

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – registration and prospectus relief to allow shares of a U.S. parent company to trade to Canadian-resident employees. Registration relief also granted to allow Canadian employees to execute first trades on a foreign market. First trade registration relief required because plan allows employees to acquire shares that have been purchased on a secondary market.

Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c.S-4, s. 75, 110, 144(1)

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, NEW BRUNSWICK,
AND SASKATCHEWAN

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF JACOBS ENGINEERING GROUP INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Makers”) in each of Alberta, New Brunswick, and Saskatchewan (the “Jurisdictions”) has received an application from Jacobs Engineering Group Inc. (“Jacobs”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirements contained in the Legislation to be registered to trade in a security (the “Registration Requirement”) and to file and obtain a receipt for a preliminary prospectus and a prospectus (the “Prospectus Requirement”) shall not apply to trades and distributions of shares in the common stock of Jacobs (the “Common Shares”) under the Jacobs Global Employee Stock Purchase Plan (the “Plan”);
2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Jacobs has represented to the Decision Makers that:
 - 3.1 Jacobs is a company incorporated under the laws of Delaware in the United States of America and is registered with the U.S. Securities and Exchange Commission;

- 3.2 Jacobs is current with its reporting obligations under the *Securities Exchange Act of 1934*;
- 3.3 Jacobs is not, and has no present intention of becoming, a reporting issuer or the equivalent under the securities legislation of any jurisdiction in Canada;
- 3.4 as of April 2, 2002, the authorized Common Share capital of Jacobs was approximately 100,000,000 Common Shares, of which approximately 54,000,000 Common Shares were outstanding;
- 3.5 under the Plan, eligible employees and employee executives of Jacobs and its Canadian affiliates (the "Participants") are offered the opportunity to purchase Common Shares at an amount equal to the purchase price as defined in the Plan, currently an amount equal to the lesser of:
 - 3.5.1 90% of the closing sale price (or the closing bid, if no sales were reported) for such Common Shares on the New York Stock Exchange (the "NYSE") on the earlier of the first trading day of the Election Period (as defined below) and the date the right to purchase such Common Shares was granted to each Participant; and
 - 3.5.2 90% of the closing sale price (or the closing bid, if no sales were reported) for such Common Shares on the NYSE on the earlier of the last trading day of the Election Period (as defined below), and the date each right to purchase Common Shares was exercised (the "Purchase Price");
- 3.6 Jacob's Board of Directors or any duly authorized committee (the "Committee") may, in its sole discretion, approve, in lieu of the foregoing formula for determining the Purchase Price, the closing sale price for such Common Share (or the closing bid, if no sales were reported) on the NYSE on the last trading day of the Election Period (as defined below) multiplied by any percentage figure from 85% to 100% as selected by the Committee;
- 3.7 an eligible employee or employee executive may elect to participate in the Plan during the "Enrollment Period", a period of time as designated by the Committee;
- 3.8 personal contributions by Participants will be made throughout the "Election Period", such period being a period of time as selected by the Committee and subsequent to the Enrollment Period;
- 3.9 the Participants may invest in Common Shares through means of payroll deduction in increments of one per cent of a Participant's gross compensation;
- 3.10 the minimum payroll deduction currently permitted to be made by a Participant in respect of an Election Period will be an amount equal to two per cent of a Participant's gross compensation for such Election Period;
- 3.11 the maximum payroll deduction currently permitted to be made by a Participant in an Election Period is limited to 15% of a Participant's gross compensation;

- 3.12 the annual maximum personal contribution currently permitted by any Participant is limited to the Canadian dollar equivalent of U.S.\$25,000;
- 3.13 once an eligible employee or employee executive has elected to participate in the Plan, that Participant's payroll deduction authorization shall apply to all subsequent Election Periods unless the Participant ceases to be an eligible employee or employee executive or the Participant changes or terminates such payment authorization;
- 3.14 a Participant's election to participate in the Plan is irrevocable during an Election Period;
- 3.15 Jacobs will use the services of a plan administrator (the "Administrator") to carry out certain administrative functions in respect of the Plan. For example, Jacobs will rely on the Administrator to set up accounts for the Participants, allocate personal contributions to accounts, purchase Common Shares with the personal contributions, allocate the Common Shares to the accounts, maintain the accounts and provide record keeping services, all in accordance with the Plan;
- 3.16 the Administrator will hold in its name, or the name of its nominee, all Common Shares purchased by Participants under the Plan;
- 3.17 First Union National Bank has been initially selected as the Administrator for the purposes of the Plan;
- 3.18 cash dividends and other cash distributions and stock dividends and other non-cash distributions received by the Administrator on Common Shares held in custody by the Administrator will be credited to the Plan account of an individual Participant in accordance with such Participant's interest in the Common Shares with respect to which such dividend or distributions are paid;
- 3.19 a Participant shall have no voting interest or voting rights in the Common Shares until the Common Shares are credited to the Participant's account. Common Shares held for a Participant in his or her account will be voted in accordance with his or her express direction. In the absence of any such direction, such Common Shares will not be voted except as otherwise allowed under the rules of the United States Securities and Exchange Commission and the NYSE;
- 3.20 the Common Shares purchased by the Participants pursuant to the Plan will be newly issued Common Shares, U.S. treasury Common Shares or will be Common Shares acquired in the open market;
- 3.21 as of April 2, 2002, Jacobs and its Canadian affiliates had in total approximately 2,820 eligible employees and employee executives resident in Canada, of which approximately 1,706 reside in Alberta, 31 reside in British Columbia, 329 reside in New Brunswick, 30 reside in Nova Scotia, 535 reside in Ontario and 189 reside in Saskatchewan;

- 3.22 participation in the Plan is voluntary and Participants are not induced to participate in the Plan by expectation of employment or continued employment;
- 3.23 for Common Shares acquired in the open market, Jacobs will use the services of a U.S. registered broker. The broker initially selected by Jacobs is also First Union National Bank (the "Broker"). The Broker is a registered dealer (or the equivalent) under U.S. securities legislation but is not registered as a broker under Canadian securities laws;
- 3.24 the resale of Common Shares by Participants in connection with the Plan will be effected through the Broker or other dealer registered or licensed pursuant to U.S. securities laws and executed through the facilities of the NYSE or other exchange outside Canada. As such, these trades will be subject to the regulations and requirements of both the relevant exchange and U.S. securities legislation;
- 3.25 the Broker or the Administrator will not offer any advice to the Participants regarding the decision to acquire, hold or sell the Common Shares under the Plan;
- 3.26 Participants resident in the Jurisdictions will be provided with the same level of disclosure in respect of the Plan as is provided to all other Participants and, upon becoming a shareholder of Jacobs, Participants resident in the Jurisdictions will be provided with the disclosure material relating to Jacobs that is provided to all other holders of Common Shares;
- 3.27 as of April 2, 2002, residents of Canada held less than 10% of the issued and outstanding Common Shares, and residents of Canada represented in number less than 10% of the total number of holders of the issued and outstanding Common Shares;
- 3.28 neither the Common Shares nor any other securities of Jacobs are listed or posted for trading on any stock exchange or over-the-counter market in Canada. The Common Shares are listed and posted for trading on the NYSE. Jacobs is current in all applicable filings and reporting obligations as required by this exchange;
- 3.29 there is no present or anticipated future market in Canada for the Common Shares;
- 3.30 the Legislation of certain of the Jurisdictions does not contain exemptions from the Prospectus Requirement and/or Registration Requirement for certain trades in Common Shares to or by the Participants, and to or by the Participants carried out through the Administrator or Broker;
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

6. AND WHEREAS the Decision of the Decision Makers under the Legislation is that:
- 6.1 the Registration Requirement and Prospectus Requirement will not apply to the trade or distribution of Common Shares made under the Plan provided that the first trade of Common Shares acquired under the Plan will be deemed a distribution or primary distribution to the public under the Legislation unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 *Resale of Securities* (“MI 45-102”) are satisfied;
 - 6.2 the Registration Requirement will not apply to the first trade in Common Shares acquired by a Participant under the Plan provided that the conditions in subsection 2.14(1) of MI 45-102 are satisfied.

DATED this 4th day of June, 2002

“original signed by”
Glenda A. Campbell, Q.C., Vice-Chair

“original signed by”
Eric T. Spink, Vice-Chair