
From: Lutrin, Jessica <jessica.lutrin@pillsburylaw.com>
Sent: Monday, October 14, 2019 10:07 PM
To: Rhode, Lynne C. (City of Jacksonville)
Cc: KHyde@foley.com
Subject: RE: Revised PUP Documents

[External Email - Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.]

Hi Lynne,

Attached please find a revised draft of the invitation booklet (clean and a redline) reflecting Melissa's comments. There are still a number of open items.

Please let me know if you have any questions.

Best,
Jessica

From: Lutrin, Jessica <jessica.lutrin@pillsburylaw.com>
Sent: Friday, October 11, 2019 7:04 PM
To: Rhode, Lynne C. (City of Jacksonville) <rhodlc@jea.com>
Cc: KHyde@foley.com
Subject: Revised PUP Documents

Hi Lynne,

Attached please find (i) revised drafts of the plan and invitation booklet (clean and redlines) and (ii) a draft of the cover letter. I had no changes to the agreement, but we will need to update the deferral dates once the purchase date has been confirmed.

Open items for JEA's input are highlighted in yellow. Once I have input on the open items, I'll have the booklet proof read and the formatting cleaned up.

Like in the past, I assume you will send these documents to the rest of the JEA team.

Please let me know if you have any questions. Have a nice weekend!

Best,
Jessica

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[INSERT JEA LOGO]¹

**INVITATION TO PARTICIPATE IN THE
JEA LONG-TERM PERFORMANCE UNIT PLAN**

Dear [NAME],

As a new benefit to JEA employees, we are delighted to let you know that you are eligible to participate in the JEA Long-Term Performance Unit Plan (the “**Plan**”). The Plan was approved by JEA’s Board of Directors as part of the long-term compensation framework and is available starting in 2020.

How the Plan Works

The Plan allows you to purchase performance units from JEA referred to as “PUPs.” The purchase price of each PUP is \$10.00 and is paid by deferring a portion of your pay earned in 2020 equal to the aggregate purchase price of the number of PUPs you wish to purchase. The number of PUPs available to you to purchase is set forth in the Purchase of Performance Units and Deferral Election form which will separately be sent to you in the mail. For example, if JEA allocates you five PUPs and you wish to purchase all five PUPs, the aggregate purchase price to be deferred from your pay earned in 2020 would be equal to \$50.00 (\$10.00 x five PUPs). When the PUPs vest, subject to the satisfaction of certain conditions, you are eligible to receive a cash payment in consideration for the PUPs you purchased. The amount of the cash payment is calculated based on the attainment of specified corporate performance metrics. For additional information on how the Plan works, please refer to the frequently asked questions on Tab A of this invitation booklet.²

Risks Associated with Participating in the Plan

As described above, in order to purchase PUPs under the Plan, you must pay a purchase price of \$10.00 per PUP. As it is possible that you may forfeit the entire amount of the purchase price under certain circumstances (for example, if your employment with JEA is terminated for cause, you voluntarily terminate your employment with JEA, or the performance metrics are not attained), you should carefully consider whether to purchase the PUPs. In considering whether to purchase the PUPs, you should review the risks described on Tab B of this invitation booklet and the financial information contained in Tab C of this invitation booklet.

Instructions and Additional Information

If you wish to participate in the Plan and purchase the PUPs, please review this invitation booklet carefully and follow the instructions set forth on Tab D of this invitation booklet. Your Long-Term Performance Unit Agreement which contains the number of PUPs available to you to purchase will be separately sent to you in the mail.

<p>All required documents must be postmarked by no later than November 22, 2019. If your required documents are postmarked later than November 22, 2019, your election</p>
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¹ JEA to provide.

² JEA to confirm whether there will be tabs. Global comment.

will not be processed and you will not be eligible to purchase PUPs and participate in the Plan.

This invitation booklet does not provide legal, financial or tax advice. JEA strongly advises you to seek the advice of a qualified legal, financial and/or tax adviser regarding your participation in the plan. For further information concerning how the Plan works, please contact pupquestions@jea.com.³

This is an exciting time for JEA!

Sincerely,

Jon Kendrick⁴
Chief Human Resources Officer

³ JEA to confirm email address.

⁴ JEA to send Pillsbury Jon's electronic signature.

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TAB A

QUESTIONS AND ANSWERS ABOUT THE JEA LONG-TERM PERFORMANCE UNIT PLAN

INTRODUCTION

Below are a number of frequently asked questions (“FAQs”) regarding the principal features of the Plan. The Plan was adopted by the Board at its meeting on July 23, 2019.

This document is only intended to be a summary. Some provisions are described in abbreviated form and others are not mentioned at all. If there is any ambiguity in these FAQs or if there is a conflict between these FAQs and the official text of the JEA Long-Term Performance Unit Plan (the “**Plan**”) or your Long-Term Performance Unit Agreement (the “**Agreement**”), then the official text of the Plan or the Agreement, as applicable, will govern. **The Plan is attached as Tab E to this invitation booklet and the Agreement will be separately sent to you in the mail.**

Where the context so requires, references to “JEA” refer to JEA, its affiliates, assigns, subsidiaries and successors.

THIS INVITATION BOOKLET DOES NOT PROVIDE LEGAL, FINANCIAL OR TAX ADVICE. JEA STRONGLY ADVISES YOU TO SEEK THE ADVICE OF A QUALIFIED LEGAL, FINANCIAL AND/OR TAX ADVISER REGARDING YOUR PARTICIPATION IN THE PLAN.

GENERAL PLAN PROVISIONS

Q1: What is the purpose of the Plan?

A1: The purpose of the Plan is to provide a benefit through which employees of JEA may be incentivized to remain with JEA and share in the financial success of JEA.

Q2: Who is eligible to participate in the Plan?

A2: Any full-time employee of JEA who has been employed by JEA for at least three months prior to the Purchase Date (as described in Q&A 3) is eligible to participate in the Plan. Part-time and temporary employees of JEA are not eligible to participate in the Plan.

Any exceptions to the above eligibility requirements must be recommended by JEA’s Chief Executive Officer (the “**CEO**”) and approved by the Chair of the Compensation Committee (the “**Committee Chairperson**”) of the Board of Directors of JEA (the “**Board**”).

Q3: How does the Plan work?

A3: Each eligible employee may purchase a specified number of performance units (the “**PUPs**”) as set forth in the employee’s Long-Term Performance Unit Agreement from JEA

on February 28 of each year (the “**Purchase Date**”) by electing to defer a portion of the employee’s pay equal to the aggregate purchase price (the “**Purchase Price**”) for the PUPs that the employee wishes to purchase.

The Purchase Date for the PUPs that are allocated to you now will be February 28, 2020.⁵

Q4: Who administers the Plan?

A4: The Committee Chairperson administers the Plan. The Committee Chairperson has the full authority and discretion to take any actions the Committee Chairperson deems necessary or advisable for the administration of the Plan. All decisions, interpretations, and other actions of the Committee Chairperson will be final and binding.

Q5: How many PUPs are reserved under the Plan?

A5: JEA has reserved an aggregate of 100,000 PUPs for purchase by eligible employees under the Plan, of which only 35,000 PUPs will be available for purchase by eligible employees on February 28, 2020.

ALLOCATION OF PUPS

Q6: What is a PUP?

A6: Each PUP represents a right to receive a cash payment equal to the Redemption Price (as described in Q&A 14) in exchange for such PUP. A PUP is not, and does not represent, an equity, security interest or other ownership interest in JEA.

Q7: How are PUPs allocated under the Plan?

A7: Under the Plan, the Committee Chairperson has complete discretion to determine when and to whom PUPs will be allocated and the number of PUPs that may be allocated. The terms and conditions of the PUPs will be set forth in the Agreement which will separately be sent to you in the mail.

The Committee Chairperson may delegate the Committee Chairperson’s authority under the Plan to determine the number of PUPs that may be allocated to eligible employees (other than to the CEO) under the Plan to the CEO. The Committee Chairperson retains the authority to determine the number of PUPs that may be allocated to the CEO.

Q8: How many PUPs must I purchase to participate in the Plan?

⁵ JEA to confirm first purchase date.

A8: You may purchase up to the maximum number of PUPs allocated to you. However, you may purchase less than all of the PUPs that you have been allocated.

If you purchase none of the PUPs allocated to you, you will not participate in the Plan and you will not be eligible to receive the Redemption Price in exchange for your PUPs.

Q9: What is the Purchase Price?

A9: The Purchase Price is \$10.00 per PUP.

Q10: Will I be required to pay the Purchase Price for my PUPs?

A10: Yes, to purchase PUPs under the Plan, you must pay the aggregate Purchase Price for the PUPs you wish to purchase. The aggregate Purchase Price is equal to \$10.00 multiplied by the number of PUPs that you wish to purchase.

Example: If JEA allocates you five PUPs and you wish to purchase four PUPs, the aggregate Purchase Agreement will be equal to \$40.00 (\$10.00 x four PUPs).

Q11: How do I pay the Purchase Price for my PUPs?

A11: To pay the Purchase Price for the PUPs that you wish to purchase, you must elect to defer a portion of your pay earned in 2020 equal to the aggregate Purchase Price for the PUPs you wish to purchase. You may elect to defer your pay in a lump sum or equal installments during two payroll periods, as selected by you. Additional information regarding the deferral process will be set forth in the election form that will be separately mailed to you.

To purchase PUPs on **February 28**, 2020, you must elect to defer your pay by no later than November 22, 2019. If you do not make this election by November 22, 2019, you will not be eligible to purchase PUPs on **February 28**, 2020.

Q12: Under what circumstances will I forfeit the Purchase Price that I pay for my PUPs?

A12: If prior to the Vesting Date (as described in Q&A 13) your employment with JEA is terminated for cause (as described in Q&A 20) or you voluntarily terminate your employment with JEA for any reason, you will forfeit the entire amount of the Purchase Price that you paid for the PUPs that have not vested as of the date of your termination or voluntary termination, as applicable, of employment.

Additionally, you may forfeit the entire amount of the Purchase Price that you paid for the PUPs if performance is not attained (as described in Q&A 14).

Q13: When will I receive the Redemption Price for my PUPs?

A13: The PUPs will vest on the last day of the three-year performance period (as described in Q&A 14). However, if a Recapitalization Event (as described in Q&A 23) occurs, the

PUPs will vest on the date on which the Recapitalization Event occurs. The date on which the PUPs vest is referred to as the “Vesting Date.” Except as otherwise described in Q&A 18, you must be employed with JEA on the Vesting Date for the PUPs to vest. You will only receive the Redemption Price for vested PUPs.

JEA will pay the Redemption Price to you for your vested PUPs no later than 30 days after the Redemption Price has been certified by the Committee Chairperson as described in Q&A 14. The amount of the Redemption Price will be reduced by applicable withholding taxes.

Q14: How is the Redemption Price calculated?

A14: The Redemption Price is calculated as set forth below based on a three-year performance period (the “**Performance Period**”).

The Performance Period will begin on **February 28, 2020** and will end on **February 28, 2023** (the “**2020/2023 Performance Period**”).⁶

The 2020/2023 Performance Period will be based on the following performance metrics:

The Redemption Price will increase by \$100.00 per PUP for each “Value Change Percentage” increase of 1% in excess of the “Challenge Value Target” and will decrease by \$0.50 per PUP for each “Value Change Percentage” decrease of 1% below the Threshold Value Target, but the Redemption Price will not be less than \$0.00 per PUP (the “**Redemption Price**”).

- For the 2020/2023 Performance Period, the “Challenge Value Target” will be 110% and the “Threshold Value Target” will be 90%.
- The “Value Change Percentage” means a percentage equal to the “Current Year Value” divided by the “Base Year Value.”
- “Current Year Value” means, with respect to the Performance Period, the sum of (a) JEA’s Net Position, as shown on JEA’s audited financial statements for the Performance Period (or, in the case of a Recapitalization Event, JEA’s Net Position as shown on JEA’s audited financial statements immediately following the closing date of the Recapitalization Event), (b) the aggregate consideration paid directly or otherwise transferred to the City of Jacksonville whether in cash or in-kind (excluding any public service taxes or franchise fees) during the 12-month period prior to the end of the performance period, and (c) the aggregate consideration (including refunds, rebates and distributions) paid, distributed, credited or otherwise provided to JEA’s customers during the 12-month period prior to the end of the Performance Period. Any consideration and change in Net Position, as applicable, in connection with the Recapitalization Event will be taken into account for purposes of calculating the amounts in (a) – (c).

⁶ **JEA to confirm how this works with an audit that ends on September 30.**

- For the 2020/2023 Performance Period, “Base Year Value” is the amount equal to the Current Year Value for fiscal year 2019, as reflected on JEA’s audited financial statements when available.

The Purchase Price may be decreased to \$0.00 in accordance with the above formula. The Purchase Price will be paid to you at the same time as the Redemption Price is paid to you for your vested PUPs.

If a Recapitalization Event occurs, the Performance Period will be truncated and end on the date on which the closing of the Recapitalization Event occurs.

Example:

Subject to the finalization of the annual audit, JEA’s Fiscal Year 2019 Net Position was \$2.977 billion, the contribution to the City of Jacksonville was \$132.8 million, and JEA did not provide any credits or rebates to customers in the preceding 12-month period.

This means that the “Threshold Value Target” is \$3.109 billion (\$2.977 billion + \$0.1328 billion + \$0) and the “Challenge Value Target” is 110% of that value or \$3.420 billion (\$3.109 billion x 110%).

There are three possible outcomes at the end of the Performance Period:

1. Value goes up

If, at the end of the Performance Period, the formula yields a value of \$3.60 billion, the value would be 115.8% ($\$3.60 \text{ billion} / \3.109 billion). In this case, the Redemption Price per PUP would be \$580 ($115.8 - 110 = 5.8 \times \100), exclusive of the Purchase Price for the Performance Units.

2. Value is the same

If, at the end of the Performance Period, the formula yields a value of \$3.30 billion, the value would be 106% ($\$3.30 \text{ billion} / \3.109 billion). In this case, the value does not exceed the “Challenge Value Target” of 110% and, therefore, each PUP will have a Redemption Price equal to the Purchase Price of \$10.00 per PUP.

3. Value goes down

If, at the end of the Performance Period, the formula yields a value of \$2.70 billion, the value would be 86.8% ($\$2.70 \text{ billion} / \3.109 billion). In this case, the Redemption Price of each PUP will decline by \$0.50 for each 1% loss in value. With a 13.2% decrease in value, the Redemption Price of each PUP would decline in value by \$6.60 ($13.2 \times \0.50) and would have a Redemption Price of \$3.40 per PUP. If the value at the end of the Performance Period is less than 80%, the Redemption Price of each PUP will be \$0.00 and no Purchase Price would be refunded.

Q15: Is it possible that I may not receive any Redemption Price for my PUPs?

A15: Yes. As described in Q&A 14, the Redemption Price will be decreased by \$0.50 per PUP for each “Value Change Percentage” decrease of 1% below the Threshold Value Target. However, the Redemption Price will not be less than \$0.00 per PUP.

Q16: Who will calculate the Redemption Price?

A16: JEA’s Chief Financial Officer will calculate the Redemption Price per PUP. The Committee Chairperson will certify the Redemption Price as soon as practicable following the completion of JEA’s audit for the applicable Performance Period, but in no event later than 30 days following the end of the Performance Period.

Q17: Are there any conditions to my receipt of the Redemption Price?

A17: Yes, you need to satisfy certain conditions in order to receive the Redemption Price for your vested PUPs. These conditions include:

- (a) you must execute the Agreement which will separately be sent to you in the mail and return it to JEA by following the instructions included in Tab D;
 - (b) except as described in Q&A 18, you must be continuously employed with JEA;
 - (c) you must execute and not revoke a release of claims in favor of JEA and the City of Jacksonville (JEA will notify you when it is time for you to execute the release which will be shortly before the payment of the Redemption Price);⁷ and
 - (d) you must comply with the covenants set forth in the Agreement.
-

Q18: What happens to my PUPs and the Purchase Price that I paid upon an involuntary termination of employment with JEA?

A18: If you experience an involuntary termination of employment prior to the applicable Vesting Date for your PUPs, you will still be paid the Redemption Price and the Purchase Price (if any) for all of your vested PUPs. Any Redemption Price payable to you as a terminated employee for your PUPs will be paid to you at the same time as the amounts would have been paid had you not experienced an involuntary termination of employment.

An involuntary termination of employment means a termination of employment by JEA without cause (as described in Q&A 20) or due to your death or disability (as defined in the Plan).

Q19: What happens to my PUPs and the Purchase Price that I paid upon a termination of employment with JEA for cause or a voluntary termination of employment?

⁷ In response to Melissa’s question as to whether a copy of the release is available for review, we have not drafted the release, but any release could be based on JEA’s standard form release (or, if none, the form of release attached to the executive employment agreements).

A19: If you experience a termination of employment for cause (as described in Q&A 20) or you voluntarily terminate your employment with JEA for any reason, in each case, prior to the applicable Vesting Date for your PUPs, you will forfeit both the PUPs to the extent unvested and the Purchase Price that you paid for such unvested PUPs.

Q20: What is a termination of employment for “cause”?

A20: Under the Plan, “cause” generally means:

- (a) if you have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of purchase of the PUPs that defines a termination for “cause” (or words of like import), “cause” as defined in such agreement, or
- (b) if you do not have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of purchase of the PUPs or where there is such an agreement but it does not define “cause” (or words of like import), then “cause” as defined in the Plan.

Notwithstanding the foregoing, to the extent that this definition of “cause” is inconsistent with a definition of “cause” (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the “**Civil Service Rules**”), the definition of “cause” (or words of like import) in such collective bargaining agreement or the Civil Service Rules, as applicable, will control.

Q21: What happens if I am retirement eligible and retire before the applicable Vesting Date?

A21: If you become a retirement eligible employee (as described below) and retire, in each case, prior to the applicable Vesting Date for your PUPs, your PUPs will vest on the applicable Vesting Date, but whether you receive the Redemption Price and the Purchase Price that you paid for them will depend on whether the performance metrics (as described in Q&A 14) are attained.

You are retirement eligible if you have attained one of the retirement milestones as described in the General Employees Retirement Plan.

Q22: What happens if my designation changes from appointed to civil service?

A22: If at any time from when you are notified by JEA of your eligibility to participate in the Plan and ending on the last day of the Performance Period, your designation changes from appointed to civil service (whether or not such change is voluntary), the level at which you participate in the Plan will be adjusted to reflect such change.

If such change occurs (a) at any time prior to the Purchase Date, the number of PUPs that you will be eligible to purchase will be adjusted to a number of PUPs that is equal to the number of PUPs you would have been eligible to purchase had you been civil service on

the date on which you were notified of your eligibility to participate in the Plan or (b) at any time on or after the Purchase Date, but prior to the last day of the Performance Period, you will forfeit a number of PUPs such that you will have purchased a number of PUPs that is equal to the maximum number of PUPs you would have been eligible to purchase had you been civil service on the Purchase Date (it being understood that such number of forfeited PUPs may be zero) and JEA will refund to you the aggregate Purchase Price for such forfeited PUPs.

RECAPITALIZATION EVENT

Q23: What is a Recapitalization Event?

A23: A “Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other applicable law that results in either (a) unencumbered cash proceeds to the City of Jacksonville of at least \$3,000,000,000 or (b) at least 50% of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of.

Q24: What happens to my PUPs upon a Recapitalization Event?

A24: On the closing date of a Recapitalization Event, your PUPs will vest and the Redemption Price will be paid to you in cash no later than 30 days after the Redemption Price has been certified by the Committee Chairperson as described in Q&A 16.

Additionally, the Plan and the Agreement will be assigned to, and assumed by, JEA’s successor in a Recapitalization Event. Upon such assignment and assumption, the rights and obligations of JEA under the Plan and the Agreement will become the rights and obligations of such successor.

TAB B

RISK FACTORS TO BE CONSIDERED BEFORE PURCHASING PUPS UNDER THE JEA LONG-TERM PERFORMANCE UNIT PLAN

The occurrence of any of the following risks could materially and adversely affect JEA's business, operating results and financial condition. In addition, risks and uncertainties that are not presently known to us or that we currently believe are immaterial may also impair JEA's business and operations. If any of these risks occur, the value of your PUPs could decline and you may lose all or part of your Purchase Price.

The list of risk factors below should not be considered a complete enumeration or explanation of the risks involved in purchasing the PUPs under the Plan. You should carefully evaluate all of the information in this invitation booklet, the Plan and the Agreement and consult with your own legal, tax and/or financial advisers before deciding whether to purchase PUPs and pay the Purchase Price under the Plan.

There are a number of factors that may impact JEA's business and financial conditions.

The Redemption Price of the PUPs will be subject to the future performance of JEA. Accordingly, before purchasing the PUPs, you should carefully consider the risk factors described in JEA's Electric System and Water & Sewer System Annual Disclosure Reports (the "**Annual Reports**") filed with the Municipal Securities Rulemaking Board on its EMMA website and on www.jea.com under the "Financial Reports" section (About > Investor Relations > Financial Reports > Annual Disclosure Reports), which are incorporated by reference into this invitation booklet, together with the other information provided herein or incorporated by reference in this invitation booklet (including the risks set forth below).

The issues and associated risks and uncertainties discussed in the Annual Disclosure Reports that are incorporated herein by reference are not the only ones JEA may face. Additional issues may arise or become material as the energy, water and wastewater industries evolve. The risks and uncertainties associated with those additional issues could impair JEA's businesses in the future.

The Redemption Price of the PUPs in the future may be higher or lower than the Purchase Price that you paid for the PUPs due to changes in JEA's operating performance or prospects and other factors, including broad market fluctuations. Some specific factors that may have a significant effect on the Redemption Price of your PUPs if they were to occur include:

- JEA has a history of losses, and may not achieve or maintain profitability in the future;
- climate change, or legal, regulatory or market measures to address climate change, may negatively affect JEA's business, operations and/or financial performance;
- natural disasters, including, but not limited to, hurricanes and/or fires, could destroy JEA's facilities and equipment;
- actual or anticipated fluctuations in JEA's operating results or future prospectus;

- factors outside of JEA's control, including modifications to JEA's book value;
- strategic actions by other industry participants, such as acquisitions or restructurings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to JEA's business;
- JEA may be subject to legal proceedings and litigation, which are costly and may subject JEA to significant liability and increased costs of doing business;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- adverse conditions in the financial markets or general economic conditions, including but not limited to, those resulting from war, incidents of terrorism and responses to such events.

There is no duty to update this invitation booklet.

JEA has no obligation to update the information contained in this invitation booklet. Accordingly, you should bear in mind that there may have been material changes in the affairs of JEA since the date of this invitation booklet, and it is up to you to review JEA's publicly available reports and information.

The information and expressions of opinion set forth herein or included herein by specific reference are subject to change without notice, and neither the delivery of this invitation booklet, nor the Plan nor the Agreement shall, under any circumstances, create the implication that there has been no change in the affairs of JEA since the date hereof and thereof.

The PUPs are not transferable and there is no market available for sale of the PUPs.

You may not transfer, sell, pledge or otherwise dispose of your PUPs (other than by will or the laws of descent or distribution) and there is no market to sell the PUPs.

* * *

<p style="text-align: center;">THE PUPS ARE NOT EQUITY, SECURITIES OR OTHER OWNERSHIP INTEREST IN JEA, NOR ARE THEY INTENDED TO BE TREATED AS SUCH, AND ANY REPRESENTATION BY ANY PERSON, INCLUDING JEA OR ITS AGENTS, TO THE CONTRARY SHOULD NOT BE RELIED UPON.</p>
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TAB C

FINANCIAL STATEMENTS

You can access and view JEA's financial statements, including the unaudited Quarterly Analysis of Financial Performance for the quarter ended June 30, 2019, through this link:⁸

https://www.jea.com/About/Investor_Relations/Financial_Reports/

⁸ To be updated prior to distribution to participants, as necessary.

TAB D

INSTRUCTIONS FOR PARTICIPATING IN THE JEA LONG-TERM PERFORMANCE UNIT PLAN

To purchase PUPs and participate in the Plan:

- You must sign and return your Long-Term Performance Unit Agreement which will separately be sent to you in the mail; and
- You must complete, sign and return the Purchase of Performance Units and Deferral Election attached as Schedule I to your Long-Term Performance Unit Agreement which will separately be sent to you in the mail.

The documents listed above must be returned to Pillsbury Winthrop Shaw Pittman LLP, Attention: JEA PUP, at 31 West 52nd Street, New York, NY 10019. We will include a self-addressed, stamped envelope that you may use to return the above documents. Please make a copy of the documents for your records.

All required documents must be postmarked by no later November 22, 2019. If your required documents are postmarked later than November 22, 2019, your election will not be processed and you will not be eligible to purchase PUPs and participate in the Plan.

TAB E

JEA LONG-TERM PERFORMANCE UNIT PLAN

[To be attached]

[INSERT JEA LOGO]¹

INVITATION TO PARTICIPATE IN THE JEA LONG-TERM PERFORMANCE UNIT PLAN

Dear [NAME],

As a new benefit to JEA employees, we are delighted to let you know that you are eligible to participate in the JEA Long-Term Performance Unit Plan (the “**Plan**”). The Plan was approved by JEA’s Board of Directors as part of the long-term compensation framework and is available starting in 2020.

How the Plan Works

The Plan allows you to purchase performance units from JEA referred to as “PUPs.” The purchase price of each PUP is \$10.00 and is paid by deferring a portion of your pay earned in 2020 equal to the aggregate purchase price of the number of PUPs you wish to purchase. The number of PUPs available to you to purchase is set forth in the Purchase of Performance Units and Deferral Election form which will separately be sent to you in the mail. For example, if JEA allocates you five PUPs and you wish to purchase all five PUPs, the aggregate purchase price to be deferred from your pay earned in 2020 would be equal to \$50.00 (\$10.00 x five PUPs). When the PUPs vest, subject to the satisfaction of certain conditions, you are eligible to receive a cash payment in consideration for the PUPs you purchased. The amount of the cash payment is calculated based on the attainment of specified corporate performance metrics. For additional information on how the Plan works, please refer to the frequently asked questions on Tab A of this invitation booklet.²

Risks Associated with Participating in the Plan

As described above, in order to purchase PUPs under the Plan, you must pay a purchase price of \$10.00 per PUP. As it is possible that you may forfeit the entire amount of the purchase price under certain circumstances (for example, if your employment with JEA is terminated for cause, you voluntarily terminate your employment with JEA, or the performance metrics are not attained), you should carefully consider whether to purchase the PUPs. In considering whether to purchase the PUPs, you should review the risks described on Tab B of this invitation booklet and the financial information contained in Tab C of this invitation booklet.

Instructions and Additional Information

If you wish to participate in the Plan and purchase the PUPs, please review this invitation booklet carefully and follow the instructions set forth on Tab D of this invitation booklet. Your Long-Term Performance Unit Agreement which contains the number of PUPs available to you to purchase will be separately sent to you in the mail.

All required documents must be postmarked by no later than November 22, 2019.
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¹ JEA to provide.

² JEA to confirm whether there will be tabs. Global comment.

If your required documents are postmarked later than November 22, 2019, your election will not be processed and you will not be eligible to purchase PUPs and participate in the Plan.

This invitation booklet does not provide legal, financial or tax advice. JEA strongly advises you to seek the advice of a qualified legal, financial and/or tax adviser regarding your participation in the plan. For further information concerning how the Plan works, please contact pupquestions@jea.com.²³ _

This is an exciting time for JEA!

Sincerely,

~~Aaron Zahn~~³[Jon Kendrick](#)⁴
~~Managing Director &~~ Chief ~~Executive~~[Human Resources](#) Officer

²³ _ JEA to confirm email address.

³ _ JEA to confirm that Aaron will sign the cover letter and, if so, to send Pillsbury his electronic signature.

⁴ _ JEA to send Pillsbury Jon's electronic signature.

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TAB A

QUESTIONS AND ANSWERS ABOUT THE JEA LONG-TERM PERFORMANCE UNIT PLAN

INTRODUCTION

Below are a number of frequently asked questions (“FAQs”) regarding the principal features of the Plan. The Plan was adopted by the Board at its meeting on July 23, 2019.

This document is only intended to be a summary. Some provisions are described in abbreviated form and others are not mentioned at all. If there is any ambiguity in these FAQs or if there is a conflict between these FAQs and the official text of the JEA Long-Term Performance Unit Plan (the “**Plan**”) or your Long-Term Performance Unit Agreement (the “**Agreement**”), then the official text of the Plan or the Agreement, as applicable, will govern. **The Plan is attached as Tab E to this invitation booklet and the Agreement will be separately sent to you in the mail.**

Where the context so requires, references to “JEA” refer to JEA, its affiliates, assigns, subsidiaries and successors.

<p>THIS INVITATION BOOKLET DOES NOT PROVIDE LEGAL, FINANCIAL OR TAX ADVICE. JEA STRONGLY ADVISES YOU TO SEEK THE ADVICE OF A QUALIFIED LEGAL, FINANCIAL AND/OR TAX ADVISER REGARDING YOUR PARTICIPATION IN THE PLAN.</p>

GENERAL PLAN PROVISIONS

Q1: What is the purpose of the Plan?

A1: The purpose of the Plan is to provide a benefit through which employees of JEA may be incentivized to remain with JEA and share in the financial success of JEA.

Q2: Who is eligible to participate in the Plan?

A2: Any full-time employee of JEA who has been employed by JEA for at least three months prior to the Purchase Date (as described in Q&A 3) is eligible to participate in the Plan. Part-time and temporary employees of JEA are not eligible to participate in the Plan.

Any exceptions to the above eligibility requirements must be recommended by JEA’s Chief Executive Officer (the “**CEO**”) and approved by the Chair of the Compensation Committee (the “**Committee Chairperson**”) of the Board of Directors of JEA (the “**Board**”).

Q3: How does the Plan work?

A3: Each eligible employee may purchase a specified number of performance units (the “PUPs”) as set forth in the employee’s Long-Term Performance Unit Agreement from JEA on February 28 of each year (the “Purchase Date”) by electing to defer a portion of the employee’s pay equal to the aggregate purchase price (the “Purchase Price”) for the PUPs that the employee wishes to purchase.

The Purchase Date for the PUPs that are allocated to you now will be February 28, 2020.⁴⁵

Q4: Who administers the Plan?

A4: The Committee Chairperson administers the Plan. The Committee Chairperson has the full authority and discretion to take any actions the Committee Chairperson deems necessary or advisable for the administration of the Plan. All decisions, interpretations, and other actions of the Committee Chairperson will be final and binding.

Q5: How many PUPs are reserved under the Plan?

A5: JEA has reserved an aggregate of 100,000 PUPs for purchase by eligible employees under the Plan, of which only 35,000 PUPs will be available for purchase by eligible employees on February 28, 2020.

ALLOCATION OF PUPS

Q6: What is a PUP?

A6: Each PUP represents a right to receive a cash payment equal to the Redemption Price (as described in Q&A 14) in exchange for such PUP. A PUP is not, and does not represent, an equity, security interest or other ownership interest in JEA.

Q7: How are PUPs allocated under the Plan?

A7: Under the Plan, the Committee Chairperson has complete discretion to determine when and to whom PUPs will be allocated and the number of PUPs that may be allocated. The terms and conditions of the PUPs will be set forth in the Agreement which will separately be sent to you in the mail.

The Committee Chairperson may delegate the Committee Chairperson’s authority under the Plan to determine the number of PUPs that may be allocated to eligible employees

⁴⁵ JEA to confirm first purchase date.

(other than to the CEO) under the Plan to the CEO. The Committee Chairperson retains the authority to determine the number of PUPs that may be allocated to the CEO.

Q8: How many PUPs must I purchase to participate in the Plan?

A8: You may purchase up to the maximum number of PUPs allocated to you. However, you may purchase less than all of the PUPs that you have been allocated.

If you purchase none of the PUPs allocated to you, you will not participate in the Plan and you will not be eligible to receive the Redemption Price in exchange for your PUPs.

Q9: What is the Purchase Price?

A9: The Purchase Price is \$10.00 per PUP.

Q10: Will I be required to pay the Purchase Price for my PUPs?

A10: Yes, to purchase PUPs under the Plan, you must pay the aggregate Purchase Price for the PUPs you wish to purchase. The aggregate Purchase Price is equal to \$10.00 multiplied by the number of PUPs that you wish to purchase.

Example: If JEA allocates you five PUPs and you wish to purchase four PUPs, the aggregate Purchase Agreement will be equal to \$40.00 (\$10.00 x four PUPs).

Q11: How do I pay the Purchase Price for my PUPs?

A11: To pay the Purchase Price for the PUPs that you wish to purchase, you must elect to defer a portion of your pay earned in 2020 equal to the aggregate Purchase Price for the PUPs you wish to purchase. You may elect to defer your pay in a lump sum or equal installments during two payroll periods, as selected by you. Additional information regarding the deferral process will be set forth in the election form that will be separately mailed to you.

To purchase PUPs on February 28, 2020, you must elect to defer your pay by no later than November 22, 2019. If you do not make this election by November 22, 2019, you will not be eligible to purchase PUPs on February 28, 2020.

Q12: Under what circumstances will I forfeit the Purchase Price that I pay for my PUPs?

A12: If prior to the Vesting Date (as described in Q&A 13) your employment with JEA is terminated for cause (as described in Q&A 20) or you voluntarily terminate your employment with JEA for any reason, you will forfeit the entire amount of the Purchase Price that you paid for the PUPs that have not vested as of the date of your termination or voluntary termination, as applicable, of employment.

Additionally, you may forfeit the entire amount of the Purchase Price that you paid for the PUPs if performance is not attained (as described in Q&A 14).

Q13: When will I receive the Redemption Price for my PUPs?

A13: The PUPs will vest on the last day of the three-year performance period (as described in Q&A 14). However, if a Recapitalization Event (as described in Q&A 23) occurs, the PUPs will vest on the date on which the Recapitalization Event occurs. The date on which the PUPs vest is referred to as the “Vesting Date.” Except as otherwise described in Q&A 18, you must be employed with JEA on the Vesting Date for the PUPs to vest. You will only receive the Redemption Price for vested PUPs.

JEA will pay the Redemption Price to you for your vested PUPs no later than 30 days after the Redemption Price has been certified by the Committee Chairperson as described in Q&A 14. The amount of the Redemption Price will be reduced by applicable withholding taxes.

Q14: How is the Redemption Price calculated?

A14: The Redemption Price is calculated as set forth below based on a three-year performance period (~~if a Recapitalization Event occurs, the performance period will be shortened, and the performance period will end on the closing date of such Recapitalization Event~~) (the “**Performance Period**”).

The Performance Period will begin on **February 28, 2020** and will end on **February 28, 2023** (the “**2020/2023 Performance Period**”), ~~unless a Recapitalization Event occurs before such date, in which case the performance period will end on the date on which the closing of the Recapitalization Event occurs.~~⁶

The 2020/2023 Performance Period will be based on the following performance metrics:

⁶ JEA to confirm how this works with an audit that ends on September 30.

The Redemption Price will increase by \$100.00 per PUP for each “Value Change Percentage” increase of 1% in excess of the “Challenge Value Target” and will decrease by \$0.50 per PUP for each “Value Change Percentage” decrease of 1% below the Threshold Value Target, but the Redemption Price will not be less than \$0.00 per PUP (the “**Redemption Price**”).

- For the 2020/2023 Performance Period, the “Challenge Value Target” will be 110% and the “Threshold Value Target” will be 90%.
- The “Value Change Percentage” means a percentage equal to the “Current Year Value” divided by the “Base Year Value.”
- “Current Year Value” means, with respect to the Performance Period, the sum of (a) JEA’s Net Position, as shown on JEA’s audited financial statements for the Performance Period (or, in the case of a Recapitalization Event, JEA’s Net Position as shown on JEA’s audited financial statements immediately following the closing date of the Recapitalization Event), (b) the aggregate consideration paid directly or otherwise transferred to the City of Jacksonville whether in cash or in-kind (excluding any public service taxes or franchise fees) during the 12-month period prior to the end of the performance period, and (c) the aggregate consideration (including refunds, rebates and distributions) paid, distributed, credited or otherwise provided to JEA’s customers during the 12-month period prior to the end of the Performance Period. Any consideration and change in Net Position, as applicable, in connection with the Recapitalization Event will be taken into account for purposes of calculating the amounts in (a) – (c).
- For the 2020/2023 Performance Period, “Base Year Value” is the amount equal to the Current Year Value for fiscal year 2019, as reflected on JEA’s audited financial statements when available.

The Purchase Price may be decreased to \$0.00 in accordance with the above formula. The Purchase Price will be paid to you at the same time as the Redemption Price is paid to you for your vested PUPs.

[If a Recapitalization Event occurs, the Performance Period will be truncated and end on the date on which the closing of the Recapitalization Event occurs.](#)

Example:

Subject to the finalization of the annual audit, JEA’s Fiscal Year 2019 Net Position was \$2.977 billion, the contribution to the City of Jacksonville was \$132.8 million, and JEA did not provide any credits or rebates to customers in the preceding 12-month period.

This means that the “Threshold Value Target” is \$3.109 billion (\$2.977 billion + \$0.1328 billion + \$0) and the “Challenge Value Target” is 110% of that value or \$3.420 billion (\$3.109 billion x 110%).

[There are three possible outcomes at the end of the Performance Period:](#)

1. Value goes up

If, at the end of the Performance Period, the formula yields a value of \$3.60 billion, the value would be 115.8% (\$3.60 billion / \$3.109 billion). In this case, the Redemption Price per PUP would be \$580 (115.8 – 110 = 5.8 x \$100)⁵, exclusive of the Purchase Price for the Performance Units.

2. Value is the same

If, at the end of the Performance Period, the formula yields a value of \$3.30 billion, the value would be 106% (\$3.30 billion / \$3.109 billion). In this case, the value does not exceed the “Challenge Value Target” of 110% and, therefore, each PUP will have a Redemption Price equal to the Purchase Price of \$10.00 per PUP.

3. Value goes down

If, at the end of the Performance Period, the formula yields a value of \$2.70 billion, the value would be 86.8% (\$2.70 billion / \$3.109 billion). In this case, the Redemption Price of each PUP will decline by \$0.50 for each 1% loss in value. With a 13.2% decrease in value, the Redemption Price of each PUP would decline in value by \$6.60 (13.2 x \$0.50) and would have a Redemption Price of \$3.40 per PUP. If the value at the end of the Performance Period is less than 80%, the Redemption Price of each PUP will be \$0.00 and no Purchase Price would be refunded.

Q15: Is it possible that I may not receive any Redemption Price for my PUPs?

A15: Yes. As described in Q&A 14, the Redemption Price will be decreased by \$0.50 per PUP for each “Value Change Percentage” decrease of 1% below the Threshold Value Target ~~up to \$0.00 per PUP.~~ However, the Redemption Price will not be less than \$0.00 per PUP.

Q16: Who will calculate the Redemption Price?

A16: JEA’s Chief Financial Officer will calculate the Redemption Price per PUP. The Committee Chairperson will certify the Redemption Price as soon as practicable following the completion of JEA’s audit for the applicable Performance Period, but in no event later than 30 days following the end of the Performance Period.

Q17: Are there any conditions to my receipt of the Redemption Price?

A17: Yes, you need to satisfy certain conditions in order to receive the Redemption Price for your vested PUPs. These conditions include:

(a) you must execute the Agreement which will separately be sent to you in the mail and return it to JEA by following the instructions included in Tab D;

⁵ ~~JEA to confirm whether this the \$580 is inclusive of the \$10 Purchase Price.~~

- (b) except as described in Q&A 18, you must be continuously employed with JEA;
- (c) you must execute and not revoke a release of claims in favor of JEA and the City of Jacksonville (JEA will notify you when it is time for you to execute the release which will be shortly before the payment of the Redemption Price);⁷ and
- (d) you must comply with the covenants set forth in the Agreement.

Q18: What happens to my PUPs and the Purchase Price that I paid upon an involuntary termination of employment with JEA?

A18: If you experience an involuntary termination of employment prior to the applicable Vesting Date for your PUPs, you will still be paid the Redemption Price and the Purchase Price (if any) for all of your vested PUPs. Any Redemption Price payable to you as a terminated employee for your PUPs will be paid to you at the same time as the amounts would have been paid had you not experienced an involuntary termination of employment.

An involuntary termination of employment means a termination of employment by JEA without cause (as described in Q&A 20) or due to your death or disability (as defined in the Plan).

Q19: What happens to my PUPs and the Purchase Price that I paid upon a termination of employment with JEA for cause or a voluntary termination of employment?

A19: If you experience a termination of employment for cause (as described in Q&A 20) or you voluntarily terminate your employment with JEA for any reason, in each case, prior to the applicable Vesting Date for your PUPs, you will forfeit both the PUPs to the extent unvested and the Purchase Price that you paid for such unvested PUPs.

Q20: What is a termination of employment for “cause”?

A20: Under the Plan, “cause” generally means:

- (a) if you have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of purchase of the PUPs that defines a termination for “cause” (or words of like import), “cause” as defined in such agreement, or
- (b) if you do not have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of purchase of the PUPs or where there is such an agreement but it does not define “cause” (or words of like import) ~~-(i) you have been convicted of, pled guilty or no contest to or entered into a plea agreement~~

⁷ In response to Melissa’s question as to whether a copy of the release is available for review, we have not drafted the release, but any release could be based on JEA’s standard form release (or, if none, the form of release attached to the executive employment agreements).

~~with respect to, any felony under applicable law or any crime involving dishonesty or moral turpitude; (ii) you have engaged in (A) any willful misconduct or gross negligence or (B) any act of dishonesty, violence or threat of violence that would reasonably be expected to result in a material injury to JEA; (iii) you willfully fail to perform your duties to JEA and/or willfully fail to comply with lawful directives of the Board; (iv) you materially breach any term of any contract to which you and JEA is a party; or (v) you materially breach any term of the Plan and/or the Agreement,~~
then “cause” as defined in the Plan.

~~With respect to clauses (iii), (iv) and (v) and if the event giving rise to the claim of “cause” is curable, JEA will provide written notice to you of the event within 30 days of JEA learning of the occurrence of such event, and such cause event must remain uncured 15 days after JEA has provided such written notice and any termination of your employment for “cause” with respect to clause (iii), (iv) or (v) must occur no later than 30 days following the expiration of such cure period.~~

Notwithstanding the foregoing, to the extent that this definition of “cause” is inconsistent with a definition of “cause” (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the “**Civil Service Rules**”), the definition of “cause” (or words of like import) in such collective bargaining agreement or the Civil Service Rules, as applicable, will control.

Q21: What happens if I am retirement eligible and retire before the applicable Vesting Date?

A21: If you become a retirement eligible employee (as described below) and retire, in each case, prior to the applicable Vesting Date for your PUPs, your PUPs will vest on the applicable Vesting Date, but whether you receive the Redemption Price and the Purchase Price that you paid for them will depend on whether the performance metrics (as described in Q&A 14) are attained.

You are retirement eligible if you have attained one of the retirement milestones as described in the General Employees Retirement Plan.

Q22: What happens if my designation changes from appointed to civil service?

- A22: If at any time from when you are notified by JEA of your eligibility to participate in the Plan and ending on the last day of the Performance Period, your designation changes from appointed to civil service (whether or not such change is voluntary), the level at which you participate in the Plan will be adjusted to reflect such change.

If such change occurs (a) at any time prior to the Purchase Date, the number of PUPs that you will be eligible to purchase will be adjusted to a number of PUPs that is equal to the number of PUPs you would have been eligible to purchase had you been civil service on the date on which you were notified of your eligibility to participate in the Plan or (b) at any time on or after the Purchase Date, but prior to the last day of the Performance Period, you will forfeit a number of PUPs such that you will have purchased a number of PUPs that is equal to the maximum number of PUPs you would have been eligible to purchase had you been civil service on the Purchase Date (it being understood that such number of forfeited PUPs may be zero) and JEA will refund to you the aggregate Purchase Price for such forfeited PUPs.

RECAPITALIZATION EVENT

- Q23: What is a Recapitalization Event?

- A23: A “Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other applicable law that results in either (a) unencumbered cash proceeds to the City of Jacksonville of at least \$3,000,000,000 or (b) at least 50% of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of.
-

- Q24: What happens to my PUPs upon a Recapitalization Event?

- A24: On the closing date of a Recapitalization Event, your PUPs will vest and the Redemption Price will be paid to you in cash no later than 30 days after the Redemption Price has been certified by the Committee Chairperson as described in Q&A 16.

Additionally, the Plan and the Agreement will be assigned to, and assumed by, JEA’s successor in a Recapitalization Event. Upon such assignment and assumption, the rights and obligations of JEA under the Plan and the Agreement will become the rights and obligations of such successor.

TAB B

RISK FACTORS TO BE CONSIDERED BEFORE PURCHASING PUPS UNDER THE JEA LONG-TERM PERFORMANCE UNIT PLAN

The occurrence of any of the following risks could materially and adversely affect JEA's business, operating results and financial condition. In addition, risks and uncertainties that are not presently known to us or that we currently believe are immaterial may also impair JEA's business and operations. If any of these risks occur, the value of your PUPs could decline and you may lose all or part of your Purchase Price.

The list of risk factors below should not be considered a complete enumeration or explanation of the risks involved in purchasing the PUPs under the Plan. You should carefully evaluate all of the information in this invitation booklet, the Plan and the Agreement and consult with your own legal, tax and/or financial advisers before deciding whether to purchase PUPs and pay the Purchase Price under the Plan.

There are a number of factors that may impact JEA's business and financial conditions.

The Redemption Price of the PUPs will be subject to the future performance of JEA. Accordingly, before purchasing the PUPs, you should carefully consider the risk factors described in JEA's Electric System and Water & Sewer System Annual Disclosure Reports (the "Annual Reports") filed with the Municipal Securities Rulemaking Board on its EMMA website and on www.jea.com under the "Financial Reports" section (About > Investor Relations > Financial Reports > Annual Disclosure Reports), which are incorporated by reference into this invitation booklet, together with the other information provided herein or incorporated by reference in this invitation booklet (including the risks set forth below).

The issues and associated risks and uncertainties discussed in the Annual Disclosure Reports that are incorporated herein by reference are not the only ones JEA may face. Additional issues may arise or become material as the energy, water and wastewater industries evolve. The risks and uncertainties associated with those additional issues could impair JEA's businesses in the future.

The Redemption Price of the PUPs in the future may be higher or lower than the Purchase Price that you paid for the PUPs due to changes in JEA's operating performance or prospects and other factors, including broad market fluctuations. Some specific factors that may have a significant effect on the Redemption Price of your PUPs if they were to occur include:

- JEA has a history of losses, and may not achieve or maintain profitability in the future;
- climate change, or legal, regulatory or market measures to address climate change, may negatively affect JEA's business, operations and/or financial performance;
- natural disasters, including, but not limited to, hurricanes and/or fires, could destroy JEA's facilities and equipment;

- actual or anticipated fluctuations in JEA's operating results or future prospectus;
- factors outside of JEA's control, including modifications to JEA's book value;
- strategic actions by other industry participants, such as acquisitions or restructurings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to JEA's business;
- JEA may be subject to legal proceedings and litigation, which are costly and may subject JEA to significant liability and increased costs of doing business;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- adverse conditions in the financial markets or general economic conditions, including but not limited to, those resulting from war, incidents of terrorism and responses to such events.

There is no duty to update this invitation booklet.

JEA has no obligation to update the information contained in this invitation booklet. Accordingly, you should bear in mind that there may have been material changes in the affairs of JEA since the date of this invitation booklet, and it is up to you to review JEA's publicly available reports and information.

The information and expressions of opinion set forth herein or included herein by specific reference are subject to change without notice, and neither the delivery of this invitation booklet, nor the Plan nor the Agreement shall, under any circumstances, create the implication that there has been no change in the affairs of JEA since the date hereof and thereof.

The PUPs are not transferable and there is no market available for sale of the PUPs.

You may not transfer, sell, pledge or otherwise dispose of your PUPs (other than by will or the laws of descent or distribution) and there is no market to sell the PUPs.

* * *

<p>THE PUPS ARE NOT EQUITY, SECURITIES OR OTHER OWNERSHIP INTEREST IN JEA, NOR ARE THEY INTENDED TO BE TREATED AS SUCH, AND ANY REPRESENTATION BY ANY PERSON, INCLUDING JEA OR ITS AGENTS, TO THE CONTRARY SHOULD NOT BE RELIED UPON.</p>
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TAB C

FINANCIAL STATEMENTS

You can access and view JEA's financial statements, including the unaudited Quarterly Analysis of Financial Performance for the quarter ended June 30, 2019, through this link:⁶⁸ [_](https://www.jea.com/About/Investor_Relations/Financial_Reports/)

https://www.jea.com/About/Investor_Relations/Financial_Reports/

⁶⁸ [_](#) To be updated prior to distribution to participants, as necessary.

TAB D

INSTRUCTIONS FOR PARTICIPATING IN THE JEA LONG-TERM PERFORMANCE UNIT PLAN

To purchase PUPs and participate in the Plan:

- You must sign and return your Long-Term Performance Unit Agreement which will separately be sent to you in the mail; and
- You must complete, sign and return the Purchase of Performance Units and Deferral Election attached as Schedule I to your Long-Term Performance Unit Agreement which will separately be sent to you in the mail.

The documents listed above must be returned to Pillsbury Winthrop Shaw Pittman LLP, Attention: JEA PUP, at 31 West 52nd Street, New York, NY 10019. We will include a self-addressed, stamped envelope that you may use to return the above documents. Please make a copy of the documents for your records.

<p>All required documents must be postmarked by no later November 22, 2019. If your required documents are postmarked later than November 22, 2019, your election will not be processed and you will not be eligible to purchase PUPs and participate in the Plan.</p>

TAB E

JEA LONG-TERM PERFORMANCE UNIT PLAN

[To be attached]

Summary report: Litera® Change-Pro for Word 10.5.0.0 Document comparison done on 10/14/2019 10:05:22 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: JEA - Long-Term Performance Unit Plan - Invitation Booklet.docx	
Modified filename: JEA - Long-Term Performance Unit Plan - Invitation Booklet(1).docx	
Changes:	
Add	28
Delete	20
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	48