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Sent: Tuesday, July 30, 2019 11:58 AM
To: Zahn, Aaron F. - Managing Director/CEO; Vinyard, Herschel T. - Chief Administrative Officer
Cc: Amdur, Stephen B.
Subject: McKinsey

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Aaron,

Attached are the draft documents with our comments that we sent to McKinsey this morning. The form of the NDA has been signed off on by them. Please let us know if you have further thoughts.

Best,
Ted

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CONSULTING SUBCONTRACT AGREEMENT

McKinsey & Company, Inc. Washington D.C. ("McKinsey") and Pillsbury Winthrop Shaw Pittman LLP ("Client" or "Pillsbury") hereby agree to the following terms in connection with consulting services that McKinsey may have provided in the past, may be providing currently, and may provide in the future to the Client (the "Services").

Pillsbury's client, JEA, has established an attorney-client relationship with Pillsbury to obtain legal services related to JEA's solicitation of proposals from all qualified and interested parties on strategic alternatives, subject to JEA criteria, that will allow JEA to maximize value for its key stakeholders ("Privileged Work"). In performing the Services, McKinsey will be a subcontractor to Pillsbury under Pillsbury's engagement letter with JEA. On behalf of JEA, and in order to maintain the attorney-client privilege over the Privileged Work, JEA has determined that it is permitted to rely on acquisition strategies applicable to the procurement of "legal services" and has asked Pillsbury to subcontract with McKinsey for certain services directly related to the Privileged Work. The parties hereto acknowledge and agree that the privileged nature of the work may be limited by the Florida's Public Records Act.

1. **SERVICES.** The working arrangements, including scope of the Services, Deliverables (as defined below), team composition, and workplan, will be described in McKinsey's proposals and confirming memoranda submitted to the Client and as agreed by the parties hereto (each a "Proposal"). The Services may include the evaluation or discussion of potential services and McKinsey's preparation of Proposals, and the parties hereto may meet at mutually agreed times to discuss the progress of the Services and to exchange feedback. To complete the Services within the agreed timeframe and budget and to fulfill its responsibilities on a timely basis, the parties hereto will cooperate with each other, including making available relevant data, information, and personnel, performing any tasks or responsibilities assigned to them, and notifying the other party of any issues or concerns such party may have relating to the Services. During the course of the Services, priorities may change or unexpected events may occur, which may necessitate changes to the Services. In this event, the parties hereto will jointly discuss the anticipated impact on the Services and agree on any appropriate adjustments, including to the scope of work, timeframe and budget.

2. **COMPENSATION.** McKinsey will be compensated for its professional fees and expenses in connection with the Services, as set forth in the applicable Proposal. Except as required by applicable law, the Client will not, without McKinsey's prior written permission, disclose the terms of this agreement or any Proposal (including McKinsey's fees, expenses, and other commercial terms) to any third parties (including the Client's external procurement and other service providers), except for JEA and its directors, officers, employees, and advisors (including attorneys, accountants, consultants, and financial advisors) who have a need to know such information in connection with the Services (collectively with JEA, the "JEA Parties"). The Client will notify McKinsey if it needs to share this agreement or Proposal with the JEA Parties. McKinsey will invoice the Client for professional fees and expenses in connection with the Services monthly or as otherwise set forth in the applicable Proposal. All invoices must be paid immediately on presentation. Should any invoice remain unpaid for more than 30 days after presentation, interest will accrue on the outstanding amount at the rate of 1% per month, calculated from the 31st day after presentation until the date of payment. In the event that an invoice remains unpaid for more than 30 days after presentation, McKinsey shall only seek payment for such Services from JEA and the Client and its respective partners, officers, and employees shall have no liability arising out of this agreement.

3. **CONFIDENTIALITY.** McKinsey will keep confidential any confidential information, including, without limitation, any personal data (as defined below), furnished by or on behalf of the Client or JEA to McKinsey in connection with the Services (the "Confidential Information"). McKinsey will disclose the Confidential Information only to its employees, agents, and contractors who have a need to know such information and are bound by nondisclosure obligations consistent with the terms of this agreement ("Representatives"), will use the Confidential Information only for purposes of performing the Services, including preparing Proposals and evaluating potential Services, or as otherwise requested or authorized by

The logo for McKinsey & Company, featuring the company name in a serif font.

McKinsey&Company

Developing strategic plan for JEA

Statement of work | July 26, 2019

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As a part of soliciting proposals from all qualified and interested parties on strategic alternatives, subject to JEA criteria, that will allow JEA to maximize value for its key stakeholders, JEA would like to distribute an Invitation to Negotiate (ITN) and engage in discussions with select interested parties.

JEA has retained Pillsbury Winthrop Shaw Pittman LLP (“Client”) to provide legal advice in connection with this solicitation. As discussed in the subcontract agreement, in connection with the representation of JEA, the Client has reached out to McKinsey and Company, Inc. Washington D.C. (“McKinsey”) to provide Services related to the Privileged Work. This memorandum represents the scope of work that McKinsey will perform under this request.

I. PROPOSED APPROACH, DELIVERABLES AND TIMING

a. *Proposed approach*

We propose that Services described in this memorandum be performed in two Phases, with Phase 1 anticipated to take place in July 2019-March 2020, with an *option for Phase 2* anticipated to take place in October 2019-July 2020 (*in case JEA and the Client require additional analyses and support as outlined in this SOW and beyond what’s covered in Phase 1*). The Services are based on JEA’s priorities and direction. The Deliverables will provide options that are based on best practices.

Furthermore, upon completion of Phase 1, McKinsey proposes to provide on-going limited **support** as described below (irrespective of the decision made by JEA and the Client regarding Phase 2).

1. Phase 1 will focus on the following:

- What is the **vision and definition of JEA’s business model of the future**, including JEA’s specific role in the broader city of Jacksonville, as well as the supporting strategies and tactics to effectuate it?
- What are the **targets for JEA performance and health** aligned against JEA’s existing strategic framework to guide development of full strategic plan?
- What is the **plan for JEA to achieve these targets**, including initiatives with an initial estimate of value and capital requirements; initial implementation roadmap; list of quick win initiatives with short implementation timelines?
- What is the implied **capital structure and investment plan** to support rate design changes and growth from new businesses (e.g., grid modernization and IT/OT investments required to support DER incentives)?
- What are the **organizational gaps** based on future business model(s), leadership requirements and capabilities required?

- How can the strategy be synthesized for the **3rd party strategy presentation (“pitch book”)**?

2. Phase 2 (*Optional*) may focus on the following:

- Assessing the **strategic value of JEA for potential interested parties** and strategic compatibility that JEA selects;
- Further **refinement of the bankable plan** and its **conversion into actionable implementation plan**;
- Developing a **system of tracking progress of the strategic transformation**;
- Additional priorities (including deep-dives and new analyses) may be discussed jointly between the Client, JEA and McKinsey.

b. Proposed Deliverables

1. For Phase 1:

- A **vision and definition of JEA’s business model** and performance in the future;
- **Specific, measurable, achievable targets for JEA performance and health** aligned against JEA’s existing strategic framework;
- **Bankable strategic plan for JEA structured around performance improvements, and new businesses**;
- Implied **capital structure and investment plan**;
- View of **organizational gaps** based on future business model(s), leadership requirements and capabilities required;
- **Materials to support JEA’s third party strategy presentation (“pitch book”)**; a short teaser summarizing the materials and pitch books summarizing JEA’s developed strategy and tailored to potential strategic investors, financial investors, and technology players;
- **Strategy presentation for the JEA’s Board of Directors** (September 2019).

2. For Phase 2 (*Optional at the request of JEA or the Client*):

- Additional **content deep-dives and analyses** (as needed, at request of the Client or JEA);

- **Assessment of strategic compatibility of potential third parties with JEA (e.g., potential synergies, strategic rationale for investment) and value of JEA to third parties, which JEA selects;**
 - **Detailed implementation plans for JEA’s strategic initiatives** including core action plans, value realization timelines, specific gap closure plans (from the gaps identified in Phase 1), risks and interdependencies;
 - **System for tracking progress of JEA’s strategic transformation**, including metrics and roles;
 - Additional Deliverables based on regular discussions between the Client, JEA and McKinsey.
3. Upon completion of Phase 1, McKinsey will provide on-going **limited support** (with no full-time team on the ground), including **responses to questions submitted by third parties** regarding materials presented in the “pitch book”, **clarifications of the Deliverables of Phase 1, refinements of the presentation materials to address third party inquiries** and **targeted Q&A “pitch book” presentation meetings** (e.g., 5-6) through closing of any potential transaction (irrespective of the decision made by the Client and JEA regarding Phase 2).

c. Proposed timing

Based on the milestones as understood today, Phase 1 of the work is anticipated to take place July 2019-March 2020; Phase 2 of the work, if agreed upon, is anticipated to take place October 2019-July 2020; on-going support as described above will be provided upon completion of Phase 1 through closing of any potential transaction.

II. OUR TEAM AND PROFESSIONAL ARRANGEMENTS

We will support the effort with a full-time team supported by the group of experienced practitioners in our global Electric Power Practice, Corporate Finance and Strategy Practice and Organization Practice. These experts have all extensively served North American utilities on the topic of strategic planning, organizational health, and performance improvement opportunities.

Our fees for this effort will be a firm fixed price related to the Deliverables we agree upon for this kind of engagement.

Based on the Deliverables and timeline listed above, the firm fixed price professional fees, inclusive of all out-of-pocket expenses, such as travel, production, research, administrative, etc. for **Phase 1** of this work will be USD \$3,000,000, payable in even installments on a monthly basis over 8-month period (July 2019--March 2020). This pricing includes on-going

limited **support** (with no full-time team on the ground) post Phase 1 through closing of any potential transaction at outlined above.

Our firm fixed price professional fees, inclusive of all out-of-pocket expenses, such as travel, production, research, administrative, etc. for **Phase 2** of this work, will be USD \$325,000 per month, payable monthly. We propose that JEA, the Client and McKinsey have a discussion on a bi-monthly basis starting at the end of September 2019 on whether additional support under Phase 2 is required based on JEA's and the Client's priorities.

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We are thrilled to support you on this important effort. Should you have any questions please do not hesitate to reach out to us. We are deeply committed to helping you succeed and are open to any and all comments and improvements.

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the Client or JEA, and will protect the Confidential Information in accordance with the McKinsey Data Protection Protocols available at <https://solutions.mckinsey.com/msd/data-protocols.pdf> (the “Protocols”). Subject to its confidentiality, security, and non-disclosure obligations, where the agreed upon Services include benchmarking services, McKinsey may also incorporate the Confidential Information into its benchmarking databases for use in reporting on sanitized or aggregate trends and metrics without attribution to the Client or JEA. To bring the best of McKinsey’s global resources to serve the Client, the Client agrees that McKinsey may transfer the Confidential Information to geographies other than those in which it was collected or received, including to McKinsey affiliates and sub-processors that comprise or support McKinsey’s infrastructure and maintenance functions as set forth in the Protocols (collectively with Representatives, the “authorized agents”), to facilitate any activities authorized by the Client or JEA; provided that at all times the Confidential Information will be treated as confidential and subject to the use restrictions and protected in accordance with the terms of this agreement. McKinsey shall be responsible for its authorized agents’ compliance with the terms of this agreement. The Confidential Information does not include information that (a) is or becomes publicly available, other than as a result of McKinsey’s or its authorized agent’s disclosure, (b) was already known to McKinsey prior to its receipt hereunder, and (c) is independently acquired or developed by McKinsey without access to or use of the Confidential Information. If McKinsey becomes legally compelled to disclose any of the Confidential Information pursuant to any legal or regulatory proceeding, McKinsey, to the extent legally permissible, shall provide the Client and/or JEA with prompt written notice of such requirement prior to disclosure, so that the Client and/or JEA may seek a protective order or other appropriate remedy. In the event the Client and/or JEA determines to seek such protective order or other remedy, McKinsey or its authorized agent(s), as applicable, will reasonably cooperate with the Client and/or JEA, at the Client’s or JEA’s cost, in seeking such protective order or other remedy. If, failing the entry of a protective order, McKinsey or its authorized agent(s), as applicable, is, upon the advice of McKinsey’s counsel, compelled to disclose the Confidential Information, McKinsey or its authorized agent(s), as applicable, may disclose only that portion of such Confidential Information that is compelled to be disclosed; provided, however, that McKinsey gives the Client and/or JEA written notice of the information to be disclosed (including copies of the relevant portions of the relevant documents) as far in advance of its disclosure as is practicable and legally permissible, uses reasonable best efforts to limit any such disclosure only to the matters required to be disclosed, and uses its reasonable best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information. In any event, McKinsey and its authorized agents will not oppose action by the Client and/or JEA to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded such Confidential Information. In performing the Services, McKinsey will use and rely primarily on information available from public sources and the Confidential Information, and Client acknowledges that it is authorized to provide McKinsey with such Confidential Information for its use in connection with the agreed Services and that McKinsey will have no obligation to independently verify such information. At the Client’s election and notification to McKinsey, McKinsey and its authorized agents will promptly return or destroy any Confidential Information, including any personal data, in its possession or control; provided that McKinsey may retain one copy of such Confidential Information only as required by applicable law, regulation or documented professional archival policy or as otherwise authorized or instructed by the Client. Any Confidential Information so retained will at all times remain subject to the terms and conditions of this agreement, including with respect to confidentiality, use, security, and non-disclosure.

4. **DATA SECURITY.** Without limiting the foregoing, if McKinsey processes data as part of the Services and on behalf of the Client or JEA that relates to an identified or identifiable person (“personal data”), McKinsey will (i) only process such personal data, including with respect to McKinsey’s use of subcontractors or sub-processors, as set forth in this agreement and the Protocols, as otherwise authorized in writing by the Client, or as required by applicable law, (ii) implement appropriate technical and organizational measures to protect such personal data as set forth in the Protocols, (iii) promptly notify the Client and/or JEA of any incident in which the confidentiality, integrity, or security of the personal data has been compromised, and (iv) collaborate with the Client, as required by applicable law or the Client’s request, to document the personal data, data subjects, and processing activities related to the Services, including as part of an applicable Proposal. In the event that the Client transfers personal data that is subject to the General Data Protection Regulation

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(2016/679) to McKinsey outside of the European Economic Area, or where otherwise agreed by the parties hereto or required by applicable law, the parties hereto agree that the standard contractual clauses for the transfer of personal data to processors established in third countries under Directive 95/46/EC of the European Parliament and of the Council (or any successor thereto), as applicable to McKinsey's Services and available at <http://www.mckinsey.com/scs.pdf>, will be deemed automatically incorporated into this agreement and binding upon the parties hereto, including their affiliates, unless an alternate data transfer arrangement authorized by applicable law is agreed by the parties hereto. McKinsey will comply with the Client's reasonable requests to furnish information regarding McKinsey's processing activities as is reasonably necessary to enable the Client to verify that McKinsey is complying with its obligations under this agreement, including, without limitation, by making its Director of IT Security or person of comparable knowledge and position available to provide information about the Protocols and McKinsey's processing in connection with the Services, and the foregoing shall apply in full satisfaction of any Client rights to audit or inspection of McKinsey, but shall not limit or restrict the ability of any legal or regulatory authority to conduct such audit or inspection pursuant to applicable law.

5. INTELLECTUAL PROPERTY.

(a) Intellectual Property Rights Granted to Pillsbury. Subject to subsection 5(c), McKinsey will provide a limited, royalty-free, non-transferrable, non-sublicensable, non-exclusive license in the Deliverables to Pillsbury to: (i) use such Deliverables to integrate into, or create additional, deliverables that may be required by Pillsbury's contract with JEA and (ii) distribute the Deliverables provided by McKinsey to JEA, subject to the intellectual property rights granted to JEA in this Agreement.

(b) Intellectual Property Rights Granted to JEA. Subject to subsection 5(c) and upon payment in full of McKinsey's fees, JEA will own all reports and other deliverables prepared for and furnished to the Client or JEA by McKinsey in connection with the Services (the "Deliverables").

(c) Retention of Intellectual Property Rights. McKinsey retains all intellectual property rights and interests all concepts, know-how, tools, questionnaires and assessments, modules, courses, frameworks, software, algorithms, databases, content, models, and industry perspectives developed or enhanced outside of or in connection with the Services (the "McKinsey Tools"). None of the McKinsey Tools will contain the Confidential Information. To the extent the Deliverables include any embedded McKinsey Tools, McKinsey grants JEA a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free license to use and copy the McKinsey Tools solely as part of the Deliverables and subject to the limitations herein on disclosure of McKinsey materials and publicity. The Client agrees that, without McKinsey's prior written permission, it will not, or permit any third party acting on its behalf to (i) access, copy, or reverse engineer any McKinsey Tool or Deliverable or (ii) remove or circumvent security or technological safeguards, including notices, digital protection mechanisms, metadata, watermarks, or disclaimers, provided with any McKinsey Tool or Deliverable. McKinsey hereby agrees that the Client and/or JEA retains its entire right, title, and interest, including all intellectual property rights, in and to all the Confidential Information that it discloses hereunder. McKinsey hereby agrees that any disclosure of such Confidential Information hereunder shall not be construed as an assignment, grant, option, license, or other transfer of any such right, title, or interest, by implication or otherwise, whatsoever to McKinsey or any of its authorized agents.

6. DISCLOSURE OF MCKINSEY MATERIALS; PUBLICITY. The Client may communicate with JEA and its directors, officers, employees, and representatives regarding McKinsey, and share the Deliverables with JEA and its directors, officers, employees, and representatives in connection with the Services or the Privileged Work. McKinsey's work for the Client and JEA is confidential and for the Client's and JEA's internal use only. Except as required by applicable law and subject to Section 3, McKinsey will not disclose the Deliverables to any third party without the Client's or JEA's prior written permission. Similarly, except as required by applicable law and subject to this Section 6, the Client agrees that it will not disclose any materials or information that McKinsey furnishes to the Client, including the Deliverables, to any third party without McKinsey's prior written permission, and the Client agrees that McKinsey will not advocate, present findings, or speak on the Client's or JEA's behalf in any public forum without McKinsey's and the Client's

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specific written authorization and agreement. Prior to making any legally required disclosure, the Client will provide McKinsey prior written notice to afford McKinsey an opportunity to protect its information to the extent allowable by law, including, but not limited to, the applicable public records law. Except as required by applicable law, each party hereto further agrees not to use the other party's name or trademarks in any communication with any third party, without the other party's prior written permission. The Client agrees that JEA will be bound by confidentiality obligations (prior to receipt of any Deliverables) that are at least as protective as provided herein.

7. **SERVING COMPETITORS**. It is McKinsey's long-standing policy to serve competing clients and clients with potentially conflicting interests as well as counter-parties in merger, acquisition and alliance opportunities, and to do so without compromising McKinsey's professional responsibility to maintain the confidentiality of client information. Consistent with such practice and McKinsey's confidentiality obligations to its other clients, McKinsey is not able to advise or consult with the Client about McKinsey's serving the Client's competitors or other parties. Nothing in this section will operate to limit or reduce McKinsey's obligations with respect to the Client's Confidential Information, including the confidentiality and non-disclosure obligations with respect thereto.

8. **LIMITATION OF LIABILITY**. The Services are not (and will not be interpreted as) investment, legal, tax, accounting, or other regulated advice. McKinsey does not supplant the Client's or JEA's management or other decision-making bodies and does not guarantee results. The Client and JEA remain solely responsible for their respective decisions, actions, use of the Deliverables, and compliance with applicable laws, rules, and regulations. The Client agrees to pay for any reasonable costs, including reasonable out-of-pocket attorney fees, McKinsey incurs as a result of its participation as a non-party in any legal, regulatory, administrative, or other proceeding relating to the Services, on the terms and conditions in Section 2; provided, however, that such reasonable costs shall not exceed \$50,000 in the aggregate without the Client's and JEA's consent (such consent not to be unreasonably withheld). In no event will McKinsey's liability to the Client in connection with the Services relating to an engagement for the Client exceed the fees received by McKinsey from the Client and/or JEA in connection with such engagement. Neither party hereto will be liable for any lost profits or other indirect, consequential, incidental, punitive or special damages. McKinsey shall indemnify and hold harmless the Client and its partners, officers, and employees to the extent any liability, loss, damage, cost, or expense by reason of real or tangible personal property damage or personal injury (including death) are finally determined to be caused by the grossly negligent act or omission of McKinsey or of its authorized agents. This indemnification shall be separate and apart from, and in addition to, any other indemnification provisions set forth elsewhere in this agreement.

9. **TERM AND TERMINATION**. This agreement takes effect on the date hereof and will continue until terminated in accordance with its terms. Except as otherwise provided in the applicable Proposal, either party hereto may terminate the Services at any time effective upon written notice to the other and, in the event of such termination, the Client will pay McKinsey's fees and expenses for the Services that McKinsey provides up to the effective date of termination, on the terms and conditions in Section 2, unless the Client terminates this agreement for Cause. For purposes hereof, the term "Cause" shall mean McKinsey's or any authorized agent's gross negligence, bad faith, or willful misconduct while performing the Services or a material breach of its obligations under this agreement. For an alleged material breach of this agreement, the Client can terminate this agreement for Cause if McKinsey is unable to cure the material breach within ten (10) calendar days after receiving written notice of such material breach from the Client. If the Client terminates the agreement for Cause, then the Client will pay McKinsey's fees and expenses for the Services performed up to the effective date of termination minus any damages that are finally determined to be caused by McKinsey's material breach of this agreement. Neither the Client nor JEA will have any other liability to McKinsey for any cause whatsoever arising out of, or in connection with, termination, including, but not limited to, lost profits, lost opportunities, or resulting change in business condition, except for McKinsey's fees and expenses in accordance with the terms of this paragraph 9 or as expressly stated within this agreement. McKinsey agrees that, following termination of this engagement, (a) McKinsey will deliver to the Client (and will not retain,

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copy, or deliver to anyone else) any and all final Deliverables, and (b) will sign and deliver a certificate that certifies to McKinsey's full compliance with this paragraph in such form as may be acceptable to the Client.

10. MISCELLANEOUS. This agreement and the Proposals constitute the entire agreement between the McKinsey and the Client, and there are no prior or contemporaneous oral or written representations, understandings or agreements relating to this subject matter that are not fully expressed herein or therein. This agreement and the Proposals are governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles and will inure to the benefit of and be binding on the successors and permitted assigns of the Client and McKinsey. The following Sections will survive the completion or any termination of the Services: 3 (Confidentiality), 4 (Data Security), 5 (Intellectual Property), 6 (Disclosure of McKinsey Materials; Publicity), 7 (Serving Competitors), 8 (Limitation of Liability), 9 (Term and Termination), 10 (Miscellaneous), 11 (Export Controls), 12 (Anti-Corruption and Anti-Bribery), 13 (Compliance with Sanctions Laws), and 14 (Standards) and any other provision which by law or by its nature should survive. Neither party hereto may assign its rights or obligations under this agreement to any person or entity without the written consent of the other party, not to be unreasonably withheld; provided, however, that either party may assign its rights and obligations under this agreement to its affiliates upon reasonable written notice to the other party but without the written consent of the other party. Assignment does not relieve either party hereto of its obligations hereunder. McKinsey agrees that it is an independent contractor (not an employee or other agent) solely responsible for the manner and hours in which Services are performed, is solely responsible for all taxes, withholdings, and other statutory, regulatory, or contractual obligations of any sort, and is not entitled to participate in any employee benefit plans, group insurance arrangements, or similar programs of the Client. McKinsey will ensure that any employees, contractors, and other service providers of McKinsey involved in the Services are bound to the foregoing, and to all of McKinsey's obligations under any provision of this agreement, for the Client's and/or JEA's benefit, and McKinsey will be responsible for any breach of this agreement by its employees, contractors, and other service providers involved in the Services, which breach remains uncured within ten (10) calendar days. McKinsey agrees to indemnify the Client and JEA from any and all claims, damages, liability, settlement, attorneys' fees, and expenses, as incurred, on account of the foregoing or any breach of this agreement or any other action or inaction by, for or on behalf of, McKinsey. McKinsey is not the Client's agent or fiduciary. Notwithstanding any course of dealings of the parties at any time or any statement to the contrary contained therein, no purchase order, invoice, or other similar document issued by a party hereto will be construed to modify the terms of this agreement. Rights and remedies provided in this agreement are cumulative and not exclusive of any right or remedy provided at law or in equity. Any of the terms and conditions hereunder may be amended or waived only with the written consent of the parties hereto. The failure of either party hereto to enforce its rights under this agreement at any time for any period will not be construed as a waiver of such rights. If any portion of this agreement is held to be unenforceable under applicable law, McKinsey and the Client agree that such provision shall be excluded from this agreement, the balance of this agreement shall be interpreted as if such provision were so excluded, and the balance of this agreement shall be enforceable in accordance with its terms.

The Client's audit rights under this agreement, except as provided under Section 4, are solely limited to McKinsey providing the Client any invoices and final Deliverables arising out of this agreement.

11. EXPORT CONTROLS. Neither party hereto will export, directly or indirectly, any technical data acquired from the other party pursuant to this agreement or any product utilizing any such data to any country where such export requires an export license or other governmental approval (collectively, "controlled materials") without first obtaining such license or approval and otherwise complying with all applicable export control regulations, including, but not limited to, ITAR and EAR. Notwithstanding the foregoing, neither party hereto will provide to the other party any controlled materials without, in each instance, (i) the receiving party's prior written consent, and (ii) clearly identifying all such controlled materials as subject to export control regulations and providing the receiving party with the appropriate classification or designation.

12. ANTI-CORRUPTION AND ANTI-BRIBERY. The Client and its affiliates, employees, officers, directors, partners, subcontractors and agents, must not, directly or indirectly, make any payment, or offer or transfer anything of value, or agree or promise to make any payment or offer or transfer anything of value,

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directly or indirectly, for any improper purpose or to improperly influence any party for any purpose related to this agreement. The Client warrants that it is in compliance, and will continue to comply, with, all anti-corruption laws applicable to this agreement, including, but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. The Client must promptly notify McKinsey if the Client fails to meet any of its obligations in this paragraph. IF THE CLIENT BREACHES THE OBLIGATIONS IN THIS PARAGRAPH, THE CLIENT AGREES TO FULLY COOPERATE WITH MCKINSEY TO REVIEW ANY ALLEGED IMPROPER PAYMENTS, VIOLATION OF LAW (INCLUDING, BUT NOT LIMITED TO, APPLICABLE ANTI-CORRUPTION LAWS), OR BREACH OF THIS PARAGRAPH. THE CLIENT UNDERSTANDS THAT A BREACH OF THE OBLIGATIONS IN THIS PARAGRAPH IS A MATERIAL BREACH OF THIS AGREEMENT AND THAT MCKINSEY WILL HAVE THE RIGHT TO IMMEDIATELY TERMINATE THIS AGREEMENT AND SEEK OTHER REMEDIES DUE TO THE BREACH.

13. COMPLIANCE WITH SANCTIONS LAWS. The Client represents and warrants that, together with its affiliates, it is currently in compliance with applicable sanctions laws and programs, including any economic embargo or trade sanction administered or enforced by the United States Government (including OFAC), the European Union, the United Kingdom, the United Nations Security Council, and any other jurisdiction applicable to the Client ("Sanctions"). The Client agrees that it will continue to comply with all applicable Sanctions. To the best of the Client's knowledge, neither the Client, nor any directors, officers, or employees of the Client, (a) are agents of any sanctioned party; nor (b) have in the past five (5) years violated applicable Sanctions. IF IT BECOMES UNLAWFUL FOR MCKINSEY TO FULFILL ANY PART OF ITS COMMITMENTS UNDER THIS AGREEMENT OR RECEIVE PAYMENTS AS A RESULT OF THE IMPOSITION OF SANCTIONS AGAINST THE CLIENT (OR ANY AFFILIATE OR DIRECTORS OR OFFICERS, OR ANY DIRECT OR INDIRECT INTEREST HOLDER IN THE CLIENT) (ANY SUCH EVENT, A "SANCTIONS EVENT"), MCKINSEY IS PERMITTED TO IMMEDIATELY SUSPEND ITS PERFORMANCE OBLIGATIONS UNDER THIS AGREEMENT AND, UPON WRITTEN NOTICE TO THE CLIENT, SUSPEND OR TERMINATE THIS AGREEMENT. MCKINSEY WILL NOT BE LIABLE TO THE CLIENT OR ANY OTHER THIRD PARTY WITH WHOM THE CLIENT MAY HAVE A CONTRACTUAL OBLIGATION RELATED TO THIS AGREEMENT AS A RESULT OF MCKINSEY'S SUSPENSION OR TERMINATION OF THE AGREEMENT DUE TO THE OCCURRENCE OF A SANCTIONS EVENT.

14. STANDARDS. McKinsey covenants that (a) the Services will be performed in a professional and workmanlike manner consistent with industry standards; (b) all work under this agreement will be McKinsey's original work or McKinsey has (or has obtained) all necessary intellectual property rights in the Deliverables and agrees to convey such rights to Client, and neither the Services, nor any Client Inventions, nor any development, use, production, distribution, or exploitation thereof, will infringe, misappropriate, or violate any intellectual property or other rights of any person or entity (including, without limitation, McKinsey); (c) McKinsey has the full right to provide the Client with the rights provided for herein and otherwise to fully perform McKinsey's obligations under this agreement; (d) each person who performs the Services, or has any access to any Confidential Information, will be bound by confidentiality obligations (prior to any such involvement or access) that are at least as protective as provided herein; (e) McKinsey will comply with all applicable laws and regulations in the course of performing the Services; and (f) McKinsey has obtained, and will maintain in full force and effect, any licenses that may be required to perform the Services. For purposes of this agreement, "Inventions" mean discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable, or otherwise legally protectable first created under this agreement. Inventions include, but are not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design, or configuration of any kind first created under this agreement. For purposes of this agreement, "Client Inventions" mean any Inventions that McKinsey, solely or jointly with others, authors, first discovers, develops, conceives, or reduces to practice while performing the Services for the Client. McKinsey represents and covenants that McKinsey's performance of the Services and all other obligations under this agreement do not and will not breach any written agreement McKinsey has entered into, or will enter into, with any other

CONFIDENTIAL & PROPRIETARY

party. McKinsey agrees not to enter into any written agreement that violates this agreement or otherwise creates a conflict of interest with the Services that McKinsey cannot mitigate.

Pillsbury Winthrop Shaw Pittman LLP

McKinsey & Company, Inc. Washington D.C.

Name:

Title:

Date:

Name:

Title:

Date:

Acknowledged and agreed to:

JEA

Name:

Title:

Date:

This MUTUAL NONDISCLOSURE AGREEMENT ("Agreement") between McKinsey & Company, Inc. Washington D.C. and its affiliates ("McKinsey") and Pillsbury Winthrop Shaw Pittman LLP ("Company") is dated as of July 23, 2019. Each of Company and McKinsey has consented to make information available to the other party on a confidential basis. The parties agree as follows:

1. Purpose. The parties wish to share certain Confidential Information in connection with a possible business relationship between the parties or as otherwise mutually agreed by the parties (the "Purpose"). Each party agrees to (i) use the other party's Confidential Information only for the Purpose and (ii) keep confidential and not disclose, and direct its authorized agents (as defined below) to keep confidential and not disclose, the other party's Confidential Information, other than to JEA and those of the Company's and JEA's directors, officers, employees, agents, affiliates, financial advisors, attorneys, and accountants who have a need to know such information and who are bound by nondisclosure obligations consistent with the terms of this Agreement (its "authorized agents"). Each party shall be responsible for its authorized agents' compliance with the terms of this Agreement.
2. Definition of Confidential Information. A party's "Confidential Information" means any information that is treated as confidential by the disclosing party, including, without limitation, any business plans, product ideas, software, tools, frameworks, data, know-how, industry information, evaluation materials, and client-related information disclosed by or on behalf of such party; provided, however, that "Confidential Information" shall not include any information that (i) is public, other than as a result of the recipient's or its authorized agent's disclosure, (ii) was in the recipient's or its authorized agent's possession prior to its receipt hereunder, (iii) was disclosed to the recipient or its authorized agent by a third party reasonably understood to have the right to disclose it, or (iv) is independently developed by the recipient or its authorized agent without access to or use of the disclosing party's Confidential Information. No party shall provide any Confidential Information to the other party (i) in violation of applicable law, or (ii) to which it does not hold all right, title and interest necessary for the receiving party to use the same as contemplated by this Agreement. Each party shall indemnify and hold harmless the other party and its affiliates and representatives from a third-party claim arising from a breach of this section.
3. Compliance with Laws. If a party becomes legally compelled to disclose any of the Confidential Information received from the other party pursuant to any legal or regulatory proceeding, the compelled party, to the extent legally permissible, shall provide such other party with prompt written notice of such requirement prior to disclosure so that such other party may seek a protective order or other appropriate remedy. In the event the disclosing party determines to seek such protective order or other remedy, the receiving party or its authorized agent(s), as applicable, will reasonably cooperate with the disclosing party, at the disclosing party's cost, in seeking such protective order or other remedy. If, failing the entry of a protective order, the receiving party or its authorized agent(s), as applicable, is, upon the advice of receiving party's counsel, compelled to disclose the disclosing party's Confidential Information, the receiving party or its authorized agent(s), as applicable, may disclose only that portion of such Confidential Information that is compelled to be disclosed; provided, however, that the receiving party gives the disclosing party written notice of the information to be disclosed (including copies of the relevant portions of the relevant documents) as far in advance of its disclosure as is practicable and legally permissible, uses reasonable best efforts to limit any such disclosure only to the matters required to be disclosed, and uses its reasonable best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information. In any event, the receiving party and its authorized agents will not oppose action by the disclosing party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded such Confidential Information.
4. Right and Title. The receiving party hereby agrees that the disclosing party retains its entire right, title, and interest, including all intellectual property rights, in and to all the Confidential Information that disclosing party discloses hereunder. The receiving party hereby agrees that any disclosure of such Confidential Information hereunder shall not be construed as an assignment, grant, option, license, or other transfer of any such right, title, or interest, by implication or otherwise, whatsoever to the receiving party or any of its authorized agents. To the extent that any of the disclosing party's Confidential Information includes materials subject to the attorney-client privilege, neither the disclosing party nor any of its authorized agents is waiving, and shall not be deemed to have waived or diminished, its attorney work-product protections, attorney-client privileges or similar protections and privileges as a result of disclosing any such Confidential Information (including Confidential Information related to pending or threatened litigation) to the receiving party or any of its authorized agents.
5. Termination; Return or Destruction of Confidential Information. This Agreement may be terminated by either party at any time upon written notice to the other party; provided that the confidentiality, use and nondisclosure obligations of this Agreement shall continue to apply to any Confidential Information disclosed pursuant to this Agreement. In addition, if a disclosing party so requests in writing, the receiving party shall return or destroy within five business days all copies of the disclosing party's Confidential Information in the receiving party's or its authorized agents' possession and certify within such period that it has done so; provided, however, that the receiving party may retain one copy of such Confidential Information, subject to the confidentiality, use and nondisclosure restrictions of this Agreement, solely as required by applicable law, regulation or documented professional archival policy.
6. Warranties. The receiving party confirms that the disclosing party is disclosing the Confidential Information on an "as-is" basis, without any warranty or representation of any nature whatsoever. The disclosing party shall not, therefore, be liable to the receiving party for any direct, indirect, special, consequential, incidental, or punitive damages or loss, regardless of the form of action or theory of liability (including, without limitation, actions in contract or negligence) resulting from any use of any of the disclosing party's Confidential Information by the receiving party.
7. Equitable Relief. In the event of any breach of the provisions of this Agreement, the affected non-breaching party shall be entitled to seek equitable relief, including in the form of injunctions and orders for specific performance, in addition to any and all other remedies available at law or in equity.
8. Publicity. Except as required by applicable law, the parties agree that, without the prior written consent of the other party, neither party shall

refer to the other party or attribute any information to the other party in any external communication for any purpose, including without limitation in press releases or otherwise to the media, web sites, offering memoranda, and conversations with third parties.

9. Non-Exclusivity. Nothing herein requires either party to proceed with any proposed transaction or relationship. Each of the parties acknowledges and agrees that the other party may have entered into and may continue to enter into discussions with third parties concerning the subject matter of the discussions hereunder; provided that nothing in this sentence shall limit the obligations of the parties under this Agreement. Without limiting any party's obligations hereunder, it is understood that during the course of working together each party may continue to use, develop and disclose its general knowledge, skills and experience, including through the use of general information received hereunder and retained in intangible form, and this Agreement shall not restrict any party therefrom, including in connection with its use of its own confidential or proprietary information.

10. General Clauses. The validity and construction of this Agreement shall be governed by the laws of the State of Florida, excluding the conflicts-of-laws principles thereof. This Agreement states the entire agreement and understanding of the parties on the subject matter of this Agreement and supersedes all previous agreements, arrangements, communications, and understandings relating to that subject matter. Nothing in this Agreement shall be deemed to constitute any party a partner, joint venturer, employer, employee, master, servant, principal, or agent of any other party or of any other person. This Agreement may be executed in counterparts. No waiver of any term or condition of this Agreement shall be effective, unless made in writing and signed by the parties hereto. No delay or omission by either party in exercising any right under this Agreement shall operate as a waiver of that right or of any other right. A waiver or consent given by either party on any one occasion shall be effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

11. Anti-Bribery Compliance. Company and McKinsey, and their respective employees, officers, directors, partners, stockholders, subcontractors and agents, shall not, directly or indirectly, make any payment, or offer or transfer anything of value, or agree or promise to make any payment or offer or transfer anything of value, directly or indirectly, for any improper purpose or to improperly influence any party. Company and McKinsey each certifies that it is in compliance, and shall remain in compliance, with all applicable anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Company and McKinsey each shall immediately notify the other party if it fails to meet any of its obligations in this paragraph. In the event of a breach of this paragraph, Company and McKinsey each further agrees to provide any and all information requested by the other party to support an investigation related to the breach. Company and McKinsey each understands that a breach of this paragraph will be deemed to be a material breach of the Agreement, and the other party will have the right to terminate the Agreement with immediate effect.

12. Signatures. Signatures of any party transmitted by facsimile or electronic mail (including, without limitation, electronic mailing of a so-called portable document format or "pdf" of a scanned counterpart) shall be treated as and deemed to be original signatures for all purposes, and will have the same binding effect as if they were original, signed instruments delivered in person.

MCKINSEY & COMPANY, INC.

PILLSBURY WINTHROP SHAW PITTMAN LLP

WASHINGTON D.C.

Name: _____

Name: _____

Title:

Title: