear Decommissioning Authority (NDA), and the Australian Department of Defence, as well as private sector customers mainly in the aerospace, automotive, energy and telecom sectors. Serving mission- critical sectors In fiscal year 2022, CMS served broad sectors, including U. S. Government Services, Cyber, Nuclear Energy, Commercial and International sectors. The U. S. Government is the world' s largest buyer of technical services, and in fiscal 2022, approximately 73 % of CMS' s revenue was earned from serving the DoD, Intelligence Community, DoE and other U. S. Federal Civilian governmental entities. Trends affecting our government clients include an evolving external threat environment including information and cyber warfare; digital transformation and IT modernization; national security and defense infrastructure modernization; space exploration and domain dominance; intelligent asset management to improve capability and extend the life of aging facilities; research and development of nuclear fission and fusion energy technologies and solutions to accelerate the global green energy transition; and decommissioning and remediation of legacy nuclear sites, all of which are driving demand for our highly technical solutions. We are also witnessing an increase in the capabilities of unmanned aircraft and hypersonic weapons, which is impacting both offensive and defensive spending priorities among our clients and is a driver for next generation solutions such as C5ISR (command, control, communications, computer, combat systems, intelligence, surveillance and reconnaissance) and advanced aeronautical and aerothermal testing, respectively. We are also seeing an increase in space exploration initiatives both from the U. S. government, such as NASA' s Artemis program to return to the moon in 2024, as well as the commercial sector. Within nuclear energy and as part of our Climate Response, our customers have decades- long initiatives to manage and upgrade existing energy infrastructure, construct new nuclear power plants as well as small and advanced modular reactors, and decommission and remediate end- of- life assets. Our customers also manage critical nuclear facilities supporting national security objectives. Our international customers, which accounted for 18 % of fiscal 2022 revenue, have also increased demand for our IT and advanced infrastructure solutions and nuclear energy capabilities, and the U. K. Ministry of Defence continues to focus on accelerating its strategic innovative and technology focused initiatives. Leveraging our base market of offering valued technical services to U. S. government customers, CMS also serves commercial markets. In fiscal 2022, approximately 9 % of CMS' s revenue was from various U. S. commercial sectors, including the telecommunications sector, which anticipates a large cellular infrastructure build- out from 4G to 5G technology. And like our government facility- based clients, our commercial manufacturing clients are seeking ways to Page 12 improve capabilities, reduce maintenance costs and optimize their facilities with network connected facilities and equipment, which we refer to as Intelligent Asset Management. Many clients in the commercial aerospace and automotive sectors also look to CMS for advanced research and development systems and facilities that enable advanced product development. Page 13 People & Places Solutions (P & PS) In fiscal 2022, Jacobs' People & Places Solutions line of business provided end- to- end solutions for our clients' most complex challenges including solutions related to climate change, energy transition, connected mobility, integrated water management, smart cities and vaccine manufacturing. In doing so, we combine deep market- based expertise in each of our chosen sectors- Transportation, Water, Cities & Places, Environmental, Energy & Power, Health & Life Sciences and Advanced Manufacturing. Our core skills 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 are leveraging our data science and technology- enabled expertise with our core skills to deliver positive and enduring outcomes for the clients and communities we serve. Our clients include national, state and local government in the U. S., Europe, U. K., Middle East, Australia, New Zealand and Asia, as well as multinational and local private sector clients throughout the world. Serving broad industry sectors that support people and places Infrastructure modernization; climate action; urbanization; water, food and energy security; strengthening global supply chains and pandemic~~

~~preparedness; ESG; and digital transformation are driving new challenges and opportunities for our clients. These drivers are highlighting the need for holistic, integrated solutions that draw on our significant domain knowledge across our chosen markets. For example, an airport is now a smart city with extensive operational, cybersecurity, sustainability and autonomous mobility requirements. City master planning now requires advanced analytics to plan for climate adaptation, just and equitable inclusion, and next- generation mobility services. The future of major utilities (water, power / energy, telecommunications) has become highly technology- enabled, leveraging use of digital twins, predictive analytics and smart metering technology to maximize services in the most carbon and commercially efficient manner while protecting the natural environment and the security of supply. This increase in technology- enabled solutions is a key factor in our growth strategy- both organic and through our recent acquisitions and strategic investments. Our business model is evolving to include proprietary software and analytics to solve modern challenges. A key example of this is in the Transportation sector with the recent acquisition of StreetLight. The combination of these attributes results in a significant effort to modernize infrastructure around the globe. Key examples include advising transit agencies as they decarbonize vehicle fleets, including the electrification of New York City' s bus fleet- the largest in North America. We design and deliver battery and vehicle manufacturing facilities for private clients across North America and Europe. In the Energy & Power space, we are supporting the buildout of enabling infrastructure supporting the development of offshore wind assets, especially in the northeast United States. Our knowledge in the environmental, water and wastewater, solid waste, aviation and infrastructure markets has made us a top- ranked environmental consultant and we have supported clients with PFAS assessment and remediation at thousands of sites. Finally, we have long-standing partnerships with the world' s leading life sciences firms, designing and delivering advanced facilities that manufacture critical life- changing vaccines and therapies. A strong foundation of innovative solutions, a culture of sustainability and inclusion, a focus on climate response and resilience, and an expansive consulting and advisory mindset are woven into every project we deliver for the benefit of people and places in the communities we serve. Jacobs holds a 65 % stake in PA Consulting, the consultancy that is Bringing Ingenuity to Life. Its diverse teams of experts combine innovative thinking and breakthrough technologies to progress further, faster. PA' s clients adapt and transform and together they achieve enduring results. PA Consulting's roughly 4, 000 employees work across seven sectors: consumer and manufacturing, defense and security, energy and utilities, financial services, government, health and life sciences, and transport. PA Consulting's people are strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists. The team operates globally from offices across the U. K., Ireland, U. S., Nordics and Netherlands. Page 14 PA Consulting offers end- to- end innovation, accelerating new growth ideas from concept, through design, development, and to commercial success, and revitalizing organizations, building the leadership, culture, systems and processes to make innovation a reality. PA Consulting has a diverse mix of private and public sector clients, from global household names to start- ups, to national and local public services. Jacobs and PA Consulting recognize that unprecedented changes in society and technology are creating new opportunities to make a positive impact, and together, the companies are supporting clients to address five key trends: product and service innovation; the future of work; sustainability and climate change; the quest to lead healthier lives; and the challenges of keeping people (and the organizations they work for) safe. PA Consulting' s distinct brand, market positioning and competitive differentiation positions the company well to help clients respond and seize new opportunities. In the last year, 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.; accelerated a new digital customer experience for the international sandwich and coffee chain Pret a Manger; innovated cell and gene therapy manufacturing with Ori Biotech in the US; designed a growth strategy for Green Boom, a US- based start- up that has developed a patent- pending and sustainable way to help prevent, reduce, and clean up oil spills; built and operated a Next Generation Digital Platform for the American College of Emergency Physicians; and digitized the customer experience at Trafikverket, the Swedish Transport Authority. PA Consulting also continued its work with the U. K. government leading the sourcing and distribution of COVID- 19 vaccines. Energy, Chemicals and Resources ECR Disposition On April 26, 2019, Jacobs completed the sale of its ECR business to Worley for a purchase price of $ 3. 4 billion consisting of (i) $ 2. 8 billion in cash plus (ii) 58. 2 million ordinary shares of Worley, subject to adjustments for changes in working capital and certain other items (the ECR sale). As a result of the ECR sale, substantially all ECR- related assets and liabilities were sold (the" Disposal Group") and it was determined that the Disposal Group should be reported as discontinued operations in accordance with ASC 210- 05, Discontinued Operations because their disposal represented 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 Consolidated Statements of Earnings as discontinued operations for all periods presented. For further discussion, see Note 16- Sale of Energy, Chemicals and Resources (" ECR") Business to the consolidated financial statements. Significant Customers The following table sets forth the percentage of total revenues earned directly or indirectly from agencies of the U. S. federal government for each of the last three fiscal years: 20222021 202031 % 33 % 33 % Given the percentage of total revenue derived directly from the U. S. federal government, the loss of U. S. federal government agencies as customers could have a material adverse effect on the Company. In addition, any or all of our government contracts could be terminated, we could be suspended or debarred from all government contract work, or payment of our costs could be disallowed. Approximately 84 % of revenue derived directly from the U. S. federal government is in the CMS segment. For more information on risks relating to our government contracts, see Item 1A- Risk Factors. Contracts While there is considerable variation in the pricing provisions of the contracts we undertake, our contracts generally fall into two broad categories: cost- reimbursable and fixed- price. The following table sets forth the percentages of total revenues represented by these types of contracts for each of the last three fiscal years: 20222021 2020Cost-reimbursable74 % 76 % 76 % Fixed- price, limited risk21 % 18 % 17 % Fixed- price, at risk5 % 6 % 7 % Page 15 In accordance with industry practice, most of our contracts (including those with the U. S. federal government) are subject to termination at the discretion of the client, which is discussed in greater detail in Item 1A- Risk Factors. In such situations, our contracts typically provide for reimbursement of costs incurred and payment of fees earned through the date of termination. Cost- Reimbursable~~

Contracts Cost- reimbursable contracts generally provide for reimbursement of costs incurred plus an amount of profit. The profit element may be in the form of a simple mark- up applied to the labor costs incurred or it may be in the form of a fee, or a combination of a mark- up and a fee. The fee element can also take several forms. The fee may be a fixed amount; it may be an amount based on a percentage of the costs incurred; or it may be an incentive fee based on targets, milestones, or performance factors defined in the contract. Fixed- Price Contracts Fixed- price contracts include both " lump sum bid " contracts and " negotiated fixed- price " contracts. Under lump sum bid contracts, we typically bid against competitors based on client- furnished specifications. This type of pricing presents certain inherent risks, including the possibility of ambiguities in the specifications received, problems with new technologies, and economic and other changes that may occur over the contract period. Additionally, it is not unusual for lump sum bid contracts to lead to an adversarial relationship with clients, which is contrary to our relationship- based business model. Accordingly, lump sum bid contracts are not our preferred form of contract. In contrast, under a negotiated fixed- price contract, we are selected as the contractor first and then we negotiate a price with our client. Negotiated fixed- price contracts frequently exist in single- responsibility arrangements where we perform some portion of the work before negotiating the total price of the project. Thus, although both types of contracts involve a firm price for the client, the lump sum bid contract provides the greater degree of risk to us in our services contracts as well as construction. However, because of economics that may be realized during the contract term, both negotiated fixed- price and lump sum bid contracts may offer greater profit potential than other types of contracts. The Company carefully manages the risk inherent in these types of contracts. In recent years, most of our fixed- price work has been either negotiated fixed- price contracts or lump sum bid contracts for design and / or project services, rather than turnkey construction. Competition We compete with a large number of companies across the world including technology consulting, federal IT services, aerospace, defense and engineering firms. Typically, no single company or companies dominate the markets in which we provide services and in many cases we partner with our competitors or other companies to jointly pursue projects. AECOM, Booz Allen, CACI, KBR, Leidos, ManTech, Parsons, SAIC, Tetra Tech, WSP, General Dynamics, Northrop Grumman, Accenture, Altair, Stantec, Montrose, Capgemini, Cognizant, DXC Technology, Fluor, 3LHarris, EPAM Systems, Globant, Endava, Exponent, IBM, Infosys, Deloitte, KPMG, PwC, Perficient, Procure, ICF International, TTEC and Huron are some of our competitors. We compete based on the following factors, among others: technical capabilities, reputation for quality, price of services, safety record, availability of qualified personnel, and ability to timely perform work and contract terms. Our People At Jacobs, our people are the heart of our business. With our culture of caring and inclusion as our foundation, we celebrate the differences that drive our collective strength and encourage our employees that there is no limit to who they can be and what we can achieve. Together, we deliver extraordinary solutions for a better tomorrow and live by our employee value statement:" Jacobs. A world where you can." We know that our people are key to the successful delivery of our bold new strategy. The foundation we built and the culture we fostered give us a strong platform to launch the next step in our journey. Our new strategy further connects our people to our purpose and helps us continue to evolve our culture to support, empower and enable our talent to thrive. We launched the strategy with our employees globally through a robust rollout plan so that everyone could engage, understand and align to the strategy. Through a series of town halls, interactive discussion panels, regional and team strategy workshops, supported by extensive resources and other communications, employees were able to connect their role and the part they play in the overall strategy. Page 16 One essential ingredient that will help us deliver our new strategy is trust. Having trust is important to our culture at Jacobs and to our value, ' We live inclusion.' So, we revised our inclusion value to reinforce the idea of building trust – in each other and across the company. It reinforces our emphasis on trust in a highly visible way. Trust enables us to collaborate more seamlessly, work with greater flexibility and agility, and innovate more easily to deliver more effective client solutions and results. Attracting, Engaging and Developing our Workforce As of September 30, 2022, we had a workforce of approximately 60, 000 people worldwide, including a contingent workforce of approximately 3, 300 people. This represents an increase of 7 % in our total workforce year- over- year primarily as a result of continued growth in our People & Places Solutions Line of Business. The breakdown of our employees by region is as follows: RegionPercentage of Global Workforce (1) Americas58 % Europe (including U. K) 24 % Asia Pacific (including India) 15 % Middle East and Africa3 % (1) Excludes contingent workforce The success of Jacobs is dependent on our ability to hire, retain, engage and leverage highly qualified employees, across the full spectrum of technical, professional, scientific and consulting disciplines. We put the spotlight on ensuring that Jacobs is a merit- based organization that is inclusive and diverse; we are building an inclusive culture where all employees feel they belong. Our culture is the foundation for selecting, developing and retaining the best and brightest minds at Jacobs. With a unique network membership of nearly 18, 000 people in our eight Jacobs Employee Networks and close to 13, 000 in a Community of Practice, our people play a critical role in attracting new talent into our business, helping to shape our recruiting strategies and policies, our science, technology, engineering, arts and math (STEAM) programs, and our accessibility practices. In fiscal 2022, more than 2, 600 graduates, interns and apprentices were welcomed to our global team. Our new Navigator program plays an important role in helping people find their place at Jacobs. Employees share their knowledge and experience by becoming a Navigator, the go- to partner for questions in our new employees' first month on the job. Jacobs was selected for the 2022 WayUp Top 100 Internship Programs List, which considers factors such as how our program is helping interns build a professional community and grow in their careers, to its commitment to advancing inclusion, diversity and equity. Since the first Jacobs employee survey in 2015, we have tracked employee feedback at a global level and have built on this engagement. In fiscal year 2022, our people provided feedback in our confidential culture survey that explored cultural alignment and engagement. Results were overwhelmingly positive, with the majority of respondents feeling connected to our values, inspired by our culture of integrity, safety, and inclusion — and proud to be part of Jacobs. To continually evaluate progress in the strategic priority areas and identify new opportunities for growth, we are conducting smaller, periodic pulse surveys with employees. The first was deployed in January 2022 and showed that many employees feel comfortable being their unique selves at work, they see the benefits of an increasingly diverse leadership team and feel they can succeed regardless of

~~their backgrounds, they have the flexibility and autonomy to successfully thrive in a hybrid work environment, and they see teamwork as a real strength at Jacobs. Our unique employee experience platform – e3: engage. excel. elevate. – is not just a system but a mindset for developing our employees through continuous feedback and celebrations, aligning priorities, learning new skills and upskilling knowledge. As of October 13, 2022, 93. 5 % of our employees who were required to do so have participated in their current annual conversation about their priorities and accomplishments. In fiscal year 2022, our e3 learning platform provided over 26, 000 training programs to employees globally. We accelerated talent development in creating sustainable solutions through, for example, the Climate Solutions Accelerator online course (developed in partnership with the Royal Scottish Geographic Society) offered to all employees to help them understand the role they can play in climate change action and continue to develop the critical green skills and solutions needed for our continually evolving world. Page 17 In addition, 555 of our Jacobs leaders have engaged with Amplifi3, a program with top- notch educators, to strengthen inspirational leadership and development of inclusive, innovative teams to enhance strategy engagement and execution across our global organization. This past year we also offered the CEO Leadership Roundtable where 7, 800 of Jacobs' people leaders were invited to a series of four programs led by Chair and CEO Steve Demetriou. They engaged on topics such as Jacobs' leadership philosophy and values; delivering on our strategy and empowering our people; and creating meaningful leadership relationships with teams. In addition, certain employees, who were nominated by their managers, also participated in our Accelerated Development program. At Jacobs, we have implemented a Talent Steering Committee made up of senior leaders focused on key talent decisions and ongoing leadership development. We initiated a Culture and People Steering Committee with over 40 employees from around the globe to provide input on our talent strategies and to provide a sense check on our various programs. Our JENs offer mentoring programs that connect members with leaders who understand the unique challenges of their journeys and provide insight and guidance for those looking to elevate their careers. Our Board of Directors is also engaged with our JENs and leadership programs, participating in panel discussions and mentoring events within the Company, and at industry events. Focus on Inclusion and Diversity At Jacobs we have a powerful focus on inclusion, with a diverse team of visionaries, thinkers and doers. We embrace all perspectives, collaborating to make a positive impact. Joining, belonging and thriving are Jacobs' key elements in retaining talent and developing a culture where people want to stay – and a place where you can bring your best, whole self to work. TogetherBeyond ℠ is our approach to living inclusion every day and enabling diversity and equity globally – it is not just about numbers and statistics, but about every one of our people and the collective strength we take from their unique perspectives and ambitions. Our I & D objectives continue to evolve and are integral to our new strategy which recognizes that by valuing our people and their unique perspectives, we unleash empowerment, innovation and inspiration. Operationalizing TogetherBeyond is supported by the strength of tangible leadership commitment and accountability at Jacobs. At fiscal year- end 2022, our Board' s independent directors were 56 % diverse (race and gender), and our Executive Leadership Team was 64 % diverse, based on self- reported data. Having a culture of belonging where everyone can join in and thrive allows us to recruit and retain the best global talent and drive innovative solutions for our business, clients and communities. Through TogetherBeyond, we tackle topics that are important to our employees such as equality, conscious inclusion and allyship. While providing training and resources to our people is important, equally effective are the regular authentic and courageous conversations our grassroots employee networks are creating around these topics. We hold all leaders accountable to making sure that broad- based- diversity is reflected in their own teams, using data analytics to measure our progress with the same rigor and transparency as our financial performance metrics. We set an objective in 2022 for all our people leaders to have a TogetherBeyond goal and commit to meaningful and measurable inclusion and diversity (I & D) actions. We ask our Senior Vice Presidents and above to annually sign our I & D commitment statement. All- inclusive behaviors are now a key formal component of all our leaders' performance and compensation reviews, and all leaders at Vice President level and above are encouraged to mentor two or more junior members of staff, at least one of whom must have lived a different experience from themselves (i. e. on the basis of ethnicity, gender, race, geography, disability, sexuality, gender identity or veteran status). This framework supports the UN' s SDG 10: Reduced Inequalities and our two essential I & D priorities: Global Action Plan for Advancing Justice and Equality and our aspirational 40: 40: 20 goal (40 % men, 40 % women and 20 % any gender) — and ensures that we are propelling a new generation of diverse visionary thinkers throughout our company. Our " Be Seen @ Jacobs " data disclosure campaign allows employees around the globe to confidentially and voluntarily report the demographic data they want to report. We anticipate that this will help us enhance our data reporting, giving us a holistic overview of where our diverse talent sits in the business and the ability to identify and address any pay gaps or inequities that may exist. Page 18 As of September 30, 2022, our U. S. employees had the following race and ethnicity demographics based on self- reported data: September 30, 2022All U. S. Employees (1) White68. 7 % Hispanic / Latin9. 3 % Black8. 1 % Asian7. 7 % Multiracial2. 7 % American Indian or Alaska Native0. 5 % Native Hawaiian / Other Pacific Islander0. 4 % Not provided2. 6 % (1) Includes U. S. employee population only (excludes contingent and craft employees) Our focus on creating equal opportunities within Jacobs, including historically underrepresented groups, continues to increase as we deliver on the promises laid out in our Global Action Plan for Advancing Justice and Equality (the" Action Plan") launched in fiscal year 2020. In the Action Plan, we committed to investing $ 10 million over five years to support STEAM programs in Black communities, increase our support of diverse suppliers, and strengthen our commitment to developing and hiring the best diverse talent. In fiscal year 2022, we invested more than $ 0. 9 million towards this commitment. We launched the Jacobs Equity and Advancement Program, a scholarship program and student engagement plan that provides monetary supplement to Black STEAM education, and also provides opportunities for research, mentorship, and continued STEAM outreach by Jacobs professionals. Examples include a partnership with SEED LA' s new campus in South Los Angeles, scholarships for outstanding Black students at the University of Connecticut and with the Cowrie Scholarship Foundation in the U. K., and a Tier 1 partnership with Howard University where Jacobs is renovating a computer lab and creating five scholarships. Another key success story driven by the Action Plan is our ongoing commitment to supplier diversity, part of the Action Plan' s goal to "~~

~~contribute to structural change in the broader society ". We are focusing on intentionally working with minority and veteran-owned small or disadvantaged businesses across the globe, and are working on quantifying diverse supplier spend. Our Jacobs Employee Networks continue to lead STEAM outreach efforts in the communities that we serve and are working to bring a new generation of diverse visionaries from underrepresented and underserved groups into the industry. As of September 30, 2022, our global employees had the following gender demographics based on self- reported data: September 30, 2022 (1) WomenMenAll employees30. 5 % 69. 5 % (1) Excludes contingent workforce and craft employees Total U. S. diversity (ethnicity & female) was 48. 2 % (excludes contingent workers and craft employees). In partnership with our Women' s Network, we deliver various workforce diversity initiatives to elevate the value of women in the workplace, while fostering the next generation of professional women. Over the past two years, strategic efforts have included tools and resources to support gender- balanced interview teams, flexible working arrangements, improved caregiver leave, a resource that helps employees navigate different pathways to parenthood, and " Bridge the Gap ", a program that actively supports parents returning to work. We are in constant communication with our employees about their healthcare needs. Following the overturning of Roe v. Wade, we held multiple listening sessions to learn what is important to employees from many aspects. We identified a broad array of support options and work with our healthcare providers to ensure all employees have access to medical care for their unique situations. Page 19 In fiscal year 2022, we were named one of The Times Top 50 Employers for Women 2021, the U. K.' s most highly profiled and well- established listing of employers striving for gender equality in the workplace. In fiscal year 2022, our U. S. university hiring demographics show hires of 41 % female, 57 % male, and 2 % undisclosed or non- binary gender, as well as 42. 5 % ethnically diverse employees. Overall U. S. hiring at Jacobs is at 36 % for ethnically diverse employees (excludes contingent workers and craft employees) in 2022. We supported our Prism network to ensure that our LGBTQ family is fully included by continuing to establish gender- neutral restrooms, train HR specialists on transgender guidelines and review healthcare plans to ensure they are inclusive. In fiscal 2022, we were named the WGEA Employer of Choice for Gender Equality in Australia and Best Place to Work for LGBTQ Equality in the Human Rights Campaign' s Corporate Equality Index for the fourth year running, and in the U. K. we ranked # 6 in Stonewall' s Workplace Equality Index, # 1 in their" Construction, Engineering and Property" sector. Through VetNet, our employee network for veterans, their families and current military reserve members, we continue to work to recruit, develop and retain the best military and veteran talent, partnering with key organizations like Hiring Our Heroes, Boots2Roots and HirePurpose. We were proud to be named by DiversityComm Best of the Best List of veteran- friendly companies in U. S. Veterans Magazine, Top Supplier Diversity Programs in 2022. Our ACE employee network connects and empowers members living with disability, health challenges or neurodiversity, and those who provide care to others. ACE embraces the social model of disability which aims to identify and remove the social, digital, and physical barriers that create exclusion in the workplace and society in general. In August 2022, we achieved the Clear Assured Gold Standard for Workplace Diversity and Inclusion in the U. K. We also received our first top score of 100 in the 2021 Disability Equality Index, a joint initiative of the American Association of People with Disabilities and Disability: IN, the leading nonprofit resource for business disability inclusion worldwide. Our One World employee network continues to celebrate cultures around the globe and to foster global connectivity, nurturing and supporting our diverse employees and clients across all ethnicities and cultures. Through our Jacobs Careers Network (JCN), we empower every employee to maximize their potential and make Jacobs the industry leader and workplace of choice. JCN organizes and supports career- enriching development and networking opportunities in all our geographies. Looking ahead, we will continue to focus on inclusion, belonging and diversity by: • Continuing action through our global Action Plan for Advancing Justice and Equality • Striving to achieve our aspirational goals of creating a more gender- balanced and a more racially / ethnically diverse workforce around the globe to more appropriately reflect the labor markets and communities in which we live and serve • Amplifying our culture of belonging and helping all employees see the various communities they can engage with at Jacobs so that everyone has a sense of belonging • Following through on our priority areas identified through our global employee pulse surveys • Identifying, developing and promoting allies across Jacobs • Continue our data sharing campaign and enhance data reporting • Continue to grow the diversity of talent for early career to experience staff through our graduates, interns, apprentices and STEAM education opportunities • Increase measurement and diversification of our supply chain to increase our impact. Our Employees' Safety and Wellbeing As global challenges to our security, well- being and ability to operate evolve, we stay focused on managing HSE and security risks effectively and leveraging our Culture of Caring ℠ to deliver the best outcomes for our people, the environment and our company. Our BeyondZero ® program continues to drive a safer, more secure, healthier, and more resilient future for our Jacobs family, our communities and the environment. Our business continuity program to assure business delivery and resilience continues to prove its effectiveness in an ever- changing operational environment. We also continue to demonstrate safety excellence with another year of zero employee fatalities at work and a total recordable incident rate1 of 0. 18, compared to the North American Industry Classification System' s most recently reported2 aggregate rate of 0. 60. Page 20 We launched an enhanced Global Travel Assistance program in partnership with our new Global Assistance & Response provider, International SOS, helping keep our employees safe and healthy while traveling or on assignment outside their home country. With the outbreak of the war in Ukraine, our immediate concern has been the safety and well- being of our colleagues and their families in Ukraine — we stayed in close communication, offering support and guidance. Our Employee Assistance Program is available globally to refugees hosted by Jacobs employees as household members. We also launched a humanitarian relief effort through our Collectively Global Giving and Volunteering program. Our focus on health and well-being supports the UN' s SDG 3: Good Health and Wellbeing. Our global well- being program, for example, is about helping our people individually be at their best physically, emotionally, financially and socially – so we' re able to do more together. The program includes Jacobs' One Million Lives, developed in collaboration with global mental health professionals, to provide a free, publicly available, mental health check- in tool with a resources website that enable users to check their own mental health and access proactive strategies for personal mental health development. Over 26, 000 One Million Lives check- ins were~~

~~completed between December 2020 launch and our fiscal year end 2022. We launched a new Wellbeing Portal for our employees which provides information on supporting all elements of our well- being program. Additionally, our e3 Learning platform provides employees with self- guided learning opportunities in well- being and related topics. More than 2, 400 Positive Mental Health Champions actively support the mental well- being of our employees and one in every 24 employees is trained as a Positive Mental Health Champion. In addition, we continued our One Million Lives resiliency calls every quarter for our employees where we have open conversations to explore mental health related topics that can help us all learn to flourish. We are committed to continue our work to create an inclusive and innovative organization and are taking action to ensure Jacobs is, and remains, an employer of choice. 1 As at October 15, 2022 and recorded in accordance with OSHA record keeping requirements, but subject to change thereafter due to possible injury / illness classification changes. The TRIR calculation uses the US OSHA formula of ' Number of Incidents x 200, 000 / total number of hours worked in a year'. The 200, 000 is the benchmark established by OSHA because it represents the total number of hours 100 employees would log in 50 weeks based on a 40- hour work week. 2 Cited on October 5th, 2022 via U. S. Bureau of Labor Statistics- Incidence rates of non- fatal occupational injuries and illnesses by industry and case types, 2020 for NAICS code 54133. Information About Our Executive Officers The information required by Paragraph (a), and Paragraphs (c) through (g) of Item 401 of Regulation S- K (except for information required by Paragraph (e) of that Item to the extent the required information pertains to our executive officers) and Item 405 of Regulation S- K is set forth under the caption " Members of the Board of Directors " in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference. The following table presents the information required by Paragraph (b) of Item 401 of Regulation S- K. Name Age Position with the Company Year Joined the CompanySteven J. Demetriou 64 Chair and Chief Executive Officer 2015Kevin C. Berryman 63 President and Chief Financial Officer 2014Robert V. Pragada54 President and Chief Operating Officer2016Steve Arnette 55 Executive Vice President and President, Critical Mission Solutions 1995Joanne E. Caruso62 Executive Vice President, Chief Legal and Administrative Officer2012Patrick X. Hill49 Executive Vice President and President, People & Places Solutions1998Shannon Miller46 Executive Vice President and President, Divergent Solutions1998William B. Allen, Jr. 58 Senior Vice President, Chief Accounting Officer 2016 All of the officers listed in the preceding table serve in their respective capacities at the pleasure of the Board of Directors of the Company. Page 21 Mr. Demetriou joined the Company in August 2015. Mr. Demetriou served as Chairman and CEO of Aleris Corporation for 14 years, a global downstream aluminum producer based in Cleveland, Ohio. Over the course of his career, he has gained broad experience with companies in a range of industries including metals, specialty chemicals, oil & gas, manufacturing and fertilizers. Mr. Berryman joined the Company in December 2014. Mr. Berryman served as EVP and CFO for five years at International Flavors and Fragrances Inc., an S & P 500 company and leading global creator of flavors and fragrances used in a wide variety of consumer products. Prior to that, he spent 25 years at Nestlé in a number of finance roles including treasury, mergers & acquisitions, strategic planning and control. Mr. Pragada rejoined the Company in February 2016 after serving as President and Chief Executive Officer of The Brock Group since August 2014. From March 2006 to August 2014 Mr. Pragada served in executive and senior leadership capacities with the Company. Mr. Pragada has been selected by the Board of Directors to succeed Mr. Demetriou as Chief Executive Officer of the Company as of January 24, 2023, when Mr. Demetriou will assume the role of Executive Chair. Mr. Arnette joined the Company in 1995. Mr. Arnette's career at Jacobs spans more than 25 years in several senior leadership positions, crossing multiple sectors and operations. Most recently he led CMS' s largest business unit as Senior Vice President of Advanced Engineering, Research & Operations, serving public and private sector clients around the globe with solutions for complex, mission- essential programs and projects in aerospace, automotive, defense and telecommunications sectors. Ms. Caruso joined the Company in 2012. Prior to becoming Executive Vice President, Chief Legal and Administrative Officer, Ms. Caruso was Senior Vice President, Chief Administrative Officer, and previously held the positions of Senior Vice President, Global Human Resources and Vice President, Global Litigation. Prior to joining the Company, Ms. Caruso was a partner in two international law firms, Howrey LLP and Baker & Hostetler LLP. Mr. Hill joined the Company through the SKM acquisition, where he started in 1998. Mr. Hill has served in several senior leadership positions crossing multiple sectors and operations throughout Australia, New Zealand, Asia, Europe, the Middle East and the United States. Prior to his appointment as President – People & Places Solutions, Mr. Hill jointly led People & Places Solutions with day- to- day responsibilities for Jacobs' Buildings and Infrastructure global operations outside of North America. Ms. Miller joined the Company in 1998. During her almost 25- year career at Jacobs, Ms. Miller has had a rich and varied global journey in operations, sales and functional roles leading cultural and digital transformation for both the company and its markets, including technology, resources, infrastructure, pharmaceutical and consumer products. Most recently Ms. Miller served as Jacobs' Chief Growth Officer and lead for Enterprise Risk Management. Mr. Allen joined the Company in October 2016. Mr. Allen served as Vice President, Finance and Principal Accounting Officer at LyondellBasell Industries, N. V. from 2013 to 2016. Prior to that, he was with Albemarle Corporation, where he served as Vice President, Corporate Controller and Chief Accounting Officer from 2009 to 2013 after serving in CFO roles for their Catalysts and Fine Chemistry businesses from 2005 to 2009. Additional Information Jacobs was founded in 1947 and incorporated as a Delaware corporation in 1987. We are headquartered in Dallas, Texas, USA. The SEC maintains a site on the Internet that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The SEC' s website is http: / / www. sec. gov. You may also read and download the various reports we file with, or furnish to, the SEC free of charge from our website at www. jacobs. com. Item 1A. RISK FACTORS We operate in a changing global environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. The risks described below highlight some of the factors that have affected and could affect us in the future. We may also be affected by unknown risks or risks that we currently think are immaterial. If any such events actually occur, our business, financial condition and results of operations could be materially adversely affected. Page 22 Summary Risk Factors~~ The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below. Risks Related to Our Operations • We engage in a highly competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted. • Our results of operations depend on the award of new contracts and the timing of the award of these contracts and economic conditions. Demand for our services may be impacted by **continuing inflation,** rising ~~inflation,~~ **or continued high** interest rates, and / or construction costs. • We may be unable to realize the benefits of implementing our three- year corporate strategy. • Project sites are inherently dangerous workplaces. Failure to maintain safe work sites exposes us to significant financial losses and reputational harm, as well as civil and criminal liabilities. • The nature of our contracts, particularly any fixed- price contracts, subjects us to risks of cost overruns. We may experience losses if costs increase above budgets or estimates or the project experiences delays. • Our failure to meet performance requirements or contractual schedules could adversely affect our business, financial condition and results of operations. • The contracts in our backlog may be adjusted, canceled or suspended by our clients and, therefore, our backlog is not necessarily indicative of our future revenues or earnings. **Page 21** • Contracts with the U. S. federal government and other governments and their agencies pose additional risks compared to contracts with private sector clients. • Our services expose us to significant monetary damages or even criminal violations and our insurance policies may not provide adequate coverage. • The outcome of pending and future claims and litigation could have a material adverse impact on our business, financial condition, and results of operations and damage our reputation. • A reduction in the amount of available governmental funding could materially affect our results of operations. • We are dependent on third parties to complete many of our contracts. • Employee, agent or partner misconduct, or our overall failure to comply with laws or regulations, could weaken our ability to win contracts, which could result in reduced revenues and profits. • Cybersecurity or privacy breaches, or systems and information technology interruption or failure could adversely impact our ability to operate or expose us to significant financial losses and reputational harm. • If we do not have adequate indemnification for our nuclear services, it could adversely affect our business, financial condition and results of operations. • Our actual results could differ from the estimates and assumptions used to prepare our financial statements. • **Our** ~~We may have to contribute additional cash to meet any underfunded~~ benefit **plan expenses and** obligations ~~associated with retirement~~ **may fluctuate depending on various factors, including inflation, changes in levels of interest rates,** and **pension** ~~post- retirement benefit plans~~ - **plan asset performance** ~~we manage or for which we have contribution or funding obligations~~ . • Our businesses could be materially and adversely affected by events outside of our control ~~. • We must successfully manage the demand, supply and operational challenges associated with the effects of a disease outbreak, including epidemics, pandemics or similar widespread public health concerns~~ . • Our continued success is dependent upon our ability to hire, retain, and utilize qualified personnel while managing the risks associated with sustained remote working arrangements. • Our professional reputation and relationships with government agencies are critical to our business, and any harm to our reputation or relationships could decrease the amount of business that government agencies do with us, which could have a material adverse effect on our business, financial condition and results of operations. ~~Page 23~~ • Our focus on new growth areas entails risks, including those associated with new relationships, clients, talent needs, capabilities, service offerings, and maintaining our collaborative culture and core values. **• If we, or our subsidiaries or companies in which we have made strategic investments, lose, or experience a significant reduction in, business from one or a few customers, it could have a material adverse impact on us.** Risks Related to International Operations • Our international operations are exposed to additional risks and uncertainties, including unfavorable political developments and weak foreign economies. • Foreign exchange risks may affect our ability to realize a profit from certain projects. • Our global presence could give rise to material fluctuations in our income tax rates. Risks Related to Acquisitions, Investments, Joint Ventures and Divestitures • ~~If we, or our subsidiaries or companies in which we have made strategic investments, lose, or experience a significant reduction in, business from one or a few customers, it could have a material adverse impact on us. •~~ Our use of joint ventures, partnerships and strategic investments in entities exposes us to risks and uncertainties, many of which are outside of our control. • An impairment charge on our goodwill or intangible assets could have a material adverse impact on our financial position and results of operations. • Our business strategy relies in part on acquisitions and strategic investments to sustain our growth ~~. These transactions~~ **and we may make minority investments as well, all of which** present certain risks and uncertainties. • **Our transaction** ~~We may make minority investments that subject us~~ to ~~risks~~ **combine CMS** and **portions** ~~uncertainties outside~~ of **DVS with Amentum may not be completed on the currently contemplated timeline** ~~our~~ - **or** ~~control~~ **at all and may not achieve the intended benefits** . Risks Related to Regulatory Compliance • Past and future environmental, health, and safety laws could impose significant additional costs and liabilities. • If we fail to comply with any governmental requirements, our business may be adversely affected. • We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and similar worldwide anti- bribery laws. **Page 22** Risks Related to Climate Change • Climate change and related environmental issues **, including market or regulatory responses to climate change,** could have a material adverse impact on our business, financial condition and results of operations ~~. • We may be affected by market or regulatory responses to climate change~~ . • We may be unable to achieve our climate commitments and targets. Risks Related to Our Indebtedness and Credit Markets • We rely in part on liquidity from our credit facilities to fund our business. Restrictions in our credit facilities **and other indebtedness** could adversely impact our business. Our businesses may be adversely affected by disruptions or lack of liquidity in the credit markets, including reduced access to credit and higher costs of obtaining credit. • Maintaining adequate bonding and letter of credit capacity is necessary for us to successfully win some contracts **. • Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase and our net income and cash flows to correspondingly decrease** . Risks Related to Our Common Stock and Corporate Structure • Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of our common stock. • There can be no assurance that we will pay dividends on our common stock. • In the event we issue stock as consideration for certain acquisitions we may make, we could dilute share ownership, and if we receive stock in connection with a divestiture, the value of stock is subject to fluctuation. • We are a holding company. Substantially all of our business is conducted through our subsidiaries. We depend on the performance of our subsidiaries and their ability to make distributions to us to fund our operations. ~~Page 24 Risks Related to Our Operations~~ We face intense competition to provide technical, professional and construction management services to clients. The markets we serve are highly competitive and we compete against a large number of regional, national and multinational companies. The extent and type of our competition varies by industry, geographic area and project type. Our projects are frequently awarded through a competitive procurement process. We are constantly competing for project awards based on pricing, schedule and the breadth and technical sophistication of our services. Competition can place downward pressure on our contract prices and profit margins, which increases the risk that, among other things, we may not realize profit margins at the same rates as we have seen in the past or may become responsible for costs or other liabilities we have not accepted in the past. If we are unable to compete effectively, we may experience a loss of market share or reduced profitability or both, which could have a material adverse impact on our business, financial condition and results of operations. Our results of operations depend on the award of new contracts and the timing of the award of these contracts. Our revenues depend on new contract awards. Delays in the timing of the awards or cancellations of such projects as a result of economic conditions, material and equipment pricing and availability or other factors could impact our long- term projected results. It is particularly difficult to predict whether or when we will receive large- scale projects as these contracts frequently involve a lengthy and complex procurement and selection process, which is affected by a number of factors, such as market conditions or governmental and environmental approvals. Since a significant portion of our revenues is generated from such projects, our results of operations and cash flows can fluctuate significantly from quarter to quarter depending on the timing of our contract awards and the commencement or progress of work under awarded contracts. Furthermore, many of these contracts are subject to financing contingencies and, as a result, we are subject to the risk that the customer will not be able to secure the necessary financing for the project. The uncertainty of our contract award timing can also present difficulties in matching workforce size with contract needs. In some cases, we maintain and bear the cost of a ready workforce that is larger than necessary under existing contracts in anticipation of future workforce needs for expected contract awards. When an expected contract award is delayed or not received, we incur additional costs resulting from reductions in staff or redundancy of facilities, which could have a material adverse effect on our business, financial condition and results of operations. **Page 23** Demand for our services ~~are~~ **is** impacted by economic downturns, reductions in government or private spending and times of political uncertainty. We provide full spectrum technical and professional solutions to clients operating in a number of sectors and industries, including programs for various national governments, including the U. S. federal government; aerospace; automotive; pharmaceuticals and biotechnology; infrastructure; environmental; nuclear decommissioning; buildings; smart cities; energy and power; water; transportation; telecom and other general industrial and consumer businesses and sectors. These sectors and industries and the resulting demand for our services have been, and we expect will continue to be, subject to significant fluctuations due to a variety of factors beyond our control, including economic conditions and changes in client spending, particularly during periods of economic or political uncertainty. **Consequently, our results have varied, and may continue to vary, depending upon the demand for future projects in the markets and the locations in which we operate.** Uncertain global economic, socioeconomic and political conditions may negatively impact our clients' ability and willingness to fund their projects, including their ability to raise capital and pay, or timely pay, our invoices. These factors may also cause our clients to reduce their capital expenditures, alter the mix of services purchased, seek more favorable pricing and other contract terms and otherwise slow their spending on our services. For example, in the public sector, declines in state and local tax revenues as well as other economic declines may result in lower state and local government spending. In addition, under such conditions, many of our competitors may be more inclined to take greater or unusual risks or accept terms and conditions in contracts that we might not deem acceptable. These conditions may reduce the demand for our services, which may have a material adverse impact on our business, financial condition and results of operations. Additionally, uncertain economic, socioeconomic and political conditions may make it difficult for our clients, our vendors, and us to accurately forecast and plan future business activities. We cannot predict the outcome of changing trade policies or other unanticipated socioeconomic or political conditions, nor can we predict the timing, strength or duration of any economic recovery or downturn worldwide or in our clients' markets. In addition, our business has ~~Page 25~~ traditionally lagged recoveries in the general economy and, therefore, may not recover as quickly as the economy at large. Weak economic conditions could have a material adverse impact on our business, financial condition and results of operations. Furthermore, if a significant portion of our clients or projects are concentrated in a specific geographic area or industry, our business may be disproportionately affected by **regional conflicts,** negative trends or economic downturns in those specific geographic areas or industries. **Continuing** ~~Regardless of economic or socioeconomic or political conditions, investment decisions by our customers may vary by location or as a result of other factors like the availability of labor or relative construction cost. Because we are dependent on the timing and funding of new awards, we are therefore vulnerable to changes in our clients' markets and investment decisions. As a result, our past results have varied and may continue to vary depending upon the demand for future projects in the markets and the locations in which we operate. Rising~~ inflation, **rising or continued high** interest rates, and / or construction costs could reduce the demand for our services as well as decrease our profit on our existing contracts, in particular with respect to our fixed- price contracts. Rising inflation, interest rates, **and /** or construction costs could reduce the demand for our services. In addition, we bear all of the risk of ~~rising~~ **high** inflation with respect to those contracts that are fixed- price. Because a significant portion of our revenues are earned from cost- reimbursable type contracts (approximately 74 **. 1** % during fiscal ~~2022~~ **2023**), the effects of inflation on our financial condition and results of operations over the past few years have been generally minor. However, if we continue to experience inflationary pressures, inflation may have a larger impact on our results of operations in the future, particularly if we expand our business into markets and geographic areas where fixed- price and lump- sum work is more prevalent. Therefore, **continued**

~~increases in~~ inflation, **rising or continued high** interest rates **and /** or construction costs could have a material adverse impact on our business, financial condition and results of operations ~~. We may be unable to realize the benefits of implementing our three- year corporate strategy~~ . This is a transformative time for the Company. In fiscal 2022, we launched our new three- year corporate strategy after identifying three growth accelerators to achieve our vision for future growth: Climate Response, Consultancy & Advisory and Data Solutions. ~~A key component~~ **During the first quarter** of ~~our corporate strategy includes creating~~ **fiscal 2023, we created** a new operating segment, Divergent Solutions, which **, consistent with our corporate strategy,** is aligned to our data solutions growth accelerator. Developing a new business carries certain inherent risks, including potential diversion of management' s time and other resources from our previously- established revenue streams, the need for additional capital and other resources to expand this new business, and inefficient integration of operational and management systems and controls. Our success growing and developing the solutions offered by this new business will depend on a variety of factors, some of which may be outside of our control. There can be no assurance that ~~creation of~~ this **new** operating segment will produce the revenues, earnings or business synergies that we anticipate. Additionally, we cannot **guarantee** ~~assure you~~ that our corporate strategy will be successful in achieving our financial growth targets or that we will deliver our anticipated results. The failure to successfully implement our corporate strategy could have a material adverse effect on our business **, financial condition and results of operations** . **Page 24** Project sites are inherently dangerous workplaces. Failure to maintain safe work sites by us, the owner or others working at the project site can lead to our employees or others becoming injured, disabled or even losing their lives, and exposes us to significant financial losses and reputational harm, as well as civil and criminal liabilities. Project sites often put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, chemical and manufacturing processes and hazardous and highly regulated materials, in a challenging environment and often in geographically remote locations. We may be responsible for safety on some project sites, and, accordingly, we have an obligation to implement effective safety procedures. The failure by us or others working at such sites to implement safety procedures or the implementation of ineffective procedures, or the failure to implement and follow appropriate safety procedures, subjects our employees and others to the risk of injury, disability or loss of life, and subjects us to risk that the completion or commencement of our projects may be delayed and we may be exposed to litigation or investigations. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our clients and raise our operating and insurance costs. We are also subject to regulations dealing with occupational health and safety. Although we maintain functional groups whose primary purpose is to ensure we implement effective HSE work procedures throughout our organization, including project sites and maintenance sites, the failure to comply with such regulations could subject us to liability. In addition, despite the work of our functional groups, we cannot guarantee the safety of our personnel or that there will be no damage to or loss of our work, equipment or supplies. ~~Page 26~~ Our safety record is critical to our reputation. Many of our clients require that we meet certain safety criteria to be eligible to bid for contracts and many contracts provide for automatic termination or forfeiture of some or all of our contract fees or profit in the event we fail to meet certain measures. For all of the foregoing reasons, if we fail to maintain adequate safety standards, we could suffer harm to our reputation, reduced profitability or the loss of projects or clients, which could have a material adverse impact on our business, financial condition and results of operations. The nature of our contracts, particularly any fixed- price contracts, subjects us to risks of cost overruns. We may experience reduced profits or losses if costs increase above budgets or estimates or the project experiences delays. For fiscal ~~2022~~ **2023** , approximately ~~26~~ **25. 9** % of our revenues were earned under fixed- price contracts. Both fixed- price and many cost- reimbursable contracts require us to estimate the total cost of the project in advance of our performance. For fixed- price contracts, we may benefit from any cost- savings, but we bear greater risk of paying some, if not all, of any cost overruns. Fixed- price contracts are established in part on proposed designs, which may be partial or incomplete, cost and scheduling estimates that are based on a number of assumptions, including those about future economic conditions, commodity and other materials pricing and cost and availability of labor (including the cost of any related benefits or entitlements), equipment and materials and other exigencies. Cost overruns can occur, leading to reduced profits or, in some cases, a loss for that project for a variety of reasons, including if the design or the estimates prove inaccurate or if circumstances change due to, among other things, unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather or other delays beyond our control, changes in the costs of equipment or raw materials, our vendors' or subcontractors' inability or failure to perform, or changes in general economic conditions and inflationary pressures. We may present change orders and claims to our clients, subcontractors and vendors for, among other things, additional costs exceeding the original contract price. If we fail to properly document the nature of our claims and change orders ~~,~~ or are otherwise unsuccessful in negotiating reasonable settlements with our clients, subcontractors and vendors, we will likely incur cost overruns, reduced profits or, in some cases, result in a loss for a project. These risks are exacerbated for projects with long- term durations because there is an increased risk that the circumstances on which we based our original estimates will change in a manner that increases costs. The occurrence of significant costs overruns could have a material adverse impact on our business, financial condition and results of operations. Many of our contracts require us to satisfy specific progress or performance milestones in order to receive payment from the customer. As a result, we often incur significant costs for engineering, materials, components, equipment, labor or subcontractors prior to receipt of payment from a customer, which may impact our liquidity. In some circumstances, we may incur penalties if we do not achieve project completion by a scheduled date. In some cases, the occurrence of delays may be due to factors outside of our control, such as due to supply chain shortages. **Page 25** Our contracts that are fundamentally cost reimbursable in nature may also present a risk to the extent the final cost on a project exceeds the amount the customer expected or budgeted. Like fixed- price contracts, the expected cost of cost- reimbursable projects is based in part on partial design and our estimates of the resources and time necessary to perform such contracts. A portion of the fee is often linked to these estimates and the related final cost and schedule objectives, and if for whatever reason these objectives are not met, the project may be less profitable than we expect or even result in losses. ~~Page 27~~ Backlog represents estimates of 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. As of the end of fiscal ~~2022~~ **2023**, our backlog totaled approximately $ ~~27~~ **29**. ~~9~~ **1** billion. There is no assurance that backlog will actually be realized as revenues in the amounts reported or, if realized, will result in profits. In accordance with industry practice, substantially all of our contracts, including our U. S. government work, are subject to cancellation, termination, or suspension at the discretion of the client, and may be subject to changes in the scope of services to be provided, as well as adjustments to the costs relating to the contracts. In the event of a project cancellation, we would generally have no contractual right to the total revenue reflected in our backlog. Projects can remain in backlog for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in backlog being canceled or suspended generally increases during periods of widespread economic slowdowns or in response to changes in commodity prices. In some markets, there is a continuing trend ~~towards~~ - **toward** cost- reimbursable contracts with incentive- fee arrangements. Typically, our incentive fees are based on such things as achievement of target completion dates or target costs, overall safety performance, overall client satisfaction and other performance criteria. If we fail to meet such targets or achieve the expected performance standards, we may receive a lower, or even zero, incentive fee resulting in lower gross margins. Accordingly, there is no assurance that the contracts in backlog, assuming they produce the revenues currently expected, will generate gross margins at the rates we have realized in the past. We depend on contracts with the U. S. federal government and other governments and their agencies. The U. S. federal government represented approximately 31 % of our total revenue in fiscal ~~2022~~ **2023**. These contracts, which are a significant source of our revenue and profit, are subject to additional risks compared to contracts with private sector clients: • Some of our contracts are long- term government contracts, which are only funded on an annual basis. In addition, public- supported financing, such as state and local municipal bonds **,** may be only partially raised ~~to support existing infrastructure projects. As a result,~~ at the beginning of a program, **with** ~~the related contract is only partially funded, and~~ additional funding ~~is~~ normally **only** committed ~~only~~ as appropriations are made in each fiscal year. If appropriations for funding are not made in subsequent years of a multiple- year contract, we may not be able to realize all of our anticipated revenue and profits from that project. U. S. government shutdowns or any related under- staffing of the government departments or agencies that interact with our business could result in program cancellations, disruptions and / or stop work orders, could limit the government' s ability to effectively progress programs and make timely payments, and could limit our ability to perform on our existing U. S. government contracts and successfully compete for new work. Governments are typically under no obligation to maintain funding at any specific level, and funds for government programs may even be eliminated. The U. S. government may also shift its spending focus away from areas, such as defense and space exploration, and ~~towards~~ - **toward** other areas in which we do not currently provide services. • Our contracts with governmental agencies are subject to audit, investigations and proceedings which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs, and a variety of penalties can be imposed on us including monetary damages and criminal and civil penalties. • Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue. In addition, for some assignments, the U. S. government may attempt to " insource " the services to government employees rather than outsource to a contractor. • Most government contracts are awarded through a rigorous competitive process, which may emphasize price over other qualitative factors. The U. S. federal government has increasingly relied upon multiple- year contracts with **Page 26** multiple contractors that generally require those contractors to engage in an additional competitive procurement process for each task order issued under a contract. This process may result in us facing significant additional pricing pressure and uncertainty and incurring additional costs. • We may not be awarded government contracts because of existing policies designed to protect small businesses and under- represented minorities. **•** ~~Page 28 •~~ Government contracts are subject to specific procurement regulations and a variety of other socio- economic requirements, which affect how we transact business with our clients and, in some instances, impose additional costs on our business operations. For example, for contracts with the U. S. federal government, we must comply with the Federal Acquisition Regulation, the Truth in Negotiations Act, the Cost Accounting Standards, and numerous regulations governing environmental protection and employment practices. Government contracts also contain terms that expose us to heightened levels of risk and potential liability than non- government contracts. This includes, for example, unlimited indemnification obligations. • Many of our federal government contracts require us to have security clearances, which can be difficult and time consuming to obtain. If our employees or our facilities are unable to obtain or retain the necessary security clearances, our clients could terminate or not renew existing contracts or award us new contracts, which could have a material adverse impact on our business, financial condition and results of operations could be negatively impacted. These various uncertainties, restrictions, and regulations including oversight audits by government authorities as well as profit and cost controls, could have a material adverse impact on our business, financial condition and results of operations. We provide services that are subject to professional standards and qualifications, including providing services that are based on our professional engineering expertise, as well as our other professional credentials. These services must comply with various professional standards, duties and obligations regulating the performance of such services. Our engineering practice, for example, involves professional judgments regarding the planning, design, development, construction, operations and management of industrial facilities and public infrastructure projects. We also issue reports and opinions to clients based on our professional expertise, such as issuing opinions and reports to government clients in connection with securities offerings. While we do not generally accept liability for consequential damages in our contracts, and although we have adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, we may be deemed to be responsible for these professional judgments, recommendations or opinions if they are later determined to be inaccurate, or if a catastrophic event or other failure occurs at one of our project sites or completed projects. Any unfavorable legal ruling against us could result in substantial monetary damages, disqualification to perform services in the future, or even criminal violations. Such events could result in significant professional or product liability and warranty or other claims against us that could be highly publicized and have reputational harm, especially if public safety is impacted. We could also be liable to third parties, including through class actions, even if we are not contractually bound to those third parties. These liabilities could exceed our insurance limits or the fees we generate, may not be covered by insurance at all due to various exclusions in our coverage and could impact our ability to obtain insurance in the future. Further, even where coverage applies, the policies have limits and deductibles or retentions, which results in our assumption of exposure for certain amounts with respect to any claim filed against us. In addition, indemnification from clients or subcontractors may not be available. An uninsured claim, either in part or in whole, as well as any claim covered by insurance but subject to a policy limit, high deductible and / or retention, if successful and of a material magnitude, could have a material adverse impact on our business, financial condition and results of operations. We are a party to claims and litigation in the normal course of business, including litigation inherited through acquisitions. Since we engage in engineering and construction activities for large facilities and projects where design, construction or systems failures ~~can result in substantial injury or damage to employees or others, we are exposed to substantial claims and litigation and investigations due to the failure~~ at any such facility or project ~~. Such~~ **can result in substantial injury or damage to employees or others, and expose us to substantial** claims ~~could relate~~ **and litigation and investigations relating** to, among other things, personal injury, loss of life, business interruption, property damage, or pollution and environmental damage ~~, and be brought by our clients or third parties, such as those who use or reside near our clients' projects~~ . We can also be exposed to claims if we agreed that a project will achieve certain performance standards or satisfy certain technical **Page 27** requirements and those standards or requirements are not met. In many of our contracts with clients, subcontractors and vendors, we agree to retain or assume potential liabilities for damages, penalties, losses and other exposures relating to projects that could result in claims that greatly exceed the anticipated profits relating to those ~~Page 29~~ contracts. In addition, while clients and subcontractors may agree to indemnify us against certain liabilities, such third parties may refuse or be unable to pay us. With a workforce of approximately 60, 000 people globally, we are also party to labor and employment claims in the normal course of business. Certain of these claims relate to allegations of harassment and discrimination, pay equity, denial of benefits, wage and hour violations, whistleblower protections, concerted protected activity, and other employment protections, and may be pursued on an individual or class action basis depending on applicable laws and regulations. Some of such claims may be insurable, while other such claims may not ~~. We maintain insurance coverage for various aspects of our business and operations. Our insurance programs have varying coverage limits as well as exclusions for matters such as fraud, and insurance companies can, and sometimes do, attempt to deny claims for which we seek coverage. In addition, we have elected to retain a portion of losses that may occur through the use of various deductibles, retentions and limits under these programs. As a result, we may be subject to future liability for which we are only partially insured, or completely uninsured~~ . In addition, claims received from subcontractors or made by us for change orders can be the subject of lengthy negotiations, arbitration or litigation proceedings, which could result in the investment of significant amounts of working capital pending the resolution of the relevant change orders and claims. A failure to promptly recover on these types of claims could have a material adverse impact on our liquidity and financial results. Additionally, irrespective of how well we document the nature of our claims and change orders, the cost to prosecute and defend claims and change orders can be significant. Litigation and regulatory proceedings are subject to inherent uncertainties and unfavorable rulings can and do occur. Pending or future claims against us could result in professional liability, product liability, criminal liability, warranty obligations, default under our credit agreements and other liabilities which, to the extent we are not insured against a loss or our insurer fails to provide coverage, could have a material adverse impact on our business, financial condition, and results of operations and damage our reputation. Unavailability or cancellation of ~~third- party~~ insurance coverage could increase our overall risk exposure as well as disrupt the management of our business operations. We maintain insurance coverage from third- party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. Catastrophic events, litigation claims **,** and other market factors can result in decreased coverage limits, coverage that is more limited, increased premium costs or higher deductibles and / or retentions. If any of our third- party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses could increase, and the management of our business operations could be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits **. We have also elected to retain a portion of losses that may occur through the use of various deductibles, retentions and limits under these programs. As a result, we may be subject to future liability for which we are only partially insured, or completely uninsured** . Historically, we have benefited from both domestic and international government investment programs that provide funding for our services, and we expect to continue to benefit from bills such as the Infrastructure Investment and Jobs Act, the CHIPS and Science Act and the Inflation Reduction Act. While spending and stimulus bills are expected to provide funding in many of the markets in which we operate, we may not be able to obtain the expected benefits from these bills or similar bills in the future. In addition, the timing of funding awards under these bills is uncertain. A reduction in the amount of governmental funding available could materially affect our results of operations. Third- party subcontractors we hire perform a significant amount of the work performed under our contracts. We also rely on third- party equipment manufacturers or suppliers to provide much of the equipment and materials used for projects. If we are unable to hire qualified subcontractors or find qualified equipment manufacturers or suppliers, our ability to successfully complete a project will be impaired. If we are not able to locate qualified third- party subcontractors or the amount we are required to pay for subcontractors or equipment and supplies exceeds what we have estimated, especially in a lump sum or a fixed- price contract, we may suffer losses on these contracts. If a subcontractor, supplier, or **Page 28** manufacturer fails to provide services, supplies, parts or equipment as required under a contract for any reason, or fails to ~~Page 30~~ provide such services, supplies, parts or equipment in accordance with applicable quality standards as required by the contract or regulation, we will be required to source these services, equipment, parts or supplies ~~to~~ **from** other third parties on a delayed basis or on less favorable terms, which could impact contract profitability and / or could result in claims against us for damages. We are subject to disputes with our subcontractors from time to time relating to, among other things, the quality and timeliness of work performed, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a contract. In addition, faulty workmanship, equipment or materials would likely impact the overall project, which could result in claims against us for failure to meet required project specifications. In an uncertain or downturn economic environment, third parties may find it difficult to obtain sufficient financing to help fund their operations. The inability to obtain financing could adversely affect a third party' s ability to provide materials, equipment or services which could have a material adverse impact on our business, financial condition, and results of operations. In addition, a failure by a third party subcontractor, supplier or manufacturer to comply with applicable laws, regulations or client requirements could negatively impact our business and, for government clients, could result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our business, financial condition, and results of operations. We are subject to the risk of misconduct, fraud, non- compliance with applicable laws and regulations, or other improper activities by one of our employees, agents or partners, which could have a significant negative impact on our business and reputation. Such misconduct includes the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other corrupt practices, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, regulations pertaining to export control, environmental laws, employee wages, pay and benefits, and any other applicable laws or regulations. For example, we routinely provide services that may be highly sensitive or that relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited. The precautions we take to prevent and detect these activities may not be effective and we could face unknown risks or losses. Our failure to comply with applicable laws or regulations, or acts of misconduct subjects us to the risk of fines and penalties, cancellation of contracts, loss of security clearance and suspension or debarment from contracting, any of which could **damage our reputation,** weaken our ability to win contracts and result in reduced revenues and profits and could have a material adverse impact on our business, financial condition and results of operations. We ~~may experience~~ **are subject to certain risks related to** interruptions, errors and delays in our information technology systems. In the event we are unable to maintain or improve the efficiency and efficacy of our systems, the operation of such systems could ~~be subjected to additional interruption or could~~ result in the **material** loss, corruption, or release of data. In addition, our computer and communication systems and operations could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error or similar events or disruptions. Any of these or other events ~~could cause interruptions, delays, loss of critical and / or sensitive data or similar effects, which~~ could have a material adverse impact on our business, financial condition, protection of intellectual property and results of operations, as well as those of our clients. Our information technology systems, which have grown over time, including through acquisitions, have, and will continue to experience threats, including unauthorized access, computer hackers, computer viruses, malicious code, ransomware, phishing, organized cyber- attacks and other security problems and system disruptions, including unauthorized access to and disclosure of our and our clients' proprietary or classified information. Such tactics have caused, and may also seek to cause in the future, payments due to or from the Company to be misdirected to fraudulent accounts, which may not be recoverable by the Company. Page ~~31~~ **29** While we have security measures and technology in place designed to protect our and our clients' proprietary or classified information, there can be no assurance that our efforts will prevent all threats to our computer systems **. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks** . Because the techniques used to obtain unauthorized access or sabotage systems change frequently, become more sophisticated and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. As a result, we may be required to expend significant resources to protect against the threat of system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events could damage our reputation, cause us to incur significant liability and have a material adverse effect on our business, financial condition and results of operations. We continuously evaluate the need to upgrade and / or replace our systems and network infrastructure to protect our computing environment, to stay current on vendor supported products and to improve the efficiency of our systems and for other business reasons **, including due to the rapid evolution and increased adoption of artificial intelligence and machine learning technologies and especially as we continue to operate under a hybrid working model under which employees can work and access the Company' s technology infrastructure remotely** . The implementation of new systems and information technology could adversely impact our operations by imposing substantial capital expenditures, demands on management time and risks of delays or difficulties in transitioning to new systems. In addition, our systems implementations may not result in productivity improvements at the levels anticipated. Systems implementation disruption and any other information technology disruption, if not anticipated and appropriately mitigated, could have a material adverse effect on our business. In addition, laws and regulations governing data privacy and the unauthorized disclosure of personal data, including the European Union General Data Protection Regulation (" GDPR"), the United Kingdom Data Protection Act, the California Consumer Privacy Act, the California Privacy Rights Act, and other emerging U. S. state and global privacy laws pose increasingly complex compliance challenges and potentially elevate costs and may require changes to our business practices resulting from the variation of regulatory requirements and increased enforcement frequency. Failure to comply with these laws and regulations, including related regulatory enforcement and / or private litigation resulting from a potential privacy breach, could result in governmental investigations, significant fines and penalties, damages from private causes of action, or reputational harm. Additionally, we are subject to laws, rules, and regulations regarding cross- border transfers of personal data, including laws relating to transfer of personal data outside the

European Economic Area. If we cannot rely on existing mechanisms for transferring personal data, we may be unable to transfer personal data of employees and clients in those regions, which could adversely affect our business, financial condition, and operating results. We may not be able to protect our intellectual property or that of our clients. Our technology and intellectual property provide us, in certain instances, with a competitive advantage. Although we seek to protect our property through registration, licensing, contractual arrangements, security controls and similar mechanisms, we may not be able to successfully preserve our rights and they could be invalidated, circumvented, challenged or become obsolete. Trade secrets are generally difficult to protect. Our employees and contractors are subject to confidentiality obligations, but this protection may be inadequate to deter or prevent misappropriation of our confidential information and / or infringement of our intellectual property. In addition, the laws of some foreign countries in which we operate do not protect intellectual property rights to the same extent as the U. S. If we are unable to protect and maintain our intellectual property rights or if there are any successful intellectual property challenges or infringement proceedings against us, our ability to differentiate our service offerings could be reduced. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert leadership' s attention away from other aspects of our business. We also hold licenses from third parties which may be utilized in our business operations. If we are no longer able to license such technology on commercially reasonable terms or otherwise, our business and financial performance could be adversely affected. If our intellectual property rights or work processes become obsolete, we may not be able to differentiate our service offerings and some of our competitors may be able to offer more attractive services to our customers. Our competitors may independently attempt to develop or obtain access to technologies that are similar or superior to our technologies. **Page 30** Our clients or other third parties may also provide us with their technology and intellectual property. There is a risk we may not sufficiently protect our or their information from improper use or dissemination and, as a result, could be subject to claims and litigation and resulting liabilities, loss of contracts or other consequences that could have a material adverse impact on our business, financial condition and results of operations. ~~Page 32~~ Assertions by third parties of infringement, misappropriation or other violations by us of their intellectual property rights could result in significant costs and substantially harm our business, financial condition and operation results. In recent years, there has been significant litigation involving intellectual property rights in technology industries. We may face from time to time, allegations that we or a supplier or customer have violated the rights of third parties, including patent, trademark, and other intellectual property rights. If, with respect to any claim against us for violation of third- party intellectual property rights, we are unable to prevail in the litigation or retain or obtain sufficient rights or develop non- infringing intellectual property or otherwise alter our business practices on a timely or cost- efficient basis, our business, financial condition or results of operations may be adversely affected. Any infringement, misappropriation or related claims, whether or not meritorious, are time consuming, divert technical and management personnel, and are costly to resolve. As a result of any such dispute, we may have to develop non- infringing technology, pay damages, enter into royalty or licensing agreements, cease utilizing products or services, or take other actions to resolve the claims. These actions, if required, may be costly or unavailable on terms acceptable to us. The Price- Anderson Nuclear Industries Indemnity Act, commonly called the Price- Anderson Act (" PAA "), is a U. S. federal law, which, among other things, regulates radioactive materials and the nuclear energy industry, including liability and compensation in the event of nuclear related incidents. The PAA provides certain protections and indemnification to nuclear energy plant operators and U. S. Department of Energy (" DoE ") contractors. The PAA protections and indemnification apply to us as part of our services to the U. S. nuclear energy industry and DoE for new facilities, maintenance, modification, decontamination and decommissioning of nuclear energy, weapons and research facilities. We offer similar services in other jurisdictions outside the U. S. For those jurisdictions, varying levels of nuclear liability protection is provided by international treaties, and / or domestic laws, such as the Nuclear Liability and Compensation Act of Canada and the Nuclear Installations Act of the United Kingdom, insurance and / or assets of the nuclear installation operators (some of which are backed by governments) as well as under appropriate enforceable contractual indemnifications and hold- harmless provisions. These protections and indemnifications, however, may not cover all of our liability that could arise in the performance of these services. To the extent the PAA or other protections and indemnifications do not apply to our services, the cost of losses associated with liability not covered by the available protections and indemnifications, or by virtue of our loss of business because of these added costs could have a material adverse impact on our business, financial condition and results of operations. In preparing our financial statements, our leadership is required under U. S. GAAP to make estimates and assumptions as of the date of the financial statements. These estimates and assumptions affect the reported values of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. Areas requiring significant estimates by our leadership include: • Recognition of contract revenue, costs, profit or losses in applying the principles of percentage of completion accounting; • Estimated amounts for expected project losses, warranty costs, contract close- out or other costs; • Recognition of recoveries under contract change orders or claims; • Collectability of billed and unbilled accounts receivable and the need and amount of any allowance for doubtful accounts; • Estimates of other liabilities, including litigation and insurance revenues / reserves and reserves necessary for self- insured risks; • Accruals for estimated liabilities, including litigation reserves; **Page 31** • Valuation of assets acquired, and liabilities, goodwill, and intangible assets assumed, in acquisitions and ongoing assessment of impairment; • Valuation estimates for redeemable noncontrolling interests calculations; • Valuation of stock- based compensation; • The determination of liabilities under pension and other post- retirement benefit programs; and • Income tax provisions and related valuation allowances. ~~Page 33~~ Our actual business and financial results could differ from our estimates of such results, which could have a material adverse impact on our financial condition and results of operations. Impairment of long- lived assets or restructuring activities may require us to record a significant charge to earnings. Our long- lived assets, including our lease right- of- use assets, equity investments and others, are subject to periodic testing for impairment. Failure to achieve sufficient levels of cash flow at the asset group level has resulted in, and could result in additional, impairment of our long- lived assets. Further changes in the business environment could lead to changes in the scope of operations of our business.

These changes, including the closure of one or more offices, could result in restructuring and / or ~~asset impairment charges. The COVID- 19 pandemic raises the possibility of an extended global economic downturn which increase the risk of long- lived~~ asset impairment charges. We have various employee benefit plan obligations that require us to make contributions to satisfy, over time, our underfunded benefit obligations, which are generally determined by calculating the projected benefit obligations minus the fair value of plan assets. For example, as of September **29, 2023 and September** 30, 2022 ~~and October 1, 2021~~, our defined benefit pension and post- retirement benefit plans were underfunded by $ **61. 5 million and $** 81. 2 ~~million and $ 191. 4~~ million, respectively. See Note 13- Pension and Other Postretirement Benefit Plans in the Notes to Consolidated Financial Statements beginning on page F- 1 of this Annual Report on Form 10- K for additional disclosure. ~~In the future, our~~ **We may have to contribute additional cash to meet any underfunded** benefit ~~plan~~ obligations **associated with retirement and post-retirement benefit** ~~may increase or decrease depending on changes in the levels of interest rates, pension plan~~ **plans** ~~asset performance and other factors~~ **we manage or for which we have contribution or funding obligations** . If we are required to contribute a significant amount of the deficit for underfunded benefit plans, our cash flows could be materially and adversely affected **. Additionally, we provide health care and other benefits to our employees. In recent years, costs for health care have increased more rapidly than general inflation in the U. S. economy. If this trend in health care costs continues, our cost to provide such benefits could increase, which could have a material adverse impact on our financial condition and results of operations** . We are also a participating employer in various Multi- Employer Pension Plans (" MEPPs") associated with some of the work we perform on a union basis, which MEPPs are managed by third party trusts and over which we have no control, including as to how the MEPPs are managed or financial investment decisions are made. If any of these MEPPs is underfunded, we could face the imposition of underfunded liability or withdrawal liability at a materially adverse level. Extraordinary or force majeure events beyond our control, such as natural or ~~man~~ **human caused** ~~- made~~ disasters, could negatively impact our ability to operate. As an example, from time to time we face unexpected severe weather conditions which may result in weather- related delays that are not always reimbursable under a fixed- price contract; evacuation of personnel and curtailment of services; increased labor and material costs in areas resulting from weather- related damage and subsequent increased demand for labor and materials for repairing and rebuilding; inability to deliver materials, equipment and personnel to job sites in accordance with contract schedules; and loss of productivity. We may remain obligated to perform our services after any such natural or ~~man~~ **human caused** ~~- made~~ event, unless a force majeure clause or other contractual provision provides us with relief from our contractual obligations. If we are not able to react quickly to such events, or if a high concentration of our projects ~~are~~ **is** in a specific geographic region that suffers from a natural or ~~man~~ **human caused** ~~- made~~ catastrophe, our operations may be significantly affected, which could have a material adverse impact on our operations. In addition, if we cannot complete our contracts on time, we may be subject to potential liability claims by our clients which may reduce our profits. ~~We must successfully manage the demand, supply and operational challenges associated with the effects of disease outbreaks, including epidemics, pandemics or similar widespread public health concerns. Our business may be negatively impacted by disease outbreaks, epidemics, pandemics, or similar widespread public health concerns, such as the COVID- 19 pandemic, including as a result of fear of exposure to, or actual effects of, any diseases, or the measures that international, federal, state and local public health and other governmental authorities implement to address it. Despite the availability of vaccines in some geographies, COVID- 19 continues to spread throughout the United States and globally, including in regions where we have significant operations and personnel, and uncertainties exist as to the efficacy of vaccines against new variants or mutations of COVID- 19. Although there has been an easing of restrictions, such as " stay at home " orders and social distancing, in certain jurisdictions, some of these restrictions have been reinstated in other jurisdictions, or could be reinstated in the future, to manage a resurgence or new outbreak of COVID- 19 or other~~ Page **32** ~~34 disease outbreaks, including in connection with new variants or mutations of the virus. In addition, the reopening of businesses and economies in certain countries is creating a variety of new challenges, including, for example, higher prices for goods and services, limited availability of products, and disruptions to supply chains. As such, the duration, severity of its effects and ultimate impact to the world' s population and the global economy are still unknown. The effects of disease outbreaks, including epidemics, pandemics or similar widespread public health concerns may adversely affect certain elements of our business, including, but not limited to, the following: • There may be reductions in demand for certain of our services and the delay or abandonment of ongoing or anticipated projects due to our clients', suppliers' and other third- parties' diminished financial conditions or financial distress, as well as governmental budget constraints. • Our clients may be unable to meet their payment obligations to us in a timely manner, including as a result of deteriorating financial condition or bankruptcy resulting from a disease outbreak, including the ongoing COVID- 19 pandemic, and resulting economic impacts. Further, other third parties, such as suppliers, subcontractors, joint venture partners and other outside business partners, may experience significant disruptions in their ability to satisfy their obligations with respect to us, or they may be unable to do so altogether. • Illness, travel restrictions or other workforce disruptions could adversely affect our supply chain, our ability to timely and satisfactorily complete our clients' projects, our ability to provide services to our clients or our other business processes. Similar to travel restrictions implemented in response to the COVID- 19 pandemic, jurisdictions may close borders, impose prolonged quarantines and restrict travel and business activity, in the event of a future disease outbreak or resurgence, which could materially impair our ability to support our operations and clients (both domestic and international), to source supplies through the global supply chain and to identify, pursue and capture new business opportunities, and which could continue to restrict the ability of our employees to access their workplaces. We also face the possibility of increased overhead or other expenses resulting from compliance with any current and future government orders or other measures enacted in response to any future disease outbreak or resurgence. • We operate in many countries around the world, and certain of those countries' governments may be unable to effectively mitigate the financial or other impacts of any future disease outbreak on their economies and workforces and our operations therein. The extent to which a disease outbreak or resurgence impacts our business, financial condition and results of operations, including~~

~~the duration and magnitude of such impacts, will depend on numerous factors that we may not be able to accurately predict or assess. Disease outbreaks and the volatile regional and global economic conditions stemming therefrom, as well as reactions to future pandemics or resurgences of COVID- 19, could also precipitate or aggravate the other risk factors that we identify in this Annual Report on Form 10- K, which in turn could materially adversely affect our business, financial condition and results of operations. There may be other adverse consequences to our business, financial condition and results of operations from the spread of COVID- 19 or other diseases that we have not considered or have not become apparent. As a result, we cannot assure you that if COVID- 19 continues to spread, or there are other significant disease outbreaks, it would not have a further adverse impact on our business, financial condition and results of operations.~~ Our continued success is dependent upon our ability to hire, retain, and utilize qualified personnel. The success of our business is dependent upon our ability to hire, retain and utilize qualified personnel, including engineers, architects, designers, craft personnel and corporate leadership professionals who have the required experience and expertise at a reasonable cost. The market for these and other personnel is competitive. From time to time, it may be difficult to attract and retain qualified individuals with the expertise, and in the timeframe, demanded by our clients, or to replace such personnel when needed in a timely manner. In certain geographic areas, for example, we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. Furthermore, some of our personnel hold government granted clearance that may be required to obtain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. Loss of the services of, or failure to recruit, qualified technical and leadership personnel could limit our ability to successfully complete existing projects and compete for new projects. In addition, in the event that any of our key personnel retire or otherwise leave the Company, we need to have appropriate succession plans in place and to successfully implement such plans, which requires devoting time and resources toward identifying and integrating new personnel into leadership roles and other key positions. If we cannot ~~Page 35~~ attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition and results of operations. ~~Sustained remote~~ **Remote** working arrangements may increase our costs and adversely impact our culture and ability to effectively train our personnel. As **many** ~~a result~~ of **our** ~~the COVID- 19 pandemic, unprecedented numbers of~~ employees ~~worldwide shifted to working remotely across industries, including in our industry. Despite the easing of government mandated remote work, many employees continue to work remotely on either a full- time or hybrid basis. While we have begun voluntary phased re- openings in our offices in accordance with guidance provided by government agencies, the majority of our employees are currently still working remotely, and we expect sustained remote working arrangements to continue for a significant percentage of our employees. Although many of our employees can effectively perform their responsibilities while working remotely, and the opportunity to work remotely may increase the geographic markets from where we may attract talent, some work is not well- suited for remote work, and that work may not be completed as efficiently as if it were performed on site. Additionally, we may be exposed to unexpected cybersecurity risks and additional information technology- related expenses as a result of remote working requirements. As employees continue to~~ work remotely, we must adopt new techniques and tools to effectively train and integrate new hires and preserve our culture. Failure to effectively train our employees could create challenges for us in maintaining high levels of employee awareness of, and compliance with, our internal procedures and external regulatory compliance requirements, in addition to increasing our recruiting, training and supervisory costs, while failure to preserve our culture for any reason could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively and execute on our business strategy. Negotiations with labor unions and possible work actions could disrupt operations and increase labor costs and operating expenses. A certain portion of our work force has entered into, and additional portions may in the future enter into, collective bargaining agreements, which on occasion may require renegotiation. The outcome of future negotiations relating to union representation or collective bargaining agreements may not be favorable to the Company in that they may increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions diverts management attention and could disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union- initiated work actions, including work slowdowns and strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could have a material adverse impact on our business, financial condition and results of operations. Our professional reputation and relationships with government agencies are critical to our business, and any harm to our reputation or relationships could decrease the amount of business that governments do with us, which could have a material adverse effect on our business, financial condition and results of operations. A significant portion of our revenue is earned directly or indirectly from various government agencies. If our reputation or relationships with these agencies were harmed, our future revenue and growth prospects would be materially and adversely affected. Our reputation and relationship with these government agencies is a key factor in maintaining and growing revenue under our government contracts. Negative press reports regarding poor contract performance, employee misconduct, information security breaches, engagements in or perceived connections to politically or socially sensitive activities, or other aspects of our business, or regarding government contractors generally, could harm our reputation. In addition, to the extent our performance under a contract does not meet a government agency' s expectations, the client might seek to terminate the contract prior to its scheduled expiration date, provide a negative assessment of our performance to government- maintained contractor past- performance data repositories, fail to award us additional business under existing contracts or otherwise, and direct future business to our competitors. If our reputation or relationships with these agencies are negatively affected, or if we are suspended or debarred from contracting with government agencies for any reason, such actions would decrease the amount of business that the government agency does with us, which would have a material adverse effect on our business, financial condition and results of operations. Page ~~36~~ **33** Our focus on new growth areas for our business entails risks, including those associated with new relationships, clients, talent needs, capabilities, service and product offerings, and maintaining our collaborative culture and core values. We are focused on growing our presence in our addressable markets by: expanding our relationships with existing clients, developing new clients by leveraging our core competencies, further developing our existing capabilities and service offerings, creating new capabilities and solutions offerings to address our clients' emerging needs, and undertaking business development efforts focused on identifying near- term developments and long- term trends that may pose significant challenges for our clients. These efforts entail inherent risks associated with innovation and competition from other participants in those areas, potential failure to help our clients respond to the challenges they face, our ability to comply with uncertain evolving legal standards applicable to certain of our offerings, including those in the cybersecurity area, and, with respect to potential international growth, risks associated with operating in foreign jurisdictions, such as compliance with applicable foreign and U. S. laws and regulations that may impose different and, occasionally, conflicting or contradictory requirements, and the economic, legal, and political conditions in the foreign jurisdictions in which we operate. As we attempt to develop new relationships, clients, capabilities, and service and product offerings, these efforts could harm our results of operations due to, among other things, a diversion of our focus and resources and actual costs, opportunity costs of pursuing these opportunities in lieu of others and a failure to reach a profitable return on our investments in new technologies, capabilities, and businesses, including expenses on research and development investments, and these efforts could ultimately be unsuccessful. The needs of our customers change and evolve regularly. Our success depends upon our ability to identify emerging technological trends; develop technologically advanced, innovative, and cost- effective products and services; and market these products and services to our customers. For example, one of our business strategies is to invest in, develop and promote innovative climate response technologies and solutions in order to meet the demands of our public and private sector clients. A misalignment between the technologies and solutions we identify to invest in, develop and promote and our clients' needs may adversely impact our results of operations and reputation. Although we have strategies to mitigate this risk, we cannot assure you that we will identify the most effective technologies and solutions to invest in, promote or develop. Additionally, as we diversify and expand our product offerings, there is also an increased risk that one or more of our product offerings could fail to meet specifications in a particular application, or could be perceived by our customers to contain defects, which could result in our being liable for damages and losses that arise from such products. Products with defects, or which are otherwise incompatible with intended end uses, may also result in us having to recall such products, or provide additional services under the product warranty, which may impact our profitability. A failure of our products and solutions to meet specifications may materially adversely affect our business, results of operations, or financial condition. Our success also depends on our continued access to suppliers of important technologies and components. The possibility exists that our competitors might develop new capabilities or service offerings that might cause our existing capabilities and service offerings to become obsolete. If we fail in our new capabilities development efforts or our capabilities or services fail to achieve market acceptance more rapidly than our competitors, our ability to procure new contracts could be negatively impacted, which would negatively impact our results of operations and financial condition. In addition, with the growth of our U. S. and international operations, we provide client services and undertake business development efforts in numerous and disparate geographic locations, both domestically and internationally. Our ability to effectively serve our clients is dependent upon our ability to successfully leverage our operating model across all of these and any future locations, maintain effective management controls over all of our locations to ensure, among other things, compliance with applicable laws, rules and regulations, and instill our core values in all of our personnel at each of these and any future locations. Any inability to ensure any of the foregoing could have a material adverse effect on our business and results of operations. Fluctuations in commodity prices may affect our customers' investment decisions and therefore subject us to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards. Commodity prices can affect our customers in a number of ways. For example, for those customers that produce commodity products such as oil, gas, **batteries** ~~copper,~~ or fertilizers, fluctuations in price can have a direct effect on their profitability and cash flow and, therefore, their willingness to continue to invest or make new capital investments. Furthermore, declines in commodity prices can negatively impact our business in regions whose economies are substantially dependent on commodity prices, such as the Middle East. To the extent commodity prices decline or fluctuate and our customers defer new investments or cancel or delay existing projects, the demand for our services decreases, which may have a material adverse impact on our business, financial condition and results of operations. Page ~~37~~ **34** Commodity prices can also strongly affect the costs of projects. Rising commodity prices can negatively impact the potential returns on investments that are planned, as well as those in progress, and result in customers deferring new investments or canceling or delaying existing projects. Cancellations and delays have affected our past results and may continue to do so in significant and unpredictable ways and could have a material adverse impact on our business, financial condition and results of operations. ~~financial condition and results of operations.~~ If we,or any of our subsidiaries or companies in which we have made strategic investments,lose,or experience a significant reduction in,business from one or a few customers,it could have a material adverse impact on us.A few clients have in the past,and may in the future,account for a significant portion of our revenue and / or backlog,or the revenue and / or backlog for our subsidiaries or companies in which we have made strategic investments,in any one year or over a period of several consecutive years.For example,in fiscal **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ ,approximately 31 %, ~~33~~ **31** % and 33 %,respectively,of our revenue was earned directly or indirectly from agencies of the U.S.federal government.Although we have long- standing relationships with many of our significant clients,our clients may unilaterally reduce,delay or cancel their contracts at any time.If we,or any of our subsidiaries or companies in which we have made strategic investments,lose,or experience a significant reduction in business from a significant client could have a material adverse impact on our business,financial **condition,and results of operations.** For fiscal ~~2022~~ **2023** , approximately ~~34~~ **33** % of our revenue was earned from clients outside the U. S. Our business is dependent on the continued success of our international operations, and we expect our international operations to continue to account for a significant portion of our total revenues. Our international operations are subject to a variety of risks, including: • Recessions and other economic crises in other regions, such as Europe, Asia or other specific foreign economies and the impact on our costs of doing business in those countries; •

Difficulties in staffing and managing foreign personnel and operations, including challenges related to logistics, communications and professional licensure of our international workforce; • Unexpected changes in foreign government policies and regulatory requirements; • Potential non- compliance with a wide variety of laws and regulations, including anti- corruption, export control and anti- boycott laws and similar non- U. S. laws and regulations; • Potential non- compliance with regulations and evolving industry standards regarding consumer protection and data use and security, including the General Data Protection Regulation approved by the European Union and the Data Protection Act approved by the United Kingdom; • Lack of developed legal systems to enforce contractual rights; • Expropriation and nationalization of our assets in a foreign country; • Renegotiation or nullification of our existing contracts; • The adoption of new, and the expansion of existing, trade or other restrictions; • Embargoes, duties, tariffs or other trade restrictions, including sanctions; • Geopolitical developments that impact our or our clients' ability to operate in a foreign country; • Changes in labor conditions; • Acts of war, aggression between nations, civil unrest, force majeure, and terrorism; • The ability to finance efficiently our foreign operations; • Social, political, and economic instability; • Changes to tax policy; • Currency exchange rate fluctuations; • Limitations on the ability to repatriate foreign earnings; and • U. S. government policy changes in relation to the foreign countries in which we operate. **Page 35** The lack of a well- developed legal system in some of these countries may make it difficult to enforce our contractual rights. In addition, military action, geopolitical shifts or continued unrest, particularly in the Middle East, could disrupt our operations in the region and elsewhere and may **also** impact the supply or pricing of oil, increase our security costs and cost of compliance with local laws, and present risks to our reputation. Additionally, recent events, including changes in U. S. trade policies and responsive changes in policy by foreign jurisdictions and similar geopolitical developments **, the U. K.' s exit from the E. U., commonly referred to as " Brexit,"** and uncertainty in the E. U., Asia and elsewhere, have increased levels of political and economic unpredictability globally, and may increase the volatility of global financial markets and the global and regional economies. ~~Page 38~~ In addition, our globally connected talent force collaborates to deliver solutions for clients, agnostic of geography. This relies upon client procurement models that are open to global professional service provision. Increased nationalization and heightened " buy- local " policies and regulation could reduce the effectiveness and competitive differentiation enabled by our global delivery model and compound the existing talent shortage in key geographies. To the extent our international operations are affected by unexpected or adverse economic, political and other conditions, our business, financial condition and results of operations may be adversely affected. We are a global professional services company, with our international operations accounting for approximately ~~34~~ **33** % of our annual revenue in fiscal ~~year 2022~~ **2023** . Fluctuations in exchange rates for foreign currencies have reduced, and could continue to reduce, the U. S. dollar value of sales, earnings and cash flows we receive from non- U. S. markets, negatively impact our competitiveness in those markets or otherwise adversely impact our business results, reported financial condition and the U. S. dollar value of our backlog. Our reported financial condition and results of operations are exposed to the effects (both positive and negative) that fluctuating exchange rates have on the process of translating the financial statements of our international operations, which are denominated in currencies other than the U. S. dollar, into the U. S. dollar. In addition, fluctuations in exchange rates may increase our supply costs (as measured in U. S. dollars) in international markets. While we generally attempt to denominate our contracts in the currencies of our expenditures, we do enter into contracts that expose us to currency risk, particularly to the extent contract revenue is denominated in a currency different than the contract costs. We may attempt to minimize our exposure from currency risks by obtaining escalation provisions for projects in inflationary economies or entering into derivative (hedging) instruments, when there is currency risk exposure that is not naturally mitigated via our contracts. These actions, however, may not always eliminate currency risk exposure. The governments of certain countries have or may in the future impose restrictive exchange controls on local currencies and it may not be possible for us to engage in effective hedging transactions to mitigate the risks associated with fluctuations in a particular currency. We may also be exposed to limitations on our ability to reinvest earnings from operations in one country to fund the financing requirements of our operations in other countries. We are subject to income taxes in the U. S. and numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities. Although we believe that our tax estimates and tax positions are reasonable, they could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations and related interpretations, our global mix of earnings, the realizability of deferred tax assets and changes in uncertain tax positions. An increase or decrease in our effective tax rate, or an ultimate determination that the Company owes more taxes than the amounts previously accrued, could have a material adverse impact on our financial condition and results of operations. We work in international locations where there are high security risks, which could result in harm to our employees or unanticipated costs. Some of our services are performed in high- risk locations, where the country or location is subject to political, social or economic risks, or war, terrorism or civil unrest. In those locations where we have employees or operations, we may expend significant efforts and incur substantial security costs to maintain the safety of our personnel. Despite these activities, in these locations, we cannot always guarantee the safety of our personnel. Acts of terrorism ~~and~~ **,** threats of armed conflicts **and human rights violations** in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel or the cancellation of contracts **, and in some Page 36 instances, cause damage to our reputation** . The loss of key employees or contractors, whether as a result of injury, death or attrition, may adversely impact our business operations. Page 39 Our operations may......, financial condition, and results of operations. As is common in our industry, we perform certain contracts as a member of joint ventures, partnerships, and similar arrangements. This situation exposes us to a number of risks, including the risk that our partners may be unable to fulfill their obligations to us or our clients. Further, we have limited ability to control the actions of our joint venture partners, including with respect to nonperformance, default, bankruptcy or legal or regulatory compliance. Our partners may be unable or unwilling to provide the required levels of financial support to the partnerships. If these circumstances occur, we may be liable for claims and losses attributable to the partner by operation of law or contract. These circumstances could also lead to disputes and litigation with our partners or clients, all of which could have a material adverse impact on our reputation, business, financial condition and results of operations. We depend on the management effectiveness of our joint venture partners. Differences in views among the joint venture participants may result in delayed decisions or in failures to agree on major issues, which could materially affect the business and operations of these ventures. In addition, in many of the countries in which we engage in joint ventures, it may be difficult to enforce our contractual rights under the applicable joint venture agreement. If we are not able to enforce our contractual rights, we may not be able to realize the benefits of the joint venture or we may be subject to additional liabilities. We participate in joint ventures and similar arrangements in which we are not the controlling partner. In these cases, we have limited control over the actions of the joint venture. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. To the extent the controlling partner makes decisions that negatively impact the joint venture or internal control problems arise within the joint venture, it could have a material adverse impact on our business, financial condition and results of operations. ~~Page 40~~ The failure by a joint venture partner to comply with applicable laws, regulations or client requirements could negatively impact our business and, for government clients, could result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our business, financial condition and results of operations. Because we have grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of our assets. As of September ~~30~~ **29** , ~~2022~~ **2023** , we had $ 7. ~~18~~ **34** billion of goodwill, representing ~~49~~ **50** . ~~0~~ **2** % of our total assets of $ 14. ~~66~~ **62** billion. Under U. S. GAAP, we are required to test goodwill carried in our Consolidated Balance Sheets for possible impairment on an annual basis, and whenever events occur, or circumstances change, that indicate impairments could exist, based upon a fair value approach. We also assess the recoverability of the unamortized balance of our intangible assets when indications of impairment are present based on expected future probability and undiscounted expected cash flows and their contribution to our overall operations. We have chosen to perform our annual impairment reviews of goodwill at the beginning of the fiscal fourth quarter. If our market capitalization drops significantly below the amount of net equity recorded on our balance sheet, it might indicate a decline in our fair value and would require us to further evaluate whether our goodwill has been impaired. If the fair value of our reporting units is less than their carrying value, we could be required to record an impairment charge. The amount of any impairment could be significant and could have a material adverse impact on our financial position and results of operations for the period in which the charge is taken. For a further discussion of goodwill impairment testing, please see Item 7- Management' s Discussion and Analysis of Financial Condition and Results of Operations below. **Page 37 Our business strategy relies in part on acquisitions and strategic investments to sustain our growth. These transactions present certain risks and uncertainties.** Our business strategy involves growth through, among other things, the acquisition of, and strategic investments in, other companies, such as our acquisitions of CH2M, KeyW, John Wood Group' s nuclear business, Buffalo Group, BlackLynx and StreetLight and **our** ~~we completed a~~ strategic investment in PA Consulting ~~in March 2021~~ . These transactions, as well as transactions we may engage in in the future, present a number of risks, including: • Assumption of liabilities of an acquired business, including liabilities that were unknown at the time the transaction was negotiated, such as if the target company failed to comply with U. S. federal, state, local and foreign laws and regulations and / or contractual requirements with government clients; • Valuation methodologies may not accurately capture the value of the target company' s business; • Failure to realize anticipated benefits, such as cost savings, synergies, business opportunities and growth opportunities within the anticipated time- frame or at all; • The loss of key customers or suppliers, including as a result of any actual or perceived conflicts of interest; • Difficulties or delays in obtaining regulatory approvals, licenses and permits; • Difficulties relating to combining previously separate entities into a single, integrated, and efficient business; • For strategic investments in which we do not acquire 100 % of the target company, the other equity holders may have consent rights over certain actions taken by the company, and in the event a target company continues to operate as a standalone company, it may result in additional costs; • The effects of diverting leadership' s attention from day- to- day operations to matters involving the integration of target companies; • Potentially substantial transaction costs associated with business combinations, strategic investments and / or divestitures; • Potential impairment resulting from the overpayment for an acquisition or investment or post- closing deterioration in the target company' s business; • Difficulties relating to assimilating the leadership, personnel, benefits, services, and systems of an acquired business and to assimilating marketing and other operational capabilities; • Difficulties retaining key personnel of the target company; • Increased burdens on our staff and on our administrative, internal control and operating systems, which may hinder our legal and regulatory compliance activities; ~~Page 41~~ • Increased financial and accounting challenges and complexities in areas such as tax planning, treasury management, financial and non- financial (e. g. climate- related) reporting and internal controls; • The potential for claims for damages by the sellers of any business if we enter into an acquisition agreement that we do not ultimately consummate, or if disputes arise post- closing relating to post- closing covenants or payment obligations; and • The risks discussed in this Item 1A. Risk Factors that may relate to the activities of the acquired business prior to the acquisition. While we may obtain indemnification rights from the sellers of acquired businesses and / or insurance that could mitigate certain of these risks, such rights may be difficult to enforce, the losses may exceed any dedicated escrow funds and the indemnitors may not have the ability to financially support the indemnity, or the insurance coverage may be unavailable or insufficient to cover all losses. If our leadership is unable to successfully integrate acquired companies or implement our growth strategy with respect to acquisitions and / or strategic investments, our operating results could be harmed. Moreover, we cannot assure that we will continue to successfully expand or that growth or expansion will result in profitability. In addition, there is no assurance that we will continue to locate suitable acquisition or investment targets or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Existing cash balances and cash flow from operations, together with borrowing capacity under our credit facilities, may be insufficient to make acquisitions and / or strategic investments. Future acquisitions and / or strategic investments may require us to obtain additional equity or debt financing, which may not be available on attractive terms, or at all. Acquisitions and / or strategic investments may also bring us into businesses we have not previously conducted and expose us to additional business risks that are different than those we have traditionally experienced. **Page 38** Acquisitions, strategic investments and divestitures create various business risks and uncertainties during the pendency of the transaction. Consummation of any merger, strategic investment or divestiture is subject to the satisfaction of customary conditions, including one or more of the following: (i) due diligence and its associated time and cost commitments, (ii) board and shareholder approval, (iii) regulatory approvals, (iv) the absence of any legal restraint that would prevent the consummation of the transaction, (v) the absence of material adverse conditions which can prevent the consummation of the transaction, and (vi) compliance with covenants and the accuracy of representations and warranties contained in the transaction agreement, among others. One or more of these conditions may not be fulfilled and, accordingly, the transaction may not be consummated or may be significantly delayed. In such case, our ongoing business, financial condition and results of operations may be materially adversely affected and the market price of our common stock may decline, particularly to the extent that the market price reflects a market assumption that the transaction will be consummated or will be consummated within a particular timeframe. Furthermore, most transactions require the Company to incur substantial expense associated with closing and if the transaction is not consummated, we will incur these expenses without realizing the expected benefits. The pursuit of the transaction will also require management attention and use of internal resources that would otherwise be focused on general business operations. In addition, customers' uncertainty about the effect of the transaction may have an adverse effect on the ability to win customer contracts ~~,~~ or could cause existing clients to seek to change existing business relationships. Employee morale due to the uncertainties associated with the transaction could also be negatively affected. Any of the foregoing, or other risks arising in connection with a failure or delay in consummating a transaction, including the diversion of management attention or loss of other opportunities during the pendency of the transaction, could have a material adverse effect on our business, financial condition and results of operations. **We may make minority investments that subject us to risks and uncertainties outside of our control.** From time to time, the Company may make minority investments in the equity securities of companies that we do not control. Minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and / or compliance risks associated with the minority investment. ~~Page 42~~ To the extent we hold only a minority equity interest in a company, we may lack affirmative control rights, which may diminish our ability to influence the company' s affairs in a manner intended to enhance the value of our investment in the company. We could incur losses if the majority stakeholders or the management of the company takes risks or otherwise acts in a manner that does not serve our interests. In addition, we could be subject to reputational harm if the company in which the investment is made makes business, financial or management decisions with which we do not agree. These circumstances could also lead to disputes and litigation with management or employees of the company in which the investment is made, or its other stockholders. In most cases, the companies in which we make investments will have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, ~~that~~ **which** rank senior to our investment. We also may make investments in early- stage companies that depend on venture funding and are not profitable. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of debt instruments and securities ranking senior to our investment would typically be entitled to receive payment in full before distributions could be made in respect of our investment. We may also enter into separate commercial arrangements with these companies, whether before, concurrently with, or after making a minority investment. In certain cases, the commercial arrangement may be a driving factor behind our investment. We cannot assure you that that the commercial arrangement will further our business strategy as we expected. We may not realize all the economic benefits expected from the commercial agreement ~~,~~ or realize the expected return on our investments **. We are pursuing a plan to separate and combine our Critical Mission Services business and a portion of our Divergent Solutions business with Amentum in a tax- efficient Reverse Morris Trust transaction. The proposed transaction may not be completed on the currently contemplated timeline or at all and may not achieve the intended benefits. On November 20, 2023, we entered into definitive agreements to separate and combine our Critical Mission Services business and a portion of our Divergent Solutions business (the " Separated Business ") with Amentum in a transaction intended to be tax- free to Jacobs' shareholders for U. S. federal income tax purposes. As part of the transaction, Page 39 it is contemplated that immediately prior to the transaction, the Separated Business would enter into third- party financing in an aggregate principal amount of approximately $ 1. 13 billion to finance a $ 1. 0 billion cash payment to Jacobs. The cash payment is subject to adjustment and could be less or more than anticipated primarily due to variances in working capital and net debt. In connection with the transaction, our stockholders will receive up to 51 % percent of the outstanding equity of the combined company on a fully diluted basis. Additionally, subject to achievement of certain operating profit targets during fiscal year 2024, Jacobs will receive between 7. 5 % and 12 % of the outstanding equity of the combined company on a fully diluted basis. The actual value of the stock to be received by our stockholders will depend on the value of such shares at the time of closing of the transaction. The distribution will be effected by means of a pro rata dividend in a spin- off transaction. There can be no assurance that the operating profit targets of the Separated Business will be achieved, and if not achieved, Amentum' s shareholders may own as much as 41. 5 % of the combined company. Although we expect the transaction to be consummated in the second half of our fiscal year 2024, the transaction is subject to closing conditions, including the receipt of regulatory approvals, an I. R. S. private letter ruling, and receipt of opinions of tax counsel. There can be no assurance that the conditions to closing will be satisfied in a timely manner or at all, or that any regulatory approvals will not contain adverse conditions. We also have no assurance that we will be able to realize the intended benefits and tax treatment of the transaction or that the new combined company will perform as expected. The announcement and pendency of the transaction could also cause disruptions in our and Amentum' s respective businesses, including potential adverse reactions or changes to business**

relationships and competitive responses to the transaction. The transaction will also require significant amounts of time and effort which could divert management' s attention from operating and growing our business. Any of the foregoing could adversely affect our business, financial condition and results of operations. Declines in our sales, earnings and cash flows could also result in future asset impairments (including goodwill) . We are subject to a variety of environmental, health, and safety laws and regulations governing, among other things, discharges to air and water, the handling, storage and disposal of hazardous or waste materials and the remediation of contamination associated with the releases of hazardous substances, and human health and safety. These laws and regulations and the risk of attendant litigation can cause significant delays to a project and add significantly to its cost. Violations of these regulations could subject us and our management to civil and criminal penalties and other liabilities. Various U. S. federal, state, local and foreign environmental laws and regulations may impose liability for property damage and costs of investigation and cleanup of hazardous or toxic substances on property currently or previously owned by us or arising out of our waste management or environmental remediation activities. These laws may impose responsibility and liability without regard to knowledge of or causation of the presence of contaminants. The liability under these laws may be joint and several. We have potential liabilities associated with our past waste management and other activities and with our current and prior ownership of various properties. The discovery of additional contaminants or the imposition of unforeseen clean- up obligations at these or other sites could have a material adverse impact on our financial condition and results of operations. Health, safety, and environmental laws and regulations and policies are reviewed periodically **,** and any changes thereto could affect us in substantial and unpredictable ways. Such changes could, for example, relax or repeal laws and regulations relating to the environment, which could result in a decline in the demand for our environmental services and, in turn, could negatively impact our revenue. Changes in the environmental laws and regulations, remediation obligations, enforcement actions, stricter interpretations of existing requirements, future discovery of contamination or claims for damages to persons, property, natural resources or the environment could result in material costs and liabilities that we currently do not anticipate. Failure to comply with any environmental, health, or safety laws or regulations, whether actual or alleged, exposes us to fines, penalties or potential litigation liabilities, including costs, settlements and judgments, any of which could adversely affect our business, financial condition and results of operations. Page ~~43~~ **40** We are subject to U. S. federal, state, local and foreign laws and regulations that affect our business **, including data privacy and security, employment and labor relations, immigration, taxation, anti- corruption, anti- bribery, import- export controls, trade restrictions, internal and disclosure control obligations, securities regulation and anti- competition** . For example, our global operations require importing and exporting goods and technology across international borders which requires compliance with both export regulatory laws and International Trafficking in Arms Regulations (" ITAR "). Although we have policies and procedures to comply with U. S. and foreign international trade laws, the violation of such laws could subject the Company and its employees to civil or criminal penalties, including substantial monetary fines, or other adverse actions including denial of import or export privileges or debarment from participation in U. S. government contracts, and could damage our reputation and our ability to do business. In addition, we and many of our clients operate in highly regulated environments, which requires us or our clients to obtain, and to comply with, federal, state and local government permits and approvals. These permits or approvals are subject to denial, revocation or modification under various circumstances. Failure to obtain or comply with, or the loss or modification of, the conditions of permits or approvals subjects us to the risk of penalties or other liabilities, could have a material adverse impact on our business, financial condition and result of operations. The U. S. Foreign Corrupt Practices Act (" FCPA "), the U. K. Bribery Act of 2010, and similar anti- bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti- bribery laws, including the requirements to maintain accurate information and internal controls. We operate in many parts of the world that have experienced governmental corruption to some degree and in certain circumstances; strict compliance with anti- bribery laws may conflict with local customs and practices. Despite our training and compliance programs, there is no assurance that our internal control policies and procedures will protect us from acts committed by our employees or agents. If we are found to be liable for FCPA or other violations (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), we could suffer from civil and criminal penalties or other sanctions, including contract cancellations or debarment and loss of reputation, any of which could have a material adverse impact on our business, financial condition and results of operations. Climate change **and related environmental issues could have a material adverse impact on our business, financial condition and results of operations. Climate change** related events, such as increased frequency and severity of storms, floods, wildfires, droughts, hurricanes, freezing conditions, and other natural disasters, may have a long-term impact on our business, financial condition and results of ~~operation~~ **operations** . While we seek to mitigate our business risks associated with climate change, we recognize that there are inherent climate related risks regardless of where we conduct our business. For example, a catastrophic natural disaster could negatively impact any of our office locations and the locations of our customers. Access to clean water and reliable energy in the communities where we conduct our business is critical to our operations. Accordingly, a natural disaster has the potential to disrupt our and our customers' businesses and may cause us to experience work stoppages, project delays, financial losses and additional costs to resume operations, including increased insurance costs or loss of coverage, legal liability and reputational losses. Further, the risks caused by climate change span across the full spectrum of the industry sectors we serve. Our services and solutions span water, energy, the natural and built environment, transportation, national security, cyber and aerospace. The direct physical risks that climate change poses to infrastructure through chronic environmental changes, such as rising sea levels and temperatures, and acute events, such as hurricanes, droughts and wildfires, is common to each of these sectors. Infrastructure owners could face increased costs to maintain their assets, which could result in reduced profitability and fewer resources for strategic investment. These types of physical risks could in turn lead to transitional risks (i. e., the degree to which society responds to the threat of climate change), such as market and technology shifts, including decreased demand for our services and solutions, reputational risks, such as how our values and practices regarding a low carbon transition are viewed by external and internal stakeholders, and policy and legal risks, such as the extent to which low carbon transitions are driven by the governments in which we operate around the globe, all of which could have a material adverse impact on our business, financial condition and results of operations. Page ~~44~~ **41 We may be affected by market or regulatory responses to climate change.** Growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on **greenhouse gas (** GHG **)** emissions and climate change issues. The Biden Administration has made climate change and the limitation of GHG emissions one of its initial and primary objectives. Policy changes could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services, which would in turn have a material adverse impact on our business, financial condition and results of operations. Further, climate legislation across all geographies poses a similar risk to us and our clients as we operate globally. However, policy changes and climate legislation could also increase the overall demand for our services as our clients and partners work to comply with such policies, such as by decarbonizing their industries, transitioning from fossil fuels to renewable energy sources and developing integrated and sustainable solutions, which could have a positive impact on our business. We cannot predict when or whether any of these various proposals may be enacted or what their effect will be on us or on our customers. We may also incur additional expenses as a result of U. S. and international regulators requiring additional disclosures regarding GHG emissions **, and / or broader environmental, social or governance- related factors** . Compliance with such regulation and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation of climate change. At Jacobs, we have committed to help solve the climate crisis by setting ambitious climate commitments and targets, including our ~~goal~~ **goals** to ~~be~~ **remain** carbon ~~negative~~ **neutral** for our operations and business travel **and reach net- zero for our entire value chain by 2040** . However, achievement of our climate commitments and targets ~~, including our carbon negative goal,~~ is subject to risks and uncertainties, many of which are outside of our control. These risks and uncertainties include, but are not limited to: our ability to execute our operational strategies and achieve our goals within the currently projected costs and the expected timeframes; the availability and cost of alternative fuels, global electrical charging infrastructure, off- site renewable energy and other materials and components; unforeseen design, operational and technological difficulties; the outcome of research efforts and future technology developments, including the ability to scale projects and technologies on a commercially competitive basis such as carbon sequestration and / or other related processes; compliance with, and changes or additions to, global and regional regulations, taxes, charges, mandates or requirements relating to GHG emissions, carbon costs or climate- related goals; labor- related regulations and requirements that restrict or prohibit our ability to impose requirements on third party contractors; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions; the actions of competitors and competitive pressures; an acquisition of or merger with another company that has not adopted similar carbon ~~negative~~ goals or whose progress ~~towards~~ - **toward** reaching its carbon ~~negative~~ goals is not as advanced as ours; and the pace of regional and global recovery from the COVID- 19 pandemic. Accordingly, there is no assurance that we will be able to successfully execute our operational strategies and achieve our climate commitments and targets. While our climate commitments and targets are ambitious, we believe that they are realistic and achievable. We have also developed a roadmap for implementation of our carbon reduction goals and our global emissions reduction trajectory suggests that we are on the pathway to meet our targets. However, we also recognize that some of our emission reductions over the past ~~two~~ **few** years may have been primarily the result of the global COVID- 19 pandemic. Our roadmap recognizes ~~this~~ **these anomalies,** and we are putting measures in place now to **establish a similar** ~~ensure that we remain on that same~~ trajectory **.** ~~however~~ **However ,** we cannot guarantee that such measures will be successful. Failure to achieve our climate commitments and targets could damage our reputation and our customer and other stakeholder relationships. Further, investors have recently increased their focus on environmental, social and governance matters, including practices related to GHGs and climate change. An increasing percentage of the investment community considers sustainability factors in making investment decisions, and an increasing number of entities are considering sustainability factors in awarding business. If we are unable to meet our climate commitments and targets and appropriately address sustainability enhancement, we may lose investors, customers, or partners, our stock price may be negatively impacted, our reputation may be negatively affected, and it may be more difficult for us to compete effectively, all of which would have an adverse effect on our business, results of operations and financial condition. Page ~~45~~ **42** We rely in part on liquidity from our credit facilities to fund our business. Restrictions in our credit facilities **and other indebtedness** could adversely affect our business. We are currently a borrower under several credit facilities **and our subsidiary, Jacobs Engineering Inc., has issued notes pursuant to an indenture with respect to which Jacobs has provided a guarantee** . These facilities ~~all~~ **and indenture** contain customary covenants restricting, among other things, our ability to incur certain liens and indebtedness. We are also subject to certain financial covenants **in our credit facilities** , including maintenance of a maximum consolidated leverage ratio. A breach of any covenant or our inability to comply with the required financial ratios could result in a default under one or more of our credit facilities **or indentures** and limit our ability to do further borrowing. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, we may be prohibited from undertaking actions that are necessary or desirable to maintain or expand our business. Additionally, if it becomes necessary to refinance these borrowings on less favorable terms, or if we are unable to refinance at all, our results of operations and financial condition could be materially adversely affected by increased costs and rates. Our business may be adversely affected by disruptions or lack of liquidity in the credit markets, including reduced access to credit and higher costs of obtaining credit. We depend on the availability of credit to grow our business and to help fund business acquisitions. Instability in the credit markets in the U. S. or abroad, and continued inflation and rising interest rates could cause the availability of credit to be relatively difficult or expensive to obtain at competitive rates, on commercially reasonable terms or in sufficient amounts. This situation could make it more difficult or more expensive for us to access funds, refinance our existing indebtedness, enter into agreements for new indebtedness, or obtain funding through the issuance of securities or such additional capital may not be available on terms acceptable to us, or at all. In addition, market conditions could negatively impact our clients' ability to fund their projects and, therefore, utilize our services, which could have a material adverse impact on our business, financial condition, and results of operations. We also routinely enter into contracts with counterparties including vendors, suppliers and subcontractors that may be negatively impacted by events in the credit markets. Disruptions of the credit or capital markets could adversely affect our clients' ability to finance projects and could result in contract cancellations or suspensions, project delays and payment delays or defaults by our clients. In addition, clients may be unable to fund new projects, may choose to make fewer capital expenditures or otherwise slow their spending on our services or to seek contract terms more favorable to them. These circumstances could also lead to disputes and litigation with our partners or clients, which could have a material adverse impact on our reputation, business, financial condition and results of operations. Furthermore, our cash balances and short- term investments are maintained in accounts held by major banks and financial institutions located primarily in North America, Europe, South America, Australia and Asia. Some of our accounts hold deposits in amounts that exceed available insurance. In addition, we are subject to the risk that the counterparties to our credit agreements may go bankrupt if they suffer catastrophic demand on their liquidity that will prevent them from fulfilling their contractual obligations to us. Although none of our lenders or the financial institutions in which we hold our cash and investments have gone into bankruptcy or forced receivership, or have been seized by their governments, there is a risk that such events may occur in the future. If any such events were to occur, we would be at risk of not being able to access cash, which may result in a temporary liquidity crisis that could impede our ability to fund our operations, which could have a material adverse impact on our business, financial condition and results of operations. Page ~~46~~ **43** Maintaining adequate bonding and letter of credit capacity is necessary for us to successfully bid on and win some contracts. In line with industry practice, we are often required to provide performance or payment bonds or letters of credit to our customers. These instruments indemnify the customer should we fail to perform our obligations under the contract. If a bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate bond or letter of credit, we cannot pursue that project. Historically, we have had adequate bonding and letter of credit capacity but, as is typically the case, the issuance of a bond is at the surety' s sole discretion and the issuance of a letter of credit is based on the Company' s credit-worthiness. Because of an overall lack of worldwide bonding capacity, we may find it difficult to find sureties who will provide required levels of bonding **,** or such bonding may only be available at significant additional cost. There can be no assurance that our bonding capacity will continue to be available to us on reasonable terms. In addition, future projects may require us to obtain letters of credit that extend beyond the term of our existing credit facilities. Our inability to obtain adequate bonding and, as a result, to bid on new contracts that require such bonding or letter of credit could have a material adverse impact on our business, financial condition and results of operations **. Borrowings under our credit facilities are at variable rates of interest and expose us to interest rate risk. In the past year, inflation and other factors have resulted in an increase in interest rates generally, which has impacted our borrowing costs. If interest rates were to continue to increase, our debt service obligations on the variable rate indebtedness referred to above would increase even if the principal amount borrowed remained the same, and our net income and cash flows will correspondingly decrease. We are also currently party to, and in the future, we may enter into additional, interest rate swaps that involve the exchange of floating for fixed rate interest payments, in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. In addition, our credit facilities reference the Secured Overnight Financing Rate (" SOFR ") as the primary benchmark rate for our variable rate indebtedness. SOFR is a relatively new reference rate and with a limited history, and changes in SOFR have, on occasion, been more volatile than changes in other benchmark or market rates. As a result, the amount of interest we may pay on our variable rate indebtedness is difficult to predict. We have also included sustainability- linked key performance indicators (" KPIs") in our credit facilities and certain of our senior notes, with KPI targets that include improving gender diversity and, in the case of the senior notes, reducing GHG emissions. Failure to achieve such targets could result in an interest rate step up on the debt, which would cause an increase in our debt payment obligations and could negatively impact our reputation** . Our quarterly operating results may fluctuate significantly or fall below the expectations of securities analysts, which could have a material adverse impact on the price of our common stock. Fluctuations are caused by a number of factors, including: • Legal proceedings, disputes and / or government investigations; • Fluctuations in the spending patterns of our government and commercial customers; • The number and significance of projects executed during a quarter; • Unanticipated changes in contract performance, particularly with contracts that have funding limits; • The timing of resolving change orders, requests for equitable adjustments, and other contract adjustments; • Delays incurred in connection with a project; • Changes in prices of commodities or other supplies; • Changes in foreign currency exchange rates; • Weather conditions that delay work at project sites; • The timing of expenses incurred in connection with acquisitions or other corporate initiatives; • The decision by the Board of Directors to begin or cease paying a dividend, and the expectation that if the Company pays dividends, it ~~would~~ **will** declare dividends at the same or higher levels in the future; **Page 44** • Natural disasters or other crises; • Staff levels and utilization rates; • Changes in prices of services offered by our competitors; and • General economic and political conditions. Our Board of Directors initiated a quarterly cash dividend program in fiscal 2017 under which we have paid, and intend to continue paying, regular quarterly dividends. The declaration, amount and timing of such dividends are subject to capital availability and determinations by our Board of Directors that cash dividends are in the best interest of our stockholders and are in compliance with all respective laws and applicable agreements. Our ability to pay dividends will depend upon, among other factors, our cash balances and potential future capital requirements for strategic transactions, including acquisitions, debt service requirements, results of operations, financial condition and other factors that our Board of Directors may deem relevant. A reduction in or elimination of our dividend payments and / or our dividend program could have a material negative effect on our stock price. ~~Page 47~~ One method of acquiring companies or otherwise funding our corporate activities is through the issuance of additional equity securities. If we issue additional equity securities, such issuances could have the effect of diluting our earnings per share as well as our existing shareholders' individual ownership percentages in the Company. In addition, if we receive stock or other equity securities in connection with a sale or divestiture of a business, the value of such stock will fluctuate and / or be subject to trading restrictions. Stock price changes may result from, among other things, changes in the business, operations or prospects of the issuer prior to or following the transaction, litigation or regulatory considerations, general business, market, industry or economic conditions, the ability to sell all or a portion of the stock based on current market conditions, and other factors both within and beyond the control of the Company. In addition, if the stock received is valued in a currency other than U. S. dollars, the value of such stock will also fluctuate based on foreign currency rates. Delaware law and our charter documents may impede or discourage a takeover or change of control. We are a Delaware corporation. Certain anti- takeover provisions of the Delaware general corporation law impose restrictions on the ability of others to acquire control of us. In addition, certain provisions of our charter documents may impede or discourage a takeover. For example: • Only our Board of Directors can fill vacancies on the board; • There are various restrictions on the ability of a shareholder to nominate a director for election; and • Our Board of Directors can authorize the issuance of preferred shares. These types of provisions, as well as our ability to adopt a shareholder rights agreement in the future, could make it more difficult for a third party to acquire control of us, even if the acquisition would be beneficial to our shareholders. Accordingly, shareholders may be limited in the ability to obtain a premium for their shares. We are a holding company. Substantially all of our business is conducted through our subsidiaries, which are separate and distinct legal entities. Therefore, we are reliant on the operations of our subsidiaries to fund (whether by dividend, distribution or loan) holding company operations, including our ability to pay dividends and service any indebtedness of the holding company. In addition, we cannot assure you that the agreements governing the existing and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments of dividends or other obligations of the holding company. In addition, any payment of dividends, distributions or loans to us by our subsidiaries could be subject to restrictions on dividends or repatriation of earnings under applicable local law and monetary transfer restrictions in the jurisdictions in which our subsidiaries operate. Furthermore, payments to us by our subsidiaries will be contingent upon our subsidiaries' earnings.