

# DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

## FINAL ASSESSMENT

### CUBIC CORPORATION

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	5/8
2. Internal Controls	6	2/12
3. Support to Employees	7	4/14
4. Conflict of Interest	4	2/8
5. Customer Engagement	7	1/14
6. Supply Chain Management	5	2/10
7. Agents, Intermediaries and Joint Ventures	10	2/20
8. Offsets	4	0/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	0	N/A
<b>TOTAL</b>		<b>21/102</b>
<b>BAND</b>		<b>E</b>

\*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

## 1. Leadership and Organisational Culture

Question
<b>1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?</b>
Score
<b>0</b>
Comments
The company's Code of Business Conduct outlines its commitment to anti-bribery and corruption, however, the statement endorsed by the company's leadership makes only a general commitment to integrity and high ethical standards.
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.2] Dear Valued Colleagues,</p> <p>We know that ethics are the foundation of our business, but what does that mean? It means that our actions must be guided by the highest ethical standards – by not only what is legal or contractually allowed, but also by what is right.</p> <p>Our business conduct shapes our personal and collective reputation; therefore, adhering to a code of conduct is vitally important and should be pervasive in everything we do. We cannot achieve our strategic goals or lasting success without maintaining our reputation for honesty and integrity. That means complying with both the letter and spirit of our Code of Business Conduct, and always considering the effect of our words and deeds on our customers, employees, shareholders, the public and the environment. Put simply, good ethics is good business and the right thing.</p> <p>Each of us has a personal responsibility for upholding our values and standards of business conduct. I urge you to read our Code and become thoroughly familiar with its contents. Moreover, if you are ever unsure about the right thing to do, please reach out for guidance and advice. And, if you observe misconduct, please speak up. We need to hear from you. The Code explains where to get guidance and how to report concerns.</p> <p>Thank you for your outstanding service to our customers and great company. Together we will preserve our reputation as a trusted provider of world-class products and services to our valued customers around the globe.</p> <p>Sincerely,  Bradley H.Feldmann  Chairman, President &amp; CEO</p> <p>[p.33] Integrity, honesty and transparency should guide our business activities with customers, suppliers and other business partners. We will not engage in bribery or any other type of corruption, whether involving public officials or private individuals.</p> <p>Many countries, including the United States, United Kingdom and Australia have passed laws criminalizing bribery of government officials. These laws apply to all Cubic employees around the world and the sanctions for violating them can be severe, including large corporate and individual fines, debarment, and imprisonment.</p> <p>We must never offer, attempt to offer, authorize or promise any sort of bribe, payment or kickback to a government official or private party for the purpose of obtaining or retaining business or an improper advantage. Likewise, we must never solicit or accept a bribe or kickback from a public official or private party. A bribe includes any payment, benefit or gift offered, promised or given with the purpose of influencing a decision or outcome.</p>

Cubic also prohibits the payment of “facilitation payments,” which are small sums paid to foreign government officials to expedite or facilitate nondiscretionary actions or services, such as obtaining an ordinary license or government service. We must never hire someone else to do anything that we cannot ethically or legally do ourselves. Cubic and its employees can be held liable for bribes paid by a third-party agent or consultant acting on Cubic’s behalf.

We will use reasonable diligence in vetting the legitimacy of business dealings with customers and partners. We will not be party to any likely or known illegal or fraudulent transactions or business dealings.

All employees who interact with current or potential customers have an obligation to understand and comply with all company policies and applicable laws pertaining to anti-bribery and anti-corruption. Training and resources will be provided on these standards; however, when in doubt, consult your management team or Cubic’s Law Department.

Question
<b>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</b> <b>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</b> <b>b) All board members, including non-executive directors.</b>
Score
1
Comments
<p>There is evidence that the company sets out an anti-bribery and corruption policy in its Code of Business Conduct which includes a prohibition on bribery, payments to public officials, commercial bribery and facilitation payments. The Code of Business Conduct applies to all employees.</p> <p>However, it is not clear that the policy applies to all board members, including non-executive directors.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.7] A Code of Conduct summarizes standards of business conduct expected of all employees. It provides general guidance on situations that may arise in your day-to-day activities on behalf of the company. It also tells you where you can get more detailed information and who you can ask for help.</p> <p>This Code is a guide and cannot describe every law, policy or process that may apply to you or every situation that you may face. As a general rule, you are responsible for understanding and complying with the laws, regulations and policies that relate to your business activities. We realize, however, that you cannot be an expert in all subjects, and there may be times when you face issues or situations that you're not sure about. The most important thing to remember is: when in doubt, ask. Cubic has many resources and subject-matter specialists to help you, in addition to your management team.</p> <p>All of us, wherever we work, must follow these standards of conduct when dealing with fellow employees, customers, suppliers, contractors, stakeholders and competitors. Failing to comply with our Code is a violation of Cubic policy and may result in disciplinary action or employment termination.</p> <p>[p.33] Integrity, honesty and transparency should guide our business activities with customers, suppliers and other business partners. We will not engage in bribery or any other type of corruption, whether involving public officials or private individuals.</p> <p>Many countries, including the United States, United Kingdom and Australia have passed laws criminalizing bribery of government officials. These laws apply to all Cubic employees around the world and the sanctions for violating them can be severe, including large corporate and individual fines, debarment, and imprisonment.</p> <p>We must never offer, attempt to offer, authorize or promise any sort of bribe, payment or kickback to a government official or private party for the purpose of obtaining or retaining business or an improper advantage. Likewise, we must never solicit or accept a bribe or kickback from a public official or private party. A bribe includes any payment, benefit or gift offered, promised or given with the purpose of influencing a decision or outcome.</p> <p>Cubic also prohibits the payment of "facilitation payments," which are small sums paid to foreign government officials to expedite or facilitate nondiscretionary actions or services, such as obtaining an ordinary license or government service. We must never hire someone else to do anything that we cannot ethically or legally do ourselves. Cubic and its employees can be held liable for bribes paid by a third-party agent or consultant acting on Cubic's behalf.</p> <p>We will use reasonable diligence in vetting the legitimacy of business dealings with customers and partners. We will not be party to any likely or known illegal or fraudulent transactions or business dealings. All employees who interact with current or potential customers have an obligation to understand and comply with all company policies and applicable laws pertaining to anti-bribery and anti-corruption.</p>

**[2] Code of Business Conduct (webpage)**

Accessed 22/06/2019

<https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1>

Our Code of Business Conduct expresses the standards and expectations for how we do business. It covers many subjects, but the core principal throughout can be described this way: we will not lie, cheat, steal, or tolerate those who do. We will be accountable for our actions and decisions.

Every employee is accountable to uphold the principals and standards expressed in our Code of Business Conduct. They receive regular training and messaging regarding company expectations, and are encouraged to speak up when they see or hear something that isn't right.

**[18] Code of Ethical Conduct for Principal Executive and Financial Officers**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/code-of-ethical-conduct.pdf>

[p.1] Senior corporate officers have an important and elevated role in corporate governance. They are uniquely capable and empowered to ensure that the interests of the Company and its shareholders are properly protected. Accordingly this Code provides principles to which the Company's Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Treasurer, Controller, General Counsel and all Executive and Senior Vice Presidents are expected to adhere and to advocate. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Company, the public, and the Company's shareholders.

These officers are required to certify that they will adhere to and advocate the following principles and responsibilities governing their professional and ethical conduct:

1. That they will act honestly and ethically including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. That they will avoid conflicts of interest and will disclose to the General Counsel or the Chairman of the Audit and Compliance Committee any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
3. That they will assure that reports and documents that the Company files with, or submits to, the Securities and Exchange Commission, and other public communications made by the Company contain, information that is full, fair, accurate, complete, objective, relevant, timely and understandable;
4. That they will comply with applicable governmental laws, rules and regulations;
5. That they will act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing independent judgment to be subordinated;
6. That they will respect the confidentiality of information acquired in the course of employment except when specifically authorized or otherwise legally obligated to disclose.
7. That they will promote ethical behavior to Company employees in their department and among their peers; and
8. That they will achieve responsible use of and control over all assets and resources employed or entrusted to them in the course of their employment.

Any employee discovering a violation of this Code shall promptly report such matters to either the General Counsel or the Chairman of the Audit and Compliance Committee. Violations of the Code will result in appropriate disciplinary action.

Question
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
Score
<b>2</b>
Comments
<p>There is evidence that a designated board committee, the Ethics and Corporate Responsibility Committee, is ultimately responsible for the oversight of the company's anti-bribery and corruption programme. Although the Ethics and Corporate Responsibility Committee Charter does not explicitly mention oversight of anti-bribery and corruption, its remit includes reviewing compliance with the company's Code of Conduct, which sets out its anti-bribery and corruption policy. This committee receives reports from the Chief Ethics and Compliance Officer and/or General Counsel and makes recommendations to the board regarding the enhancement of the company's policies and activities. The company's Audit and Compliance Committee is responsible for reviewing the results of internal and external audits.</p>
Evidence
<p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.1] Statement of Purpose  The purpose of the Ethics and Corporate Responsibility Committee (the "Committee") is to review and recommend to management and the Board of Directors (the "Board") objectives, policies and procedures that best serve the Company's and its shareholders' interests in maintaining a business environment and organizational culture committed to high standards of ethics, integrity and compliance in the area of corporate responsibility, including topics such as conflict minerals, human trafficking, human testing, employee relations, health and safety, political participation, and environmental stewardship.</p> <p>Composition, Membership and Operation  1. Composition of Committee. The Committee shall consist of not less than three directors, who shall be independent directors. Members of the Committee shall be appointed to, and removed from, the Committee by the Board.</p> <p>2. Operation of Committee. A majority of the members of the Committee shall constitute a quorum for doing business. All actions of the Committee shall be taken by a majority vote of the members of the Committee present at a meeting at which a quorum is present or by unanimous written consent. The Committee Chair, who shall be selected by the Board, is responsible for the leadership of the Committee, including preparation of meeting agendas.</p> <p>3. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. If necessary, the Committee Chair may call special meetings of the Committee. The Committee shall keep such records of its meetings as it deems appropriate and the Committee Chair shall report regularly to the Board on its activities.</p> <p>Duties and Responsibilities  The Committee shall:  1. Review and Recommend • Review the Company's Code of Conduct and relevant policies and procedures related to ethics and corporate responsibility. The areas of review shall include (1) human resource programs in areas such as compensation, benefits, equal opportunity, affirmative action, workplace diversity, employee safety, conflicts of interest, recruitment, retention, training and career development (2) conflict minerals, (3) human trafficking, (4) human testing, and (5) environmental compliance. The Committee shall recommend to the Board and management enhancements to such policies and activities deemed advisable by the Committee to ensure compliance with appropriate laws, regulations and best practices.</p> <p>[p.2] 2. Review and Monitor the Company's Compliance with Established Policies and Standards of Ethics and Corporate Responsibility • Except for matters otherwise delegated by the Board to the Audit &amp; Compliance</p>

Committee or another committee, review and monitor compliance with the Company's policies and practices in the areas of ethics and corporate responsibility.

- Review and monitor the Company's policies, practices and activities with respect to contributions to charitable, educational and other tax-exempt organizations.
- Review and monitor the Company's policies and practices with respect to political contributions, government relations and political action committees.
- Review such political, social and environmental issues that may affect the business operations, performance, business continuity, crisis planning, and public image or reputation of the Company, as determined to be appropriate and consistent with the role of this Committee.
- Review data on the frequency and range of disciplinary and corrective actions taken by the Company in response to substantiated violations of the law or Company policy related to ethics and corporate responsibility.
- If presented with a matter or issue more appropriately addressed by the Audit & Compliance Committee of the Board or other body, refer such matter or issue to the Audit & Compliance Committee or other body for consideration and jointly respond to such matter or issue, if appropriate.

3. Committee Self-Evaluation. Conduct an annual evaluation of the Committee's own performance and report the results of such evaluation to the Board.

#### Communications with the Committee

The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.

#### [13] Notice of Annual General Meeting and Proxy Statement

<https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf>

Accessed 22/06/2019

[p.13]

##### Ethics and Corporate Responsibility Committee

The Ethics and Corporate Responsibility Committee members are Mr. Norris (Chair), Admiral Hamby and Dr. Warner. The committee met four times during fiscal year 2018. The purpose of the committee is to review and recommend to management and the Board objective

policies and procedures that best serve Cubic's and its shareholders' interests in maintaining a business environment to high standards of ethics, integrity and compliance in the area of corporate responsibility, including topics such as conflict minerals, human trafficking, global data privacy, human testing, employee relations, health and safety, political participation and environmental stewardship.

Cubic has an internal Compliance Steering Committee ("CSC"), comprised of senior leaders with a wide variety of subject-matter expertise and authority, led by the Vice President of Compliance, reporting to the Ethics and Corporate Responsibility Committee. The CSC's mission is to promote a culture of ethical integrity and legal accountability across the global organization. The program that it has established includes, among other things, an employee Code of Business Conduct, a Code of Conduct for Third Parties, a third party due diligence and management system, an anonymous and global complaint reporting mechanism for both employees and third parties (Cubic Helpline), global mechanisms for employees to report conflicts of interest and any environmental, health or safety concerns, a complaint investigation and reporting process, regular communications to and training of Cubic employees on matters of ethics and compliance, global surveys regarding the company's ethical culture, and regular reporting to senior management and the Ethics and Corporate Responsibility Committee regarding the effectiveness of program components.



**[15] Audit and Compliance Committee Charter**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf>**[p.1] Organization**

This Charter governs the operations of the Audit & Compliance Committee. The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors in respect of any revisions. The Committee shall be members of, and appointed by, the Board of Directors and shall comprise at least three Directors, each of whom are independent of management and the Company. Members of the Committee shall be considered independent as long as they do not accept any consulting, advisory, or other compensatory fee from the Company (other than in their capacity as a Board or Committee member) and are not an affiliated person (i.e. not directly or indirectly controlling, controlled by, or under common control) of the Company or its subsidiaries, and meet the independence requirements of the applicable stock exchange listing standards. All Committee members shall be financially literate, and at least one member shall be an "Audit Committee Financial Expert," as defined by SEC regulations (see Qualifications below).

**Purpose**

The Committee shall provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to: the integrity of the Company's financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of the Company's internal audit function and independent auditors; the independent auditor's qualifications and independence; and the Company's compliance with ethics policies and legal and regulatory requirements. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors, the internal auditors, and management of the Company.

[p.2] At least annually, the Committee shall obtain and review a written report by the independent auditors describing:

- The firm's internal quality control procedures.
- Any material issues raised by the most recent internal quality control or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
- All relationships between the independent auditor and the Company (to assess the auditor's independence) consistent with Independence Standards Board Standard 1.

[p.3] The Committee shall receive and take appropriate action concerning reports from: (a) Company lawyers regarding evidence of a material violation of securities laws, breaches of fiduciary duty or other material issues, and (b) the independent auditors concerning any report of their discovery of an illegal action or omission. The Committee shall ensure that senior management will take timely and appropriate remedial actions concerning all such matters.

The Committee shall also receive and take appropriate action concerning reports from the Chief Ethics and Compliance Officer regarding the status and effectiveness of the corporate ethics and compliance program. This includes, but is not limited to, reports regarding internal complaints of misconduct, material findings of unethical or illegal conduct, and the company's resolution and remedial measures.



Question
<b>1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?</b>
Score
<b>2</b>
Comments
There is evidence that a designated senior executive has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. They oversee the implementation of the Code of Conduct and measures relating to the anti-corruption programme. There is evidence that they provide regular reporting to the Ethics and Corporate Responsibility Committee on the effectiveness of the company's anti-corruption programme.
Evidence
<p><b>[13] Notice of Annual General Meeting and Proxy Statement</b>  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf</a>  Accessed 22/06/2019</p> <p>[p.13]</p> <p><b>Ethics and Corporate Responsibility Committee</b></p> <p>The Ethics and Corporate Responsibility Committee members are Mr. Norris (Chair), Admiral Hamby and Dr. Warner. The committee met four times during fiscal year 2018. The purpose of the committee is to review and recommend to management and the Board objective policies and procedures that best serve Cubic's and its shareholders' interests in maintaining a business environment to high standards of ethics, integrity and compliance in the area of corporate responsibility, including topics such as conflict minerals, human trafficking, global data privacy, human testing, employee relations, health and safety, political participation and environmental stewardship.</p> <p>Cubic has an internal Compliance Steering Committee ("CSC"), comprised of senior leaders with a wide variety of subject-matter expertise and authority, led by the Vice President of Compliance, reporting to the Ethics and Corporate Responsibility Committee. The CSC's mission is to promote a culture of ethical integrity and legal accountability across the global organization. The program that it has established includes, among other things, an employee Code of Business Conduct, a Code of Conduct for Third Parties, a third party due diligence and management system, an anonymous and global complaint reporting mechanism for both employees and third parties (Cubic Helpline), global mechanisms for employees to report conflicts of interest and any environmental, health or safety concerns, a complaint investigation and reporting process, regular communications to and training of Cubic employees on matters of ethics and compliance, global surveys regarding the company's ethical culture, and regular reporting to senior management and the Ethics and Corporate Responsibility Committee regarding the effectiveness of program components.</p> <p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.1] Composition, Membership and Operation</p> <p>1. Composition of Committee. The Committee shall consist of not less than three directors, who shall be independent directors. Members of the Committee shall be appointed to, and removed from, the Committee by the Board.</p>

2. Operation of Committee. A majority of the members of the Committee shall constitute a quorum for doing business. All actions of the Committee shall be taken by a majority vote of the members of the Committee present at a meeting at which a quorum is present or by unanimous written consent. The Committee Chair, who shall be selected by the Board, is responsible for the leadership of the Committee, including preparation of meeting agendas.

3. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. If necessary, the Committee Chair may call special meetings of the Committee. The Committee shall keep such records of its meetings as it deems appropriate and the Committee Chair shall report regularly to the Board on its activities.

[p.2] Communications with the Committee

The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.

## 2. Internal Controls

Question
<b>2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?</b>
Score
<b>0</b>
Comments
<p>There is no evidence that the company's anti-bribery and corruption programme is designed and adapted based on an assessment of risk. Although there is evidence that the company has a broader Enterprise Risk Management process, details about this as it relates to the anti-bribery and corruption programme is insufficient to merit a score of '1'.</p>
Evidence
<p><b>[13] Notice of annual general meeting and proxy statement</b>  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf</a>            Accessed 22/06/2019</p> <p>[p.13]</p> <p><b>Ethics and Corporate Responsibility Committee</b></p> <p>The Ethics and Corporate Responsibility Committee members are Mr. Norris (Chair), Admiral Hamby and Dr. Warner. The committee met four times during fiscal year 2018. The purpose of the committee is to review and recommend to management and the Board objective</p> <p>policies and procedures that best serve Cubic's and its shareholders' interests in maintaining a business environment to high standards of ethics, integrity and compliance in the area of corporate responsibility, including topics such as conflict minerals, human trafficking, global data privacy, human testing, employee relations, health and safety, political participation and environmental stewardship.</p> <p>Cubic has an internal Compliance Steering Committee ("CSC"), comprised of senior leaders with a wide variety of subject-matter expertise and authority, led by the Vice President of Compliance, reporting to the Ethics and Corporate Responsibility Committee. The CSC's mission is to promote a culture of ethical integrity and legal accountability across the global organization. The program that it has established includes, among other things, an employee Code of Business Conduct, a Code of Conduct for Third Parties, a third party due diligence and management system, an anonymous and global complaint reporting mechanism for both employees and third parties (Cubic Helpline), global mechanisms for employees to report conflicts of interest and any environmental, health or safety concerns, a complaint investigation and reporting process, regular communications to and training of Cubic employees on matters of ethics and compliance, global surveys regarding the company's ethical culture, and regular reporting to senior management and the Ethics and Corporate Responsibility Committee regarding the effectiveness of program components.</p> <p>[p.13]</p>

#### Risk Management

The Board reviews and approves the procedures adopted and conclusions reached by our Executive Management Committee ("EMC") and discusses with the General Counsel, who is responsible for the Enterprise Risk Management ("ERM") process, and the CEO, the major risk exposures and the steps that have been taken to monitor and control such exposures.

The EMC reviews and assesses perceived risks to the enterprise as a whole and its major subsidiaries. It works with relevant managers and develops mitigation and remediation plans. Periodic reports are brought to the attention of the Board by the General Counsel.

We have an ERM process for the parent company and sub-groups for our business segments. Each group consists of its senior officers who meet periodically to identify, assess and rank the perceived severity of risks unique to their businesses. Appropriate mitigation plans and training are implemented. To date, the EMC has not identified any risks, capable of control, which it believes cannot be reasonably controlled or mitigated.

[p.14]

The Board's focus and concern is to identify, and ensure the Company has a plan to respond to, those few issues which could seriously impact our, or one of our material divisions' short or long-term ability to continue normal operations.

In conjunction with the risk management review, the Board also addresses our legal compliance efforts in certain complex areas, such as export control, antitrust and foreign corrupt practices.

#### [16] Ethics and Corporate Responsibility Committee Charter

Accessed 22/06/2019

[https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter\\_FI\\_NAL%2011.2018%20FOR%20POST.pdf](https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf)

[p.1] Duties and Responsibilities

The Committee shall:

1. Review and Recommend • Review the Company's Code of Conduct and relevant policies and procedures related to ethics and corporate responsibility. The areas of review shall include (1) human resource programs in areas such as compensation, benefits, equal opportunity, affirmative action, workplace diversity, employee safety, conflicts of interest, recruitment, retention, training and career development (2) conflict minerals, (3) human trafficking, (4) human testing, and (5) environmental compliance. The Committee shall recommend to the Board and management enhancements to such policies and activities deemed advisable by the Committee to ensure compliance with appropriate laws, regulations and best practices.

[p.2] 2. Review and Monitor the Company's Compliance with Established Policies and Standards of Ethics and Corporate Responsibility • Except for matters otherwise delegated by the Board to the Audit & Compliance Committee or another committee, review and monitor compliance with the Company's policies and practices in the areas of ethics and corporate responsibility.

Question
<b>2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?</b>
Score
<b>0</b>
Comments
There is no evidence that the company's anti-bribery and corruption programme is subject to audit or review, and the company does not clearly state how frequently audits are conducted or whether the findings are used to update the programme.
Evidence
<p><b>[15] Audit and Compliance Committee Charter</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf">https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf</a></p> <p>[p.1] Purpose</p> <p>The Committee shall provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to: the integrity of the Company's financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of the Company's internal audit function and independent auditors; the independent auditor's qualifications and independence; and the Company's compliance with ethics policies and legal and regulatory requirements. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors, the internal auditors, and management of the Company.</p> <p>[p.2] At least annually, the Committee shall obtain and review a written report by the independent auditors describing:</p> <ul style="list-style-type: none"> <li>• The firm's internal quality control procedures.</li> <li>• Any material issues raised by the most recent internal quality control or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.</li> <li>• All relationships between the independent auditor and the Company (to assess the auditor's independence) consistent with Independence Standards Board Standard 1.</li> </ul> <p>[p.3] The Committee shall receive and take appropriate action concerning reports from: (a) Company lawyers regarding evidence of a material violation of securities laws, breaches of fiduciary duty or other material issues, and (b) the independent auditors concerning any report of their discovery of an illegal action or omission. The Committee shall ensure that senior management will take timely and appropriate remedial actions concerning all such matters.</p> <p>The Committee shall also receive and take appropriate action concerning reports from the Chief Ethics and Compliance Officer regarding the status and effectiveness of the corporate ethics and compliance program. This includes, but is not limited to, reports regarding internal complaints of misconduct, material findings of unethical or illegal conduct, and the company's resolution and remedial measures.</p> <p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.1] Duties and Responsibilities  The Committee shall:</p> <p>1. Review and Recommend</p> <ul style="list-style-type: none"> <li>• Review the Company's Code of Conduct and relevant policies and procedures related to ethics and corporate responsibility. The areas of review shall include (1) human resource programs in areas such as compensation,</li> </ul>

benefits, equal opportunity, affirmative action, workplace diversity, employee safety, conflicts of interest, recruitment, retention, training and career development (2) conflict minerals, (3) human trafficking, (4) human testing, and (5) environmental compliance. The Committee shall recommend to the Board and management enhancements to such policies and activities deemed advisable by the Committee to ensure compliance with appropriate laws, regulations and best practices.

[p.2] 2. Review and Monitor the Company's Compliance with Established Policies and Standards of Ethics and Corporate Responsibility

- Except for matters otherwise delegated by the Board to the Audit & Compliance Committee or another committee, review and monitor compliance with the Company's policies and practices in the areas of ethics and corporate responsibility.

- Review and monitor the Company's policies, practices and activities with respect to contributions to charitable, educational and other tax-exempt organizations.

- Review and monitor the Company's policies and practices with respect to political contributions, government relations and political action committees.

- Review such political, social and environmental issues that may affect the business operations, performance, business continuity, crisis planning, and public image or reputation of the Company, as determined to be appropriate and consistent with the role of this Committee.

- Review data on the frequency and range of disciplinary and corrective actions taken by the Company in response to substantiated violations of the law or Company policy related to ethics and corporate responsibility.

- If presented with a matter or issue more appropriately addressed by the Audit & Compliance Committee of the Board or other body, refer such matter or issue to the Audit & Compliance Committee or other body for consideration and jointly respond to such matter or issue, if appropriate.

3. Committee Self-Evaluation. Conduct an annual evaluation of the Committee's own performance and report the results of such evaluation to the Board.

#### Communications with the Committee

The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.



Question
<b>2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company publicly commits to investigating incidents, and there is a specific procedure in place to deal with whistleblowing cases, which stipulates documentation and actions to be taken at each step. Information on whistleblower reports is held by EthicsPoint, the operator of the company's external whistleblower channel. Whistleblower reports are made available to the Ethics and Corporate Compliance Group, as well as appropriate members of the company's management. The company commits to providing whistleblowers with updates on the outcome of investigations where legal. The Chief Ethics and Compliance Officer provides summary information on reports received to the Ethics and Corporate Responsibility Committee.</p> <p>However, it is not clear how frequently the committee reviews this summary information or whether it is on a regular basis.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.11] If you believe that our legal or ethical responsibilities are being violated, or you are being pressured to violate the law or our ethical responsibilities, you have an obligation to communicate your concern to the company.</p> <p>You may report the matter to your manager, senior management, any of Cubic's subject-matter specialists (see the Resources section), or Cubic's Helpline. You should use the method of communication that is most comfortable for you.</p> <p>Cubic's Helpline provides employees with a confidential and secure way to obtain advice or raise concerns. Employees and contractors with whom we work may access our helpline through free of charge telephone numbers or a secure web portal.</p> <p>You may remain anonymous, although we encourage you to provide your name so we can ask follow-up questions. If you make an anonymous report, please provide as much detail as possible.</p> <p>Cubic Helpline  Report online: <a href="https://cubic.ethicspoint.com">cubic.ethicspoint.com</a></p> <p>The Cubic Helpline is available 24/7 in multiple languages. Both helpline calls and website reports are answered by an independent third party that is required by contract and applicable laws to provide confidentiality. The helpline does not use online monitoring caller ID, recorders, or other devices that would identify or trace the caller's number.</p> <p>When you utilize the Cubic Helpline, what can you expect?</p> <ul style="list-style-type: none"> <li>• You will be asked to provide relevant details, which will be included in a report prepared by our independent helpline provider. The report will be forwarded to corporate compliance.</li> <li>• The concern will be reviewed by appropriate members of management, such as representatives from HR, Legal, Security, and/or Internal Audit. If the matter can be effectively investigated by an individual in the region or business unit, it may be referred there. If not, it may be referred for investigation by Corporate HR, Internal Audit, the Law Department or a third-party investigator.</li> </ul>



- The concern will be handled promptly, discreetly and professionally. Discussions and inquiries will be kept in confidence to the greatest extent practicable.

- Within the bounds of applicable privacy and personnel laws, we will share with you our investigation conclusions and actions taken.

#### **[5] Cubic Helpline (webpage)**

Accessed 22/06/2019

<https://secure.ethicspoint.com/domain/media/en/gui/53750/index.html>

Make a Difference! Speak up if you have a concern or need advice.

At Cubic, one of our core values is “doing the right thing.” Everyone plays a part in putting this value into practice. It means asking for help if you’re unsure how to handle a difficult situation. And, it means speaking up if you suspect unethical or illegal behavior. This includes all our business partners; we want you to have a voice. Reports may be anonymous and can be submitted online or by phone.

#### **Speak Up**

If you see or suspect unethical or illegal activity, please don’t keep it to yourself, we need to hear from you! Talk to your manager, a senior leader, HR or contact the 24/7 Cubic Helpline.

#### **What to Report**

You will probably know misconduct when you see it, but examples include: conflicts of interest; bribery or corruption; accounting improprieties; anti-competitive behavior; violations of export rules; privacy violations or data breaches; or discrimination because of a protected trait.

#### **Don’t Worry**

We do not tolerate retaliation. Employees will not be disciplined or retaliated against for reporting a good faith concern. “Good faith” means you honestly believe there’s been misconduct. All reports are reviewed by the corporate ethics and compliance group, and investigations are done promptly and professionally.

#### **[6] EthicsPoint FAQ**

Accessed 22/06/2019

<https://secure.ethicspoint.com/domain/media/en/gui/53750/faq.pdf>

#### **[p.2] Reporting – General**

May I report using either the Internet or the telephone?

Yes. With EthicsPoint, you have the ability to file a confidential, anonymous report via either the telephone or the Internet.

What type of situations should I report?

The EthicsPoint system is designed for employees to report any violation of our stated Code of Conduct, or other concern you may have.

If I see a violation, shouldn’t I just report it to my manager, security, or human resources and let them deal with it?

When you observe some behavior that you believe violates our code of conduct, we expect you to report it. Ideally, you should bring any concerns forward to your direct manager, or other member of our management team. We recognize, however, that there may be circumstances when you are not comfortable reporting the issue in this manner. It is for such circumstances that we have partnered with EthicsPoint. We would rather you report anonymously than keep the information to yourself.

Why should I report what I know? What’s in it for me?

We all have the right to work in a positive environment and with that right comes the responsibility of acting in an ethical manner and letting the appropriate people know if someone is not acting appropriately. By working together, we can maintain a healthy and productive environment. Corporate misconduct can threaten the livelihood of an entire company.

Does management really want me to report?

We certainly do. In fact, we need you to report. You know what is going on in our company - both good and bad. You may have initial knowledge of an activity that may be cause for concern. Your reporting can minimize the potential negative impact on the company and our people. Also, offering positive input may help identify issues that can improve corporate culture and performance.

Where do these reports go? Who can access them?

Reports are entered directly on the EthicsPoint secure server to prevent any possible breach in security. EthicsPoint makes these reports available only to specific individuals within the company who are charged with evaluating the report, based on the type of violation and location of the incident. Each of these report recipients has had training in keeping these reports in the utmost confidence.

[p.3] Isn't this system just an example of someone watching over me?

The EthicsPoint system concentrates on being a positive aspect of our overall philosophy, and allows us to assure a safe, secure, and ethical workplace. You are encouraged to seek guidance on ethical dilemmas, provide positive suggestions, or communicate a concern. Effective communication is critical in today's workplace and this is a great tool to enhance that communication.

We have carefully chosen the best reporting tool to meet our compliance obligations while maintaining a positive reporting environment.

#### **[16] Ethics and Corporate Responsibility Committee Charter**

[https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter\\_FI%20NAL%2011.2018%20FOR%20POST.pdf](https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI%20NAL%2011.2018%20FOR%20POST.pdf)

[p.2] Communications with the Committee

The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.

#### **[15] Audit and Compliance Committee Charter**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf>

[p.3] The Committee shall receive and take appropriate action concerning reports from: (a) Company lawyers regarding evidence of a material violation of securities laws, breaches of fiduciary duty or other material issues, and (b) the independent auditors concerning any report of their discovery of an illegal action or omission. The Committee shall ensure that senior management will take timely and appropriate remedial actions concerning all such matters.

The Committee shall also receive and take appropriate action concerning reports from the Chief Ethics and Compliance Officer regarding the status and effectiveness of the corporate ethics and compliance program. This includes, but is not limited to, reports regarding internal complaints of misconduct, material findings of unethical or illegal conduct, and the company's resolution and remedial measures.

Question
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
Score
<b>0</b>
Comments
<p>There is no evidence that the company assures itself of the quality of its investigations. Although the company indicates that individuals receiving reports receive some training regarding the confidentiality of the investigations, there is nothing to suggest that they are otherwise trained or qualified. Furthermore, there is no evidence that the company has a system in place for handling complaints about investigations themselves, or whether an appropriate senior individual would be responsible for oversight of such a process. Finally, there is no evidence that the company reviews its investigations procedure at least every three years, or in response to any changes in the regulatory environment.</p>
Evidence
<p><b>[1] Code of business conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.11] If you believe that our legal or ethical responsibilities are being violated, or you are being pressured to violate the law or our ethical responsibilities, you have an obligation to communicate your concern to the company.</p> <p>You may report the matter to your manager, senior management, any of Cubic's subject-matter specialists (see the Resources section), or Cubic's Helpline. You should use the method of communication that is most comfortable for you.</p> <p>Cubic's Helpline provides employees with a confidential and secure way to obtain advice or raise concerns. Employees and contractors with whom we work may access our helpline through free of charge telephone numbers or a secure web portal.</p> <p>You may remain anonymous, although we encourage you to provide your name so we can ask follow-up questions. If you make an anonymous report, please provide as much detail as possible.</p> <p>Cubic Helpline  Report online: <a href="https://cubic.ethicspoint.com">cubic.ethicspoint.com</a></p> <p>The Cubic Helpline is available 24/7 in multiple languages. Both helpline calls and website reports are answered by an independent third party that is required by contract and applicable laws to provide confidentiality. The helpline does not use online monitoring caller ID, recorders, or other devices that would identify or trace the caller's number.</p> <p>When you utilize the Cubic Helpline, what can you expect?</p> <ul style="list-style-type: none"> <li>• You will be asked to provide relevant details, which will be included in a report prepared by our independent helpline provider. The report will be forwarded to corporate compliance.</li> <li>• The concern will be reviewed by appropriate members of management, such as representatives from HR, Legal, Security, and/or Internal Audit. If the matter can be effectively investigated by an individual in the region or business unit, it may be referred there. If not, it may be referred for investigation by Corporate HR, Internal Audit, the Law Department or a third-party investigator.</li> <li>• The concern will be handled promptly, discreetly and professionally. Discussions and inquiries will be kept in confidence to the greatest extent practicable.</li> <li>• Within the bounds of applicable privacy and personnel laws, we will share with you our investigation conclusions and actions taken.</li> </ul>

**[5] Cubic Helpline (webpage)**

Accessed 22/06/2019

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Make a Difference! Speak up if you have a concern or need advice.

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**Speak Up**

If you see or suspect unethical or illegal activity, please don’t keep it to yourself, we need to hear from you! Talk to your manager, a senior leader, HR or contact the 24/7 Cubic Helpline.

**What to Report**

You will probably know misconduct when you see it, but examples include: conflicts of interest; bribery or corruption; accounting improprieties; anti-competitive behavior; violations of export rules; privacy violations or data breaches; or discrimination because of a protected trait.

**Don’t Worry**

We do not tolerate retaliation. Employees will not be disciplined or retaliated against for reporting a good faith concern. “Good faith” means you honestly believe there’s been misconduct. All reports are reviewed by the corporate ethics and compliance group, and investigations are done promptly and professionally.

**[6] EthicsPoint FAQ**

Accessed 22/06/2019

<https://secure.ethicspoint.com/domain/media/en/gui/53750/faq.pdf>
**[p.2] Reporting – General**

May I report using either the Internet or the telephone?

Yes. With EthicsPoint, you have the ability to file a confidential, anonymous report via either the telephone or the Internet.

What type of situations should I report?

The EthicsPoint system is designed for employees to report any violation of our stated Code of Conduct, or other concern you may have.

If I see a violation, shouldn't I just report it to my manager, security, or human resources and let them deal with it?

When you observe some behavior that you believe violates our code of conduct, we expect you to report it. Ideally, you should bring any concerns forward to your direct manager, or other member of our management team. We recognize, however, that there may be circumstances when you are not comfortable reporting the issue in this manner. It is for such circumstances that we have partnered with EthicsPoint. We would rather you report anonymously than keep the information to yourself.

Why should I report what I know? What’s in it for me?

We all have the right to work in a positive environment and with that right comes the responsibility of acting in an ethical manner and letting the appropriate people know if someone is not acting appropriately. By working together, we can maintain a healthy and productive environment. Corporate misconduct can threaten the livelihood of an entire company.

Does management really want me to report?

We certainly do. In fact, we need you to report. You know what is going on in our company - both good and bad. You may have initial knowledge of an activity that may be cause for concern. Your reporting can minimize the

potential negative impact on the company and our people. Also, offering positive input may help identify issues that can improve corporate culture and performance.

Where do these reports go? Who can access them?

Reports are entered directly on the EthicsPoint secure server to prevent any possible breach in security. EthicsPoint makes these reports available only to specific individuals within the company who are charged with evaluating the report, based on the type of violation and location of the incident. Each of these report recipients has had training in keeping these reports in the utmost confidence.

[p.3] Isn't this system just an example of someone watching over me?

The EthicsPoint system concentrates on being a positive aspect of our overall philosophy, and allows us to assure a safe, secure, and ethical workplace. You are encouraged to seek guidance on ethical dilemmas, provide positive suggestions, or communicate a concern. Effective communication is critical in today's workplace and this is a great tool to enhance that communication.

We have carefully chosen the best reporting tool to meet our compliance obligations while maintaining a positive reporting environment.

#### **[16] Ethics and Corporate Responsibility Committee Charter**

[https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter\\_FI\\_NAL%2011.2018%20FOR%20POST.pdf](https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf)

[p.2] Communications with the Committee

The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.

#### **[15] Audit and compliance committee charter**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf>

[p.3] The Committee shall receive and take appropriate action concerning reports from: (a) Company lawyers regarding evidence of a material violation of securities laws, breaches of fiduciary duty or other material issues, and (b) the independent auditors concerning any report of their discovery of an illegal action or omission. The Committee shall ensure that senior management will take timely and appropriate remedial actions concerning all such matters.

The Committee shall also receive and take appropriate action concerning reports from the Chief Ethics and Compliance Officer regarding the status and effectiveness of the corporate ethics and compliance program. This includes, but is not limited to, reports regarding internal complaints of misconduct, material findings of unethical or illegal conduct, and the company's resolution and remedial measures.

Question
<b>2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company commits to report material findings of bribery and corruption from investigations to the board level Ethics and Corporate Responsibility Committee and the Audit and Compliance Committee.</p> <p>However, there is no evidence that an appropriate senior individual is responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if necessary.</p>
Evidence
<p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.2] Communications with the Committee  The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.</p> <p><b>[15] Audit and Compliance Committee Charter</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf">https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf</a></p> <p>[p.3] The Committee shall receive and take appropriate action concerning reports from: (a) Company lawyers regarding evidence of a material violation of securities laws, breaches of fiduciary duty or other material issues, and (b) the independent auditors concerning any report of their discovery of an illegal action or omission. The Committee shall ensure that senior management will take timely and appropriate remedial actions concerning all such matters.</p> <p>The Committee shall also receive and take appropriate action concerning reports from the Chief Ethics and Compliance Officer regarding the status and effectiveness of the corporate ethics and compliance program. This includes, but is not limited to, reports regarding internal complaints of misconduct, material findings of unethical or illegal conduct, and the company's resolution and remedial measures.</p>

Question
<b>2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption investigations, or disciplinary actions involving its employees.
Evidence
No evidence found.



### 3. Support to Employees

Question
<b>3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company provides a training module that outlines the basic principles of its anti-bribery and corruption policy, including the whistleblowing options available to employees.</p> <p>However, the company receives a score of '1' because it is unclear how frequently training is conducted and whether training is provided in all appropriate languages.</p>
Evidence
<p><b>[2] Code of business conduct (webpage)</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1">https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1</a></p> <p>Every employee is accountable to uphold the principals and standards expressed in our Code of Business Conduct. They receive regular training and messaging regarding company expectations, and are encouraged to speak up when they see or hear something that isn't right.</p> <p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.33] All employees who interact with current or potential customers have an obligation to understand and comply with all company policies and applicable laws pertaining to anti-bribery and anti-corruption. Training and resources will be provided on these standards; however, when in doubt, consult your management team or Cubic's Law Department.</p> <p><b>[13] Notice of Annual General Meeting and Proxy Statement</b>  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf</a>  Accessed 22/06/2019</p> <p>[p.13] Cubic has an internal Compliance Steering Committee ("CSC") comprised of senior leaders with a wide variety of subject-matter expertise and authority</p> <p>[...]</p> <p>The program it has established includes, among other things an employee code of business conduct, a code of conduct for third parties, a third party due diligence and management system, an anonymous and third parties (Cubic Helpline), global mechanisms for employees to report conflicts of interest and any environmental, health or safety concerns, a complaint investigation and reporting process, regular communications to an training of Cubic employees on matters of ethics and compliance.</p>

Question
<b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
0
Comments
<p>There is no evidence that the company tailors its anti-bribery and corruption training to employees based on an assessment of their role and exposure to corruption risk. The Code of Business Conduct indicates that employees interacting with customers receive training on the company's ethical standards. However, it is not clear that this is tailored to employees in high risk positions, nor how frequently this is conducted. There is also no evidence of tailored training for middle management or board members.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>            Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.33] All employees who interact with current or potential customers have an obligation to understand and comply with all company policies and applicable laws pertaining to anti-bribery and anti-corruption. Training and resources will be provided on these standards; however, when in doubt, consult your management team or Cubic's Law Department.</p> <p><b>[2] Code of business conduct (webpage)</b>            Accessed 22/06/2019  <a href="https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1">https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1</a></p> <p>Every employee is accountable to uphold the principals and standards expressed in our Code of Business Conduct. They receive regular training and messaging regarding company expectations, and are encouraged to speak up when they see or hear something that isn't right.</p> <p><b>[13] Notice of Annual General Meeting and Proxy Statement</b>  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf</a>            Accessed 22/06/2019</p> <p>[p.13] The program it has established includes, among other things an employee code of business conduct, a code of conduct for third parties, a third party due diligence and management system, an anonymous and third parties (Cubic Helpline), global mechanisms for employees to report conflicts of interest and any environmental, health or safety concerns, a complaint investigation and reporting process, regular communications to and training of Cubic employees on matters of ethics and compliance.</p>

Question
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
Score
<b>0</b>
Comments
There is no evidence that the company measures or reviews the efficacy of its anti-bribery and corruption communications or training programme. The company does not provide information on any data it collects on its communications and personnel training programme.
Evidence
<p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FI_NAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.1] Duties and Responsibilities</p> <p>The Committee shall:</p> <p>1. Review and Recommend • Review the Company's Code of Conduct and relevant policies and procedures related to ethics and corporate responsibility. The areas of review shall include (1) human resource programs in areas such as compensation, benefits, equal opportunity, affirmative action, workplace diversity, employee safety, conflicts of interest, recruitment, retention, training and career development (2) conflict minerals, (3) human trafficking, (4) human testing, and (5) environmental compliance. The Committee shall recommend to the Board and management enhancements to such policies and activities deemed advisable by the Committee to ensure compliance with appropriate laws, regulations and best practices.</p> <p>[p.2] 2. Review and Monitor the Company's Compliance with Established Policies and Standards of Ethics and Corporate Responsibility</p> <ul style="list-style-type: none"> <li>• Except for matters otherwise delegated by the Board to the Audit &amp; Compliance Committee or another committee, review and monitor compliance with the Company's policies and practices in the areas of ethics and corporate responsibility.</li> <li>• Review and monitor the Company's policies, practices and activities with respect to contributions to charitable, educational and other tax-exempt organizations.</li> <li>• Review and monitor the Company's policies and practices with respect to political contributions, government relations and political action committees.</li> <li>• Review such political, social and environmental issues that may affect the business operations, performance, business continuity, crisis planning, and public image or reputation of the Company, as determined to be appropriate and consistent with the role of this Committee.</li> <li>• Review data on the frequency and range of disciplinary and corrective actions taken by the Company in response to substantiated violations of the law or Company policy related to ethics and corporate responsibility.</li> <li>• If presented with a matter or issue more appropriately addressed by the Audit &amp; Compliance Committee of the Board or other body, refer such matter or issue to the Audit &amp; Compliance Committee or other body for consideration and jointly respond to such matter or issue, if appropriate.</li> </ul>

Question
<b>3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
Score
<b>0</b>
Comments
There is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
Evidence
<p><b>[17] Executive Compensation Committee Charter</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Executive%20Compensation%20Committee%20Charter.pdf">https://www.cubic.com/sites/default/files/Executive%20Compensation%20Committee%20Charter.pdf</a></p> <p>[p.1] This Charter of the Executive Compensation Committee (this "Charter") was adopted by the Board of Directors (the "Board") of Cubic Corporation ("Cubic") on June 26, 2013, and amended on October 27, 2014.</p> <p>Purpose.</p> <p>The Executive Compensation Committee (the "Committee") is established by the Board of Cubic to assist the Board in discharging its responsibilities relating to compensation of Cubic's Executives (as defined below), including by designing (in consultation with management or the Board), evaluating and approving Cubic's compensation plans, policies and programs. The Committee may undertake additional responsibilities as directed by the Board.</p> <p>In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with Cubic's bylaws and applicable law. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.</p> <p>[...]</p> <p>Responsibilities.</p> <p>The Committee shall:</p> <ol style="list-style-type: none"> <li>1. Annually review and approve goals and objectives relevant to compensation for the chief executive officer, elected executive officers and principal officers of principal subsidiaries (the "Executives"), evaluate each Executive's performance in light of those goals and objectives, and either as a Committee or together with the other independent directors of the Board, determine and approve the Executive's compensation based on that evaluation. It shall also approve the compensation of any relatives of any director or Executive.</li> </ol> <p>[p.2] 2. Approve employment and severance agreements, transition protection agreements and other oral or written material commitments concerning the Executives.</p> <ol style="list-style-type: none"> <li>3. Review and approve any annual or periodic objective measurements concerning compensation for the Executives.</li> <li>4. Manage and periodically review and approve all annual bonus, long-term incentive compensation and equity plans, and with respect to each plan shall have the authority to: <ol style="list-style-type: none"> <li>1. (a) conduct general administration;</li> </ol> </li> </ol>

2. (b) set performance targets under all annual bonus and long-term incentive

compensation plans as appropriate, including, as and when required, committing to writing any and all performance targets for all Executives who may be “covered employees” under Section 162(m) of the Code within the first 90 days of the performance period to which such target relates or, if shorter, within the period provided by Section 162(m) of the Code in order for such target to be “pre-established” within the meaning of Section 162(m);

(c) certify that any and all performance targets used for any performance- based equity compensation plans have been met before payment of any Executive bonus or compensation or exercise of any Executive award granted under any such plan(s), which certification shall be in accordance with the requirements under Section 162(m) of the Code, as and when required;

(d) approve all amendments to, and terminations of, all compensation plans and any awards under such plans, unless the terms of such plans expressly require Board approval;

(e) grant, set the terms of and modify any awards under any performance- based annual bonus, long-term incentive compensation and equity compensation plans to Executives or current employees with the potential to become the chief executive officer or an Executive, including stock options and other equity rights (e.g., restricted stock and stock purchase rights); and

(f) make recommendations to the Board with respect to awards for Cubic’s directors under Cubic’s equity incentive plan(s).

5. The Committee’s authority to conduct plan reviews may include reviewing the plan’s administrative costs, reviewing current plan features relative to any proposed new features, and assessing the performance of the plan’s internal and external administrators if any duties have been delegated

6. (a) Review and discuss with management Cubic’s compensation discussion and analysis to be included in Cubic’s annual proxy statement or Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission, (b) review and discuss with management the disclosure included in Cubic’s annual proxy statement related to the engagement of advisors to the Committee, and (c) prepare and approve the Compensation Committee report to be included in Cubic’s annual proxy statement.

7. Evaluate the performance of the Committee on an annual basis.

**[13] Notice of Annual General Meeting and Proxy Statement**

<https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf>

Accessed 22/06/2019

**[p.19] Fiscal Year 2018 Executive Compensation Decisions**

The amount of each element of pay is determined annually taking into account factors including competitive company compensation data, as described above. A description of the executive compensation decisions with respect to fiscal year 2018 compensation for the NEOs is set forth below.

**Base Salary**

Base salaries for our executives are established based on individual factors such as the scope of their responsibilities, background, track record, training and experience, as well as competitive company compensation information and the overall market demand for such executives at the time the respective executive is hired or promoted.

As with total executive compensation, we believe that executive base salaries should be competitive with the range of salaries for executives in similar positions and with similar responsibilities at comparable companies, although we have not historically benchmarked executive base salaries against a specific market comparison group. An executive’s base salary is also evaluated together with components of the executive’s other compensation to ensure that the executive’s total compensation is consistent with our overall compensation philosophy.

In November 2017, the Executive Compensation Committee reviewed the base salaries of the NEOs and after consultation with the CEO (with respect to the salaries of the other NEOs) and a review of the comparable company information described above. In addition, the Executive Compensation Committee asked Radford to review executive salaries against the peer group of companies described above and determined that Mr. Feldmann's salary was below market.

The Executive Compensation Committee then, based upon Mr. Feldmann's performance and the appropriate targeted salary range for Mr. Feldmann in comparison with CEOs in peer companies, approved an adjustment that brought his compensation closer to the median of our peer companies. The Committee also reviewed the analysis of the other NEOs as compared to the median of peer companies and considered their performance in meeting their goals. After its review of this information, the Executive Compensation Committee determined to increase the base salaries for fiscal year 2018 of Mr. Feldmann by 10%, Mr. Aga by 10%, Admiral Buss by 7%, Mr. Cole by 10% and Mr. Twyman by 7% over each such officer's base salary for fiscal year 2017.

The fiscal year 2018 base salaries for each of the NEOs are reflected in the Summary Compensation Table below.

#### Annual Incentives

Our executive compensation program includes eligibility for an annual performance-based cash bonus for all executives. Our annual bonuses emphasize pay-for-performance by providing our executives with the opportunity to receive performance bonuses based on corporate performance relative to those measures which are determined by the Executive Compensation Committee to be most likely to enhance shareholder value.

For fiscal year 2018, Mr. Feldmann had a target bonus of 100% of salary, Mr. Aga had a target bonus of 80% of salary, and each of Admiral Buss, Mr. Cole and Mr. Twyman had a target bonus of 70% of salary. The maximum bonus is 195% of the target bonus for each of the NEOs.

For fiscal year 2018, the NEOs were eligible to receive a fiscal year 2018 bonus if the financial performance of the Company or a business segment of the Company met selected goals. The various performance objectives under the annual bonus plan are weighted depending on the Executive Compensation Committee's belief regarding the suitability of emphasis of each factor for that year's performance.

The fiscal year 2018 annual bonuses for Messrs. Feldmann and Aga were tied to selected financial goals related to the Company's performance, including sales, adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Adjusted EBITDA as a percentage of sales ("Adjusted EBITDA Margin"), and sales divided by invested capital ("Invested Capital Turnover"). Of these financial goals, the fiscal year 2018 bonus formula identified the major elements as Adjusted EBITDA and Invested Capital Turnover for Messrs. Feldmann and Aga because the Executive Compensation Committee believes these financial metrics to be principal drivers of the attractiveness of an equity investment in the Company. The annual bonuses for Messrs. Feldmann and Aga were also tied, in part, to performance against company-wide cost savings goals in fiscal 2018. The Executive Compensation Committee set a target of \$10.1 million of cost reductions in fiscal 2018 as compared to similar expenditures incurred by the Company in fiscal 2017 in categories which included consulting costs, personnel costs, and other cost categories primarily focused on selling, general, and administrative costs.

The fiscal year 2018 annual bonus for Mr. Cole was tied to the performance of our CTS business including sales, Adjusted EBITDA and sales divided by average accounts receivable and inventory ("Asset Turnover") and Adjusted EBITDA of the Company. The fiscal year 2018 annual bonus for Admiral Buss was tied to the performance of our CGD business including sales, Adjusted EBITDA and Asset Turnover, and Adjusted EBITDA of the Company. The fiscal year 2018 annual bonus for Mr. Twyman was tied to the performance of our CMS business including sales, Adjusted EBITDA and Asset Turnover, and Adjusted EBITDA of the Company. The annual bonuses for these executives were also tied, in part, to performance against the same company-wide cost savings goals described above for Messrs. Feldmann and Aga.

[p.20] For Mr. Cole, Admiral Buss, and Mr. Twyman the fiscal year 2018 bonus formula identified the major bonus element as Adjusted EBITDA of our CTS, CGD and CMS businesses respectively. The Executive Compensation Committee selected these incentives because they wanted to reward the financial performance of the component of the Company to which such executives' services primarily relate.

Target levels for the various performance objectives are set to require challenging but attainable goals depending on current market conditions and the Company's business prospects. The Executive Compensation Committee and management believe our annual bonus plan design balances the appropriate level of risk in management decision

making with the careful use of capital and assets. The table below sets forth the performance objectives and weighting for purposes of each of the NEOs, our actual performance relative to those objectives during fiscal 2018 and the ultimate weighted percentage achievement for bonuses.



Question
<b>3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?</b>
Score
<b>0</b>
Comments
There is no evidence that the company makes an explicit commitment to protect employees who refuse to act unethically, even when it might result in a loss of business.
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.6] We cannot live our values, meet our strategic goals, or deliver superior return to our shareholders unless we are an ethical company. It is no secret that the most ethical companies consistently outperform their peers. Studies also show that an organization's culture is the strongest predictor of how much market value that company will create for its shareholders.</p> <p>On the flip side, poor ethics can destroy a business. If we do not maintain a reputation for ethical business conduct, our customers will lose trust and go elsewhere. Likewise, we cannot motivate or maintain a talented workforce if we function without integrity. As corporate and political scandals play out in the news, we are reminded of the huge cost and reputational damage that accompanies ethical lapses.</p>

Question
<b>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company, in its Code of Conduct, promotes a clear policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. The Code of Conduct applies to all employees across the organisation, including those employed by the group as third parties, suppliers and joint venture partners.</p> <p>However, the company receives a score of '1' because there is no evidence that the company assures itself of its employees' confidence in this commitment through surveys, usage data, or other clearly stated means.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.7] A Code of Conduct summarizes standards of business conduct expected of all employees. It provides general guidance on situations that may arise in your day-to-day activities on behalf of the company. It also tells you where you can get more detailed information and who you can ask for help.</p> <p>This Code is a guide and cannot describe every law, policy or process that may apply to you or every situation that you may face. As a general rule, you are responsible for understanding and complying with the laws, regulations and policies that relate to your business activities. We realize, however, that you cannot be an expert in all subjects, and there may be times when you face issues or situations that you're not sure about. The most important thing to remember is: when in doubt, ask. Cubic has many resources and subject-matter specialists to help you, in addition to your management team.</p> <p>All of us, wherever we work, must follow these standards of conduct when dealing with fellow employees, customers, suppliers, contractors, stakeholders and competitors. Failing to comply with our Code is a violation of Cubic policy and may result in disciplinary action or employment termination.</p> <p>[p.12] Cubic will not tolerate retaliation for making reports in good faith. So if you see misconduct, do the right thing and speak up.</p> <p>[p.13] No retaliation</p> <p>Cubic wants and needs employees and others who work with us to report possible legal and ethical violations. We do not permit or tolerate retaliation against anyone for raising a good-faith concern or participating in an investigation. Retaliation can take many forms, overt and subtle, including adverse employment actions, threats, harassment, ostracism, deprivation of career opportunities and similar conduct.</p> <p>Regardless of form, retaliation is a serious violation of our Code of Conduct and may result in disciplinary action, including employment termination. If you believe someone has retaliated against you (or someone else) for reporting a concern or assisting with an investigation, promptly report the matter to Human Resources, the Law Department, Corporate Compliance or the Cubic Helpline.</p> <p>If you manage or work with someone who has reported misconduct, or provided information in an investigation, even if you disagree with them, you must continue to treat the person with professional respect. Employees who make good-faith reports of misconduct are upholding our values and we will not tolerate retaliation against them. Ethics is, however, a two-way street. Making a knowingly false or malicious complaint is wrong and may lead to disciplinary action.</p> <p>Consequences of violating our code</p> <p>The Code of Business Conduct is very important to Cubic. Failure to comply with its standards or the policies that it references will result in corrective or disciplinary action. The consequences of a violation will be tailored to the</p>

specific facts and circumstances at issue, with the goal of stopping any ongoing violations and preventing them from recurring. Specific consequences may include, but are not limited to, coaching or training, facilitated discussions, verbal warning, written warning, suspension, demotion, reduction in pay or loss of discretionary bonus, or employment termination. Cubic will follow applicable contractual and legal rules regarding the investigation of misconduct and imposition of disciplinary action.

**[3] Code of Conduct for Third Parties**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf>

**[p.5] Reporting violations**

We need your help to support our shared commitment to strong business ethics. If you become aware of any unlawful or unethical situation related to business conducted with or on behalf of Cubic, you must promptly notify us via our third-party hosted Cubic Helpline. Please include any information that you have regarding the incident or situation. Cubic takes all reports of illegal or unethical conduct seriously and will conduct a prompt and thorough review or investigation.

Cubic does not permit or condone retaliation against any person for reporting a suspected issue in good faith. Likewise we will not tolerate our business associates retaliating against their employees for reporting an issue to us in good faith. Retaliation by, or against, a business associate employee or agent is a violation of this Code of Conduct and may result in suspension or termination of our business relationship.

**[5] Cubic Helpline (webpage)**

Accessed 22/06/2019

<https://secure.ethicspoint.com/domain/media/en/gui/53750/index.html>

**Don't Worry**

We do not tolerate retaliation. Employees will not be disciplined or retaliated against for reporting a good faith concern. "Good faith" means you honestly believe there's been misconduct. All reports are reviewed by the corporate ethics and compliance group, and investigations are done promptly and professionally.

Question
<b>3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company has multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. Channels are sufficiently varied to allow the employee to raise concerns across the management chain and to relevant external bodies. These channels allow for confidential and anonymous reporting. They are available and accessible to all employees in all jurisdictions where the company operates, including those employed by the group as third parties, suppliers and joint venture partners, and in all relevant languages.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.8] Making ethical choices</p> <p>Some situations involve difficult choices, and often laws and ethical rules are complex and subject to interpretation. If you are unsure of the right course of action in a given situation, you must speak up and ask questions. When you bring your concerns into the open we can help you do the right thing</p> <p>When in doubt about a course of conduct, ask yourself these questions:</p> <ul style="list-style-type: none"> <li>• Is it legal?</li> <li>• Is it consistent with our Code?</li> <li>• Is it ethical? (i.e., is it the right thing to do?)</li> <li>• Consider whether it's consistent with the spirit of the law and our Code.</li> <li>• Consider how it will impact our stakeholders: customers, employees, shareholders, the public and the environment.</li> <li>• Consider how you would feel if it were reported to your senior management or in the newspaper.</li> <li>• If you are unsure, have you sought advice from others?</li> </ul> <p>If the answer is "no" to any of these questions, stop and seek guidance from a knowledgeable source before you act.</p> <p>[p.9] As a manager, if you receive a report about a possible violation of our Code, other Cubic policies or the law, listen carefully and give the employee your complete attention. Ask for clarification and additional information as appropriate. Answer those questions you can, but do not speculate or make rash decisions. Seek help if you need it.</p> <p>If an employee reports potential illegal conduct, you must promptly report the matter to a Human Resources manager, the Law Department or the Cubic Helpline. It is critical that managers comply with this obligation so the company can take steps to promptly investigate the matter, address any violations, and work to prevent future occurrences.</p> <p>Officers of Cubic Corporation and all subsidiaries are required to execute an annual compliance assertion that states the following:</p> <ul style="list-style-type: none"> <li>• An understanding of the Cubic Code of Business Conduct.</li> <li>• To support all elements of our code and require compliance within their organization or area of responsibility.</li> <li>• A commitment to report any transaction or event that violates, or might reasonably appear to violate, either the law or the letter or</li> </ul>

spirit of our code.

[p.11] If you believe that our legal or ethical responsibilities are being violated, or you are being pressured to violate the law or our ethical responsibilities, you have an obligation to communicate your concern to the company.

You may report the matter to your manager, senior management, any of Cubic's subject-matter specialists (see the Resources section), or Cubic's Helpline. You should use the method of communication that is most comfortable for you.

Cubic's Helpline provides employees with a confidential and secure way to obtain advice or raise concerns. Employees and contractors with whom we work may access our helpline through free of charge telephone numbers or a secure web portal.

You may remain anonymous, although we encourage you to provide your name so we can ask follow-up questions. If you make an anonymous report, please provide as much detail as possible.

Cubic Helpline

Report online: [cubic.ethicspoint.com](https://cubic.ethicspoint.com)

The Cubic Helpline is available 24/7 in multiple languages. Both helpline calls and website reports are answered by an independent third party that is required by contract and applicable laws to provide confidentiality. The helpline does not use online monitoring caller ID, recorders, or other devices that would identify or trace the caller's number.

When you utilize the Cubic Helpline, what can you expect?

- You will be asked to provide relevant details, which will be included in a report prepared by our independent helpline provider. The report will be forwarded to corporate compliance.
- The concern will be reviewed by appropriate members of management, such as representatives from HR, Legal, Security, and/or Internal Audit. If the matter can be effectively investigated by an individual in the region or business unit, it may be referred there. If not, it may be referred for investigation by Corporate HR, Internal Audit, the Law Department or a third-party investigator.
- The concern will be handled promptly, discreetly and professionally. Discussions and inquiries will be kept in confidence to the greatest extent practicable.
- Within the bounds of applicable privacy and personnel laws, we will share with you our investigation conclusions and actions taken.

[p.12]

## RAISING CONCERNS [CONTINUED]

TO SUBMIT A REPORT BY PHONE, USE THE TOLL-FREE NUMBER FOR YOUR LOCATION:

Country	Phone	Language
Australia	1-800-78-5015	English
Canada	1-844-864-6366	English
Germany	0-800-225-5288**	German
India	000-117**	Hindi
Mexico	01-800-436-0142	Spanish/English
New Zealand	0508-041-568	English
Serbia	800-191-140	Serbian/English
Singapore	1-800-723-1412	English
Sweden	020-10-92-20	Swedish/English
United Arab Emirates	8000-021**	Arabic/English
United Arab Emirates (du)	8000-555-66**	Arabic/English
United Arab Emirates (Military-USO and cellular)	8000-061**	Arabic/English
United Kingdom	0-800-587-0747	English
United States	1-844-864-6366	English

\*\* At the English prompt dial 844-864-6366

If you do not have international access a reverse charge or collect call may be placed from any location as follows:

1. Contact your local operator and request that a reverse charge or collect call be placed to the United States to phone number 678-248-7258.
2. All charges for reverse or collect calls will be accepted by the Contact Center via an automated message in English.

IN THE FOLLOWING COUNTRIES THE CUBIC HELPLINE IS ONLY ACCESSIBLE BY USING A REVERSE CHARGE OR COLLECT CALL.

Country	Phone	Language
Bahrain	678-248-7258	English
Denmark	678-248-7258	English
Ireland	678-248-7258	English
Israel	678-248-7258	English
Italy	678-248-7258	English
Saudi Arabia	678-248-7258	English

**CUBIC WILL NOT TOLERATE RETALIATION FOR MAKING REPORTS IN GOOD FAITH.  
SO IF YOU SEE MISCONDUCT, DO THE RIGHT THING AND SPEAK UP.**

INDEX

[p.35] We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.

### [2] Code of business conduct (webpage)

Accessed 22/06/2019

<https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1>

Every employee is accountable to uphold the principals and standards expressed in our Code of Business Conduct. They receive regular training and messaging regarding company expectations, and are encouraged to speak up when they see or hear something that isn't right.

### [5] Cubic Helpline (webpage)

Accessed 22/06/2019

<https://secure.ethicspoint.com/domain/media/en/gui/53750/index.html>

Make a Difference! Speak up if you have a concern or need advice.

At Cubic, one of our core values is "doing the right thing." Everyone plays a part in putting this value into practice. It means asking for help if you're unsure how to handle a difficult situation. And, it means speaking up if you suspect unethical or illegal behavior. This includes all our business partners; we want you to have a voice. Reports may be anonymous and can be submitted online or by phone.



### Speak Up

If you see or suspect unethical or illegal activity, please don't keep it to yourself, we need to hear from you! Talk to your manager, a senior leader, HR or contact the 24/7 Cubic Helpline.

### What to Report

You will probably know misconduct when you see it, but examples include: conflicts of interest; bribery or corruption; accounting improprieties; anti-competitive behavior; violations of export rules; privacy violations or data breaches; or discrimination because of a protected trait.

### Don't Worry

We do not tolerate retaliation. Employees will not be disciplined or retaliated against for reporting a good faith concern. "Good faith" means you honestly believe there's been misconduct. All reports are reviewed by the corporate ethics and compliance group, and investigations are done promptly and professionally.

### [8] Cubic Helpline 2 (webpage)

Accessed 22/06/2019

<https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-2>

We take our commitment to business ethics seriously and want all of our business partners, vendors, customers, and shareholders to have a voice. If you believe that Cubic or any of its employees is not living up to our legal or ethical responsibilities, please share your concern with us.

We want to hear from you and are committed to investigating and addressing problems. Our Cubic Helpline is available to receive your calls or online submissions 24/7. The Helpline is administered by an independent reporting service that allows you to share concerns anonymously and confidentially.

### [6] EthicsPoint FAQ

Accessed 22/06/2019

<https://secure.ethicspoint.com/domain/media/en/gui/53750/faq.pdf>

### [p.2] Reporting – General

May I report using either the Internet or the telephone?

Yes. With EthicsPoint, you have the ability to file a confidential, anonymous report via either the telephone or the Internet.

What type of situations should I report?

The EthicsPoint system is designed for employees to report any violation of our stated Code of Conduct, or other concern you may have.

If I see a violation, shouldn't I just report it to my manager, security, or human resources and let them deal with it?

When you observe some behavior that you believe violates our code of conduct, we expect you to report it. Ideally, you should bring any concerns forward to your direct manager, or other member of our management team. We recognize, however, that there may be circumstances when you are not comfortable reporting the issue in this manner. It is for such circumstances that we have partnered with EthicsPoint. We would rather you report anonymously than keep the information to yourself.

Why should I report what I know? What's in it for me?

We all have the right to work in a positive environment and with that right comes the responsibility of acting in an ethical manner and letting the appropriate people know if someone is not acting appropriately. By working together, we can maintain a healthy and productive environment. Corporate misconduct can threaten the livelihood of an entire company.

Does management really want me to report?



We certainly do. In fact, we need you to report. You know what is going on in our company - both good and bad. You may have initial knowledge of an activity that may be cause for concern. Your reporting can minimize the potential negative impact on the company and our people. Also, offering positive input may help identify issues that can improve corporate culture and performance.

Where do these reports go? Who can access them?

Reports are entered directly on the EthicsPoint secure server to prevent any possible breach in security. EthicsPoint makes these reports available only to specific individuals within the company who are charged with evaluating the report, based on the type of violation and location of the incident. Each of these report recipients has had training in keeping these reports in the utmost confidence.

[p.3] Isn't this system just an example of someone watching over me?

The EthicsPoint system concentrates on being a positive aspect of our overall philosophy, and allows us to assure a safe, secure, and ethical workplace. You are encouraged to seek guidance on ethical dilemmas, provide positive suggestions, or communicate a concern. Effective communication is critical in today's workplace and this is a great tool to enhance that communication.

We have carefully chosen the best reporting tool to meet our compliance obligations while maintaining a positive reporting environment.

### **[3] Code of Conduct for Third Parties**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf>

[p.5] Reporting violations

We need your help to support our shared commitment to strong business ethics. If you become aware of any unlawful or unethical situation related to business conducted with or on behalf of Cubic, you must promptly notify us via our third-party hosted Cubic Helpline. Please include any information that you have regarding the incident or situation. Cubic takes all reports of illegal or unethical conduct seriously and will conduct a prompt and thorough review or investigation.

Cubic does not permit or condone retaliation against any person for reporting a suspected issue in good faith. Likewise we will not tolerate our business associates retaliating against their employees for reporting an issue to us in good faith. Retaliation by, or against, a business associate employee or agent is a violation of this Code of Conduct and may result in suspension or termination of our business relationship.

### **[18] Code of Ethical Conduct for Principal Executive and Financial Officers**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/code-of-ethical-conduct.pdf>

[p.1] Senior corporate officers have an important and elevated role in corporate governance. They are uniquely capable and empowered to ensure that the interests of the Company and its shareholders are properly protected. Accordingly this Code provides principles to which the Company's Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Treasurer, Controller, General Counsel and all Executive and Senior Vice Presidents are expected to adhere and to advocate. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Company, the public, and the Company's shareholders.

These officers are required to certify that they will adhere to and advocate the following principles and responsibilities governing their professional and ethical conduct:

1. That they will act honestly and ethically including the ethical handling of actual

or apparent conflicts of interest between personal and professional relationships;

2. That they will avoid conflicts of interest and will disclose to the General Counsel or the Chairman of the Audit and Compliance Committee any material transaction or relationship that reasonably could be expected to give rise to such a conflict;

3. That they will assure that reports and documents that the Company files with, or submits to, the Securities and Exchange Commission, and other public communications made by the Company contain, information that is full, fair, accurate, complete, objective, relevant, timely and understandable;

4. That they will comply with applicable governmental laws, rules and regulations;

5. That they will act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing independent judgment to be subordinated;

6. That they will respect the confidentiality of information acquired in the course of employment except when specifically authorized or otherwise legally obligated to disclose.

7. That they will promote ethical behavior to Company employees in their department and among their peers; and

8. That they will achieve responsible use of and control over all assets and resources employed or entrusted to them in the course of their employment.

Any employee discovering a violation of this Code shall promptly report such matters to either the General Counsel or the Chairman of the Audit and Compliance Committee. Violations of the Code will result in appropriate disciplinary action.

**[16] Ethics and Corporate Responsibility Committee Charter**

[https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter\\_FI  
NAL%2011.2018%20FOR%20POST.pdf](https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf)

**[p.2] Communications with the Committee**

The Chief Ethics and Compliance Officer and/or the General Counsel or their designees shall communicate directly to the Chair of the Committee or to all members of the Committee promptly on any matter involving an actual or potential material violation of law or company policy related to ethics and corporate responsibility; employee relations; health and safety; or environmental protection. The communications shall include all reports received through the Company's hotline and other means such as human resources related to any of the Committee's areas of responsibility.

## 4. Conflict of Interest

Question
<b>4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has a clear policy that defines conflicts of interest, including actual, potential and perceived conflicts. The policy explicitly covers employee relationships, government relationships, financial interests and other employment. The policy applies to all employees of the company.</p> <p>However, it is not clear whether this policy applies to board members.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.7] A Code of Conduct summarizes standards of business conduct expected of all employees. It provides general guidance on situations that may arise in your day-to-day activities on behalf of the company. It also tells you where you can get more detailed information and who you can ask for help.</p> <p>This Code is a guide and cannot describe every law, policy or process that may apply to you or every situation that you may face. As a general rule, you are responsible for understanding and complying with the laws, regulations and policies that relate to your business activities. We realize, however, that you cannot be an expert in all subjects, and there may be times when you face issues or situations that you're not sure about. The most important thing to remember is: when in doubt, ask. Cubic has many resources and subject-matter specialists to help you, in addition to your management team.</p> <p>All of us, wherever we work, must follow these standards of conduct when dealing with fellow employees, customers, suppliers, contractors, stakeholders and competitors. Failing to comply with our Code is a violation of Cubic policy and may result in disciplinary action or employment termination.</p> <p>[p.29] We avoid conflicts of interest and resolve them promptly if they arise</p> <p>Cubic is committed to upholding the highest standards of ethical business conduct. We each have a responsibility to uphold this commitment by acting in the company's best interests at all times. Conflicts of interest can cast doubt on your integrity and put the company's reputation at risk. Even the appearance of a conflict can cause serious negative consequences. Accordingly, conflicts of interest must be avoided and dealt with promptly if they arise.</p> <p>A conflict of interest exists in any situation where competing interests may affect your job performance or impair your ability to make objective and unbiased decisions in the best interest of the company. Examples of potential conflicts include managing a family member or close friend, holding a second job with competing interests, having a material financial interest in suppliers or competitors, engaging in an intimate relationship with a subordinate employee, or discussing potential employment opportunities at Cubic with a government employee working on one of our contracts.</p> <p>You must disclose any situation, transaction or relationship that creates or could potentially give rise to a conflict of interest. Disclosure must be made promptly and may be directed to your manager, Human Resources, Corporate Compliance or the Law Department. Cubic also maintains a Conflict of Interest Disclosure form on Cubic Connect and the Cubic website.</p> <p><b>[18] Code of Ethical Conduct for Principal Executive and Financial Officers</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/code-of-ethical-conduct.pdf">https://www.cubic.com/sites/default/files/code-of-ethical-conduct.pdf</a></p>

[p.1] Senior corporate officers have an important and elevated role in corporate governance. They are uniquely capable and empowered to ensure that the interests of the Company and its shareholders are properly protected. Accordingly this Code provides principles to which the Company's Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Treasurer, Controller, General Counsel and all Executive and Senior Vice Presidents are expected to adhere and to advocate. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Company, the public, and the Company's shareholders.

These officers are required to certify that they will adhere to and advocate the following principles and responsibilities governing their professional and ethical conduct:

1. That they will act honestly and ethically including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. That they will avoid conflicts of interest and will disclose to the General Counsel or the Chairman of the Audit and Compliance Committee any material transaction or relationship that reasonably could be expected to give rise to such a conflict;

### **[3] Code of Conduct for Third Parties**

Accessed 22/06/2019

[https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.p  
df](https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf)

[p.4] We expect our business associates to avoid personal and organizational conflicts of interest when dealing with Cubic. Any act that could be perceived as favorable treatment or biased can cast doubt on our integrity and put our reputation at risk. You must avoid even the perception of a conflict of interest and promptly report any instances of actual or potential conflicts between yourself or your personnel and those of Cubic or its customers. For example, you must promptly disclose to Cubic all known family relationships and any material financial or business relationships between any of your principals, employees or agents and Cubic's employees or agents.

Question
<b>4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company requires employees to disclose potential conflicts of interest to their manager, Human Resources, Corporate Compliance or the Law Department. There is also some evidence that employees may make disclosures on the company website. Any violation of the Code of Business Conduct can result in various forms of disciplinary action for employees.</p> <p>However, the company receives a score of '1' because there is no reference to a specific body or individual with oversight and accountability for handling cases and it is not stated whether declarations are held in a dedicated register or central depository which is accessible to those responsible for oversight of the process. The company also does not mention examples of criteria for recusals.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.29] We avoid conflicts of interest and resolve them promptly if they arise</p> <p>Cubic is committed to upholding the highest standards of ethical business conduct. We each have a responsibility to uphold this commitment by acting in the company's best interests at all times. Conflicts of interest can cast doubt on your integrity and put the company's reputation at risk. Even the appearance of a conflict can cause serious negative consequences. Accordingly, conflicts of interest must be avoided and dealt with promptly if they arise.</p> <p>A conflict of interest exists in any situation where competing interests may affect your job performance or impair your ability to make objective and unbiased decisions in the best interest of the company. Examples of potential conflicts include managing a family member or close friend, holding a second job with competing interests, having a material financial interest in suppliers or competitors, engaging in an intimate relationship with a subordinate employee, or discussing potential employment opportunities at Cubic with a government employee working on one of our contracts.</p> <p>You must disclose any situation, transaction or relationship that creates or could potentially give rise to a conflict of interest. Disclosure must be made promptly and may be directed to your manager, Human Resources, Corporate Compliance or the Law Department. Cubic also maintains a Conflict of Interest Disclosure form on Cubic Connect and the Cubic website.</p> <p>[p.13] Consequences of violating our code</p> <p>The Code of Business Conduct is very important to Cubic. Failure to comply with its standards or the policies that it references will result in corrective or disciplinary action. The consequences of a violation will be tailored to the specific facts and circumstances at issue, with the goal of stopping any ongoing violations and preventing them from recurring. Specific consequences may include, but are not limited to, coaching or training, facilitated discussions, verbal warning, written warning, suspension, demotion, reduction in pay or loss of discretionary bonus, or employment termination. Cubic will follow applicable contractual and legal rules regarding the investigation of misconduct and imposition of disciplinary action.</p>

Question
<b>4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?</b>
Score
<b>0</b>
Comments
There is no evidence that the company has a policy regulating the employment of current or former public officials, or that the company addresses the corruption risks associated with the employment of public officials.
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.29] We avoid conflicts of interest and resolve them promptly if they arise</p> <p>Cubic is committed to upholding the highest standards of ethical business conduct. We each have a responsibility to uphold this commitment by acting in the company's best interests at all times. Conflicts of interest can cast doubt on your integrity and put the company's reputation at risk. Even the appearance of a conflict can cause serious negative consequences. Accordingly, conflicts of interest must be avoided and dealt with promptly if they arise.</p> <p>A conflict of interest exists in any situation where competing interests may affect your job performance or impair your ability to make objective and unbiased decisions in the best interest of the company. Examples of potential conflicts include managing a family member or close friend, holding a second job with competing interests, having a material financial interest in suppliers or competitors, engaging in an intimate relationship with a subordinate employee, or discussing potential employment opportunities at Cubic with a government employee working on one of our contracts.</p> <p>You must disclose any situation, transaction or relationship that creates or could potentially give rise to a conflict of interest. Disclosure must be made promptly and may be directed to your manager, Human Resources, Corporate Compliance or the Law Department. Cubic also maintains a Conflict of Interest Disclosure form on Cubic Connect and the Cubic website.</p>

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company reports details of the contracted services of serving politicians.
Evidence
No evidence found.



## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>There is evidence that the company has a policy to follow all relevant local laws regarding political contributions in different jurisdictions. In addition, there is evidence that the company has a political action committee, and therefore receives a score of '0'.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.7] A Code of Conduct summarizes standards of business conduct expected of all employees. It provides general guidance on situations that may arise in your day-to-day activities on behalf of the company. It also tells you where you can get more detailed information and who you can ask for help.</p> <p>This Code is a guide and cannot describe every law, policy or process that may apply to you or every situation that you may face. As a general rule, you are responsible for understanding and complying with the laws, regulations and policies that relate to your business activities. We realize, however, that you cannot be an expert in all subjects, and there may be times when you face issues or situations that you're not sure about. The most important thing to remember is: when in doubt, ask. Cubic has many resources and subject-matter specialists to help you, in addition to your management team.</p> <p>All of us, wherever we work, must follow these standards of conduct when dealing with fellow employees, customers, suppliers, contractors, stakeholders and competitors. Failing to comply with our Code is a violation of Cubic policy and may result in disciplinary action or employment termination.</p> <p>[p.36] Cubic respects the integrity of the political process and we are committed to upholding the laws that govern our participation. Many countries, including the United States, prohibit corporations from donating corporate funds, goods or services directly or indirectly to political candidates at the federal level. This includes employees' work time. Local laws may apply as well.</p> <p>We are also committed to being open about our lobbying activities, which are highly scrutinized and must be done in accordance with all applicable laws and company procedures. To ensure legal compliance as well as coordination of our political activities, before making a political contribution or any political or lobbying contact, initiative or communication on behalf of the company, please consult with Cubic's Law Department.</p> <p>Voluntary employee involvement in the political process is encouraged by the company, but participation must be on your own time and without the use of any company assets. If you plan to seek or accept public office, you must consult first with Cubic's Law Department.</p> <p>Eligible U.S. employees may participate in CUEPAC, the Cubic employee political action committee. For more information contact the VP, Government Relations &amp; Strategy.</p> <p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.2] 2. Review and Monitor the Company's Compliance with Established Policies and Standards of Ethics and Corporate Responsibility</p>

- Except for matters otherwise delegated by the Board to the Audit & Compliance Committee or another committee, review and monitor compliance with the Company's policies and practices in the areas of ethics and corporate responsibility.
- Review and monitor the Company's policies, practices and activities with respect to contributions to charitable, educational and other tax-exempt organizations.
- Review and monitor the Company's policies and practices with respect to political contributions, government relations and political action committees.

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no evidence that the company discloses details of its political contributions on its website.
Evidence
No evidence found.

Question
<b>5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?</b>
Score
<b>0</b>
Comments
<p>There is no publicly available information about the company's policies and procedures for charitable contributions and sponsorships. For instance, the company does not indicate that it has policies and procedures in place which specify criteria for donations, procedures for senior sign-off, or due diligence on recipients. Nor does the company publish full details of all charitable donations made, including details of the recipient, amount, country of recipient and which corporate entity made the payment; this includes donations made, financial or in-kind, to corporate foundations.</p>
Evidence
<p><b>[16] Ethics and Corporate Responsibility Committee Charter</b>  <a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%2011.2018%20FOR%20POST.pdf</a></p> <p>[p.2] 2. Review and Monitor the Company's Compliance with Established Policies and Standards of Ethics and Corporate Responsibility</p> <ul style="list-style-type: none"> <li>• Except for matters otherwise delegated by the Board to the Audit &amp; Compliance Committee or another committee, review and monitor compliance with the Company's policies and practices in the areas of ethics and corporate responsibility.</li> <li>• Review and monitor the Company's policies, practices and activities with respect to contributions to charitable, educational and other tax-exempt organizations.</li> </ul> <p><b>[14] Annual Report 2019</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf</a></p> <p>[p.13] CORPORATE RESPONSIBILITY &amp; SUSTAINABILITY</p> <p>Cubic has a long history of making a positive difference in the communities it lives and works in with its ethical business practices, education and environmental initiatives, socially empowering innovative technologies and through Cubic Cares, charitable giving and volunteerism by its employees.</p> <p>Cubic has strategic relationships with a wide range of local and national non-profit organizations and programs that are relevant to Cubic's humanitarian interests, focused in: Health and Human Services; Veterans; and Science, Technology, Engineering and Math (STEM).</p> <p>Cubic's technology assists military, nongovernmental and international humanitarian aid groups with disaster relief operations in areas struck by natural disasters. In 2018, Cubic partnered with the U.S. Army to deploy its GATR satellite communication (SATCOM) and networking systems and personnel to support disaster recovery efforts in Florida following the devastating Hurricane Michael.</p> <p>Cubic's GATR SATCOM and networking systems were set up in several locations, including Panama City, Lynn Haven and Youngstown, Florida to provide communications, networking and high-bandwidth connectivity to local first responders involved in recovery and reconstruction efforts, and the communities they were serving.</p> <p>Additionally, Cubic's products and services further the company's commitment to sustainability. For example, Cubic's transportation products reduce congestion in cities and improve commute efficiency for millions of customers. In defense, Cubic's live-virtual constructive training programs reduce the need for on-battlefield training and our efforts to improve size, weight, power and cost for our products reduce power draws in order to efficiently support our customers' missions.</p> <p>Lastly, as Cubic continues to modernize and expand our facilities and operations worldwide, we seek to minimize our carbon footprint, conserve water, reduce waste, and utilize safer materials in our products. Cubic continues to</p>

find efficiency improvements in our current facilities and is embarking on a redevelopment initiative for its corporate campus which will exemplify Cubic's commitment to sustainability.

## 5.2 Lobbying

Question
<b>5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?</b>
Score
<b>0</b>
Comments
<p>There is no evidence that the company has a policy and/or procedure on lobbying. The company says that it will conduct lobbying in accordance with the law but does not provide further information on its procedures, such as the standards of conduct or specific oversight mechanisms that apply to all types of lobbyists. It also does not provide a definition of lobbying and/or responsible lobbying.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>          Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.36] Cubic respects the integrity of the political process and we are committed to upholding the laws that govern our participation. Many countries, including the United States, prohibit corporations from donating corporate funds, goods or services directly or indirectly to political candidates at the federal level. This includes employees' work time. Local laws may apply as well.</p> <p>We are also committed to being open about our lobbying activities, which are highly scrutinized and must be done in accordance with all applicable laws and company procedures. To ensure legal compliance as well as coordination of our political activities, before making a political contribution or any political or lobbying contact, initiative or communication on behalf of the company, please consult with Cubic's Law Department.</p> <p>Voluntary employee involvement in the political process is encouraged by the company, but participation must be on your own time and without the use of any company assets. If you plan to seek or accept public office, you must consult first with Cubic's Law Department.</p> <p>Eligible U.S. employees may participate in CUEPAC, the Cubic employee political action committee. For more information contact the VP, Government Relations &amp; Strategy.</p>

Question
<b>5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.



Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company provides any details about its global lobbying expenditure.
Evidence
No evidence found.

### 5.3 Gifts and Hospitality

Question
<b>5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has a policy and procedure on the giving and receipt of gifts and hospitality. This addresses the risks associated with gifts and hospitality given to/received from domestic or foreign public officials, for which employees must first consult with the company's legal department.</p> <p>However, the policy does not specify financial or proportional limits or different approval procedures for different types of promotional expenses. There is also no evidence that all gifts and hospitality above a certain threshold are recorded in a dedicated register or central depository that is accessible to those responsible for oversight of the process.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.33] We must never offer, attempt to offer, authorize or promise any sort of bribe, payment or kickback to a government official or private party for the purpose of obtaining or retaining business or an improper advantage. Likewise, we must never solicit or accept a bribe or kickback from a public official or private party. A bribe includes any payment, benefit or gift offered, promised or given with the purpose of influencing a decision or outcome.</p> <p>[p.34] We do not give or accept improper gifts or business courtesies</p> <p>Cubic competes on the merits of its products and services and does not use the exchange of business courtesies to gain an unfair competitive advantage. Giving and receiving business courtesy is only permitted when doing so is legal, in compliance with all applicable Cubic and customer policies, and does not create the impression that it is given to influence business judgment.</p> <p>Business courtesies may be tangible or intangible items and include gifts, meals, drinks, entertainment, recreation, prizes, transportation, discounts, promotional items, or the use of a donor's time, materials, facilities or equipment.</p> <p>Any employee who offers, or approves the offer of, a business courtesy must ensure that it is proper and cannot be interpreted as an attempt to gain an unfair business advantage or otherwise adversely impact the reputation of, or embarrass, Cubic or the recipient. Personal funds or resources may not be used to avoid any restrictions on the giving of business courtesy. Solicitation of business courtesies is always prohibited.</p> <p>Government employees in the U.S. and other countries are subject to varied and complex rules that often prohibit them from accepting any items of value except as specifically provided under relevant regulations. Strict rules also apply to the giving of business courtesy to any elected official. You should consult with executive leadership within your business unit or Cubic's Law Department before giving any gift or business courtesy to a government employee or elected official of any nation. Some business units may have very specific rules or prohibitions about gifts or business courtesies to government personnel.</p> <p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a></p> <p>[p.4] GIFTS, MEALS AND ENTERTAINMENT</p>

You must not use the exchange of business courtesies (i.e., meals, hospitality, entertainment, travel costs and gifts) with private, commercial or government customers to gain an unfair advantage or improperly influence business decisions. Cubic and its partners

[p.5] offering or accepting a gift or meal is only permissible when it is modest in value, consistent with local customs or practices and not contrary to any applicable law.

Further, you must not offer or pressure any individual to accept a business courtesy that you know would be contrary to their employer's own rules or policies. For example, our government customers often prohibit their employees from accepting even nominal items or modestly priced meals.

## 6. Supply Chain Management

Question
<b>6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?</b>
Score
<b>0</b>
Comments
There is no evidence that the company requires the involvement of a centralised procurement department in the establishment and/or oversight of its supplier base.
Evidence
<p><b>[9] Current suppliers</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/suppliers/current-suppliers">https://www.cubic.com/suppliers/current-suppliers</a></p> <p>Our Purchasing Organization</p> <p>Each of our purchasing organizations has its own buyers and documentation. To facilitate the exchange of these documents with our current suppliers, please refer to the specific location for relevant terms and conditions, forms and other Cubic documentation.</p> <p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.32] The procurement of services and supplies for both Cubic and our customers is an important component of day-to-day business operations. Cubic procurement procedures are designed to promote “best practices” for the timely and lawful procurement of goods and services, while maintaining fairness to our suppliers, including vendors, sellers and subcontractors.</p> <p>Procurements with U.S. suppliers for consumption in the U.S. are governed by U.S. law. They may also be governed by the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation (DFAR), customer and company policies and procedures.</p> <p>Requirements for procurements from suppliers outside the U.S. for consumption in the U.S. may include, but are not limited to, compliance with the Department of State, International Traffic in Arms Regulation (ITAR); Department of Commerce, Export Administration Regulation (EAR); Bureau of Alcohol, Tobacco and Firearms (ATF) regulations; abiding by U.S. antiboycott regulations; international currency exchange regulations; the Foreign Corrupt Practices Act (FCPA); and trade laws such as the Buy American Act, Trade Agreements Act, and North American Free Trade Agreements Act (NAFTA).</p> <p>As a global company Cubic frequently procures products and services from suppliers outside the U.S. for consumption outside the U.S., which may involve additional requirements and governing bodies. It is the responsibility of the Purchasing and Contracts departments, as well as those employees involved with the procurement process, to be informed of applicable regulations and company policies, abide by them and assist other personnel as necessary to maintain compliance. Only personnel with delegated authority to process and administer procurement transactions may enter into contractual commitments.</p>

Question
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
Score
<b>0</b>
Comments
There is evidence that the company conducts due diligence on third parties, however the company does not explicitly mention suppliers and does not provide any further details on its due diligence processes.
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.</p> <p>Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.</p> <p>We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.</p> <p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a></p> <p>[p.1] INTRODUCTION</p> <p>Cubic Corporation and its subsidiaries are committed to conducting business with the highest ethical standards. We always strive to "do the right thing," which means complying with the law, our policies and our contractual commitments to customers. It also means we consider the impact of our actions on our fellow employees, shareholders, customers, communities and the environment. This commitment extends throughout our global operations, no matter where in the world we do business.</p>

Question
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company ensures that its suppliers have adequate anti-bribery and corruption policies and procedures in place. The company states that suppliers which do not already have an existing robust code of conduct must follow theirs, which prohibits bribery and facilitation payments, and covers conflicts of interests and gifts and hospitality. The company's whistleblowing channel is also open to suppliers. The company assures itself of its suppliers' compliance with these principles by requiring them to grant the company or an independent auditor access to documentation demonstrating this.</p> <p>However, the company receives a score of '1' because it is not stated that the company assures itself of this when onboarding new suppliers and/or when there is a significant change in the business relationship.</p>
Evidence
<p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pd">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pd</a>  df</p> <p>[p.1] INTRODUCTION</p> <p>Cubic Corporation and its subsidiaries are committed to conducting business with the highest ethical standards. We always strive to "do the right thing," which means complying with the law, our policies and our contractual commitments to customers. It also means we consider the impact of our actions on our fellow employees, shareholders, customers, communities and the environment. This commitment extends throughout our global operations, no matter where in the world we do business.</p> <p>We expect the third parties with whom we do business to demonstrate a similar commitment to business ethics. One important aspect of that commitment is following a written code of business conduct or similar set of principles. Third parties who have not already adopted their own robust code of business conduct are required to follow our Code of Conduct for Third Parties, which describes our expectations for the vendors, suppliers, resellers, contractors, agents, representatives, and partners with whom we do business (collectively our "business associates").</p> <p>[p.2] You must ensure that your employees and contractors working with Cubic understand their obligations to follow the standards described in this Code of Conduct. In addition, Cubic expects that you will maintain your own compliance policies and provide training and resources to your personnel in support of a strong culture of business ethics.</p> <p>Responsible behaviour  Compliance with laws and regulations</p> <p><b>BRIBERY &amp; CORRUPTION</b></p> <p>Cubic will not tolerate any form of bribery or corruption and we insist that our business associates comply with all applicable anti-corruption laws and regulations, including but not limited to the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Making or offering bribes, kickbacks, other payments or items of value, directly or indirectly, to anyone for the purpose of wrongfully obtaining or retaining business related to products or services provided by Cubic or resold by you is strictly prohibited.</p> <p>This includes officials, employees, or representatives of any government, political parties, candidates for office, or public or international organization, as well as any third party where there is reason to believe that it will be passed on to anyone involved in the business decision process for the purpose of influencing the decision. Even where allowed by applicable laws and regulations, any travel-related expenses and business amenities provided must be</p>

reasonable, tied to a product demonstration and not provided for the purpose of obtaining or retaining Cubic business.

We also do not allow “facilitation payments” – small sums paid to government officials to expedite or facilitate non-discretionary actions or services such as obtaining a visa or customs clearance.

#### [p.4] Conflicts of interest

We expect our business associates to avoid personal and organizational conflicts of interest when dealing with Cubic. Any act that could be perceived as favorable treatment or biased can cast doubt on our integrity and put our reputation at risk. You must avoid even the perception of a conflict of interest and promptly report any instances of actual or potential conflicts between yourself or your personnel and those of Cubic or its customers. For example, you must promptly disclose to Cubic all known family relationships and any material financial or business relationships between any of your principals, employees or agents and Cubic’s employees or agents.

#### Gifts, meals and entertainment

You must not use the exchange of business courtesies (i.e., meals, hospitality, entertainment, travel costs and gifts) with private, commercial or government customers to gain an unfair advantage or improperly influence business decisions. Cubic and its partners

[p.5] must compete on the merits of their products and services, and offering or accepting a gift or meal is only permissible when it is modest in value, consistent with local customs or practices and not contrary to any applicable law.

Further, you must not offer or pressure any individual to accept a business courtesy that you know would be contrary to their employer’s own rules or policies. For example, our government customers often prohibit their employees from accepting even nominal items or modestly priced meals.

#### Compliance and cooperation

You agree to conduct your business dealings with Cubic, and with others on Cubic’s behalf, in accordance with these standards. You will advise your employees and contractors working under your contract with Cubic of these standards and their obligation to comply. If requested by Cubic, you will cooperate with our efforts to investigate an alleged violation of this Code of Conduct involving your employees or contractors. You will also provide information that Cubic may request in connection with its periodic revalidation of you or your company’s business relationship with Cubic.

You will maintain documentation reasonably necessary to demonstrate your compliance with this Code of Conduct and provide Cubic or its independent auditor with access to such documentation upon reasonable request.

Any material violation of this Code of Conduct may form the basis for termination of your business relationship(s) with Cubic, including all related contracts.

#### Reporting violations

We need your help to support our shared commitment to strong business ethics. If you become aware of any unlawful or unethical situation related to business conducted with or on behalf of Cubic, you must promptly notify us via our third-party hosted Cubic Helpline. Please include any information that you have regarding the incident or situation. Cubic takes all reports of illegal or unethical conduct seriously and will conduct a prompt and thorough review or investigation.

Cubic does not permit or condone retaliation against any person for reporting a suspected issue in good faith. Likewise we will not tolerate our business associates retaliating against their employees for reporting an issue to us in good faith. Retaliation by, or against, a business associate employee or agent is a violation of this Code of Conduct and may result in suspension or termination of our business relationship.

#### **[1] Code of Business Conduct**

Accessed 22/06/2019

[https://www.cubic.com/sites/default/files/CubicCodeofConduct\\_2018\\_0.pdf](https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf)



[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.

Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.

We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.

**[5] Cubic Helpline (webpage)**

Accessed 22/06/2019

<https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-2>

We take our commitment to business ethics seriously and want all of our business partners, vendors, customers, and shareholders to have a voice. If you believe that Cubic or any of its employees is not living up to our legal or ethical responsibilities, please share your concern with us.

We want to hear from you and are committed to investigating and addressing problems. Our Cubic Helpline is available to receive your calls or online submissions 24/7. The Helpline is administered by an independent reporting service that allows you to share concerns anonymously and confidentially.

Question
<b>6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain. Suppliers are instructed to advise their contractors to observe the standards outlined in the Code of Conduct for Third Parties.</p> <p>However, the company receives a score of '1' because this is a simple statement and it is unclear how the company does this in practice.</p>
Evidence
<p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a></p> <p>[p.5] You agree to conduct your business dealings with Cubic, and with others on Cubic's behalf, in accordance with these standards. You will advise your employees and contractors working under your contract with Cubic of these standards and their obligation to comply. If requested by Cubic, you will cooperate with our efforts to investigate an alleged violation of this Code of Conduct involving your employees or contractors. You will also provide information that Cubic may request in connection with its periodic revalidation of you or your company's business relationship with Cubic.</p> <p>You will maintain documentation reasonably necessary to demonstrate your compliance with this Code of Conduct and provide Cubic or its independent auditor with access to such documentation upon reasonable request.</p> <p>Any material violation of this Code of Conduct may form the basis for termination of your business relationship(s) with Cubic, including all related contracts.</p>

Question
<b>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers, or the associated disciplinary actions.
Evidence
No evidence found.

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

Question
<b>7.1.1 Does the company have a clear policy on the use of agents?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has a policy on the use of agents. It commits to establishing that the use of agents is necessary to perform a legitimate business function.</p> <p>However, the company provides little detail on the corruption risks associated with agents and there is no evidence of specific controls to mitigate these risks. It is also not clear whether the Code of Business Conduct applies to agents engaged by joint ventures and subsidiaries.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.33] We must never hire someone else to do anything that we cannot ethically or legally do ourselves. Cubic and its employees can be held liable for bribes paid by a third-party agent or consultant acting on Cubic's behalf.</p> <p>We will use reasonable diligence in vetting the legitimacy of business dealings with customers and partners. We will not be party to any likely or known illegal or fraudulent transactions or business dealings.</p> <p>[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.</p> <p>Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.</p> <p>We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline</p>

Question
<b>7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company conducts anti-bribery and corruption due diligence on third parties (including consultants, technical advisors and business representatives).</p> <p>However, the company receives a score of '1' because it is not clear whether agents and highest risk intermediaries are subject to enhanced due diligence. It is also not clear if due diligence is repeated at least every two years and/or whenever there is a significant change in the business relationship.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.33] We must never hire someone else to do anything that we cannot ethically or legally do ourselves. Cubic and its employees can be held liable for bribes paid by a third-party agent or consultant acting on Cubic's behalf.</p> <p>We will use reasonable diligence in vetting the legitimacy of business dealings with customers and partners. We will not be party to any likely or known illegal or fraudulent transactions or business dealings.</p> <p>[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.</p> <p>Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.</p> <p>We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.</p>

Question
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
Score
<b>0</b>
Comments
<p>There is no evidence that the company aims to establish the beneficial ownership of its agents. The company does not commit to not engaging or terminating its engagement with agents or intermediaries if beneficial ownership cannot be established.</p>
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.33] We must never hire someone else to do anything that we cannot ethically or legally do ourselves. Cubic and its employees can be held liable for bribes paid by a third-party agent or consultant acting on Cubic's behalf.</p> <p>We will use reasonable diligence in vetting the legitimacy of business dealings with customers and partners. We will not be party to any likely or known illegal or fraudulent transactions or business dealings.</p> <p>[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.</p> <p>Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.</p> <p>We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.</p>

Question
<b>7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?</b>
Score
<b>0</b>
Comments
<p>The company's Code of Conduct for Third Parties applies in general to all third parties, including agents and the company's representatives. This code prohibits bribery, facilitation payments, covers conflicts of interests and gifts and hospitality, and states that the company's whistleblowing channel is also open to third parties. However, the company receives a score of '0' because there is no evidence that the company includes anti-bribery and corruption clauses in its contracts with agents and intermediaries.</p>
Evidence
<p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a></p> <p>[p.1] INTRODUCTION</p> <p>Cubic Corporation and its subsidiaries are committed to conducting business with the highest ethical standards. We always strive to "do the right thing," which means complying with the law, our policies and our contractual commitments to customers. It also means we consider the impact of our actions on our fellow employees, shareholders, customers, communities and the environment. This commitment extends throughout our global operations, no matter where in the world we do business.</p> <p>We expect the third parties with whom we do business to demonstrate a similar commitment to business ethics. One important aspect of that commitment is following a written code of business conduct or similar set of principles.</p> <p>Third parties who have not already adopted their own robust code of business conduct are required to follow our Code of Conduct for Third Parties, which describes our expectations for the vendors, suppliers, resellers, contractors, agents, representatives, and partners with whom we do business (collectively our "business associates").</p> <p>[p.2] You must ensure that your employees and contractors working with Cubic understand their obligations to follow the standards described in this Code of Conduct. In addition, Cubic expects that you will maintain your own compliance policies and provide training and resources to your personnel in support of a strong culture of business ethics.</p> <p>Responsible behaviour  Compliance with laws and regulations</p> <p><b>BRIBERY &amp; CORRUPTION</b></p> <p>Cubic will not tolerate any form of bribery or corruption and we insist that our business associates comply with all applicable anti-corruption laws and regulations, including but not limited to the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Making or offering bribes, kickbacks, other payments or items of value, directly or indirectly, to anyone for the purpose of wrongfully obtaining or retaining business related to products or services provided by Cubic or resold by you is strictly prohibited.</p> <p>This includes officials, employees, or representatives of any government, political parties, candidates for office, or public or international organization, as well as any third party where there is reason to believe that it will be passed on to anyone involved in the business decision process for the purpose of influencing the decision. Even where allowed by applicable laws and regulations, any travel-related expenses and business amenities provided must be reasonable, tied to a product demonstration and not provided for the purpose of obtaining or retaining Cubic business.</p>



We also do not allow “facilitation payments” – small sums paid to government officials to expedite or facilitate non-discretionary actions or services such as obtaining a visa or customs clearance.

#### [p.4] Conflicts of interest

We expect our business associates to avoid personal and organizational conflicts of interest when dealing with Cubic. Any act that could be perceived as favorable treatment or biased can cast doubt on our integrity and put our reputation at risk. You must avoid even the perception of a conflict of interest and promptly report any instances of actual or potential conflicts between yourself or your personnel and those of Cubic or its customers. For example, you must promptly disclose to Cubic all known family relationships and any material financial or business relationships between any of your principals, employees or agents and Cubic’s employees or agents.

#### Gifts, meals and entertainment

You must not use the exchange of business courtesies (i.e., meals, hospitality, entertainment, travel costs and gifts) with private, commercial or government customers to gain an unfair advantage or improperly influence business decisions. Cubic and its partners

[p.5] must compete on the merits of their products and services, and offering or accepting a gift or meal is only permissible when it is modest in value, consistent with local customs or practices and not contrary to any applicable law.

Further, you must not offer or pressure any individual to accept a business courtesy that you know would be contrary to their employer’s own rules or policies. For example, our government customers often prohibit their employees from accepting even nominal items or modestly priced meals.

#### Compliance and cooperation

You agree to conduct your business dealings with Cubic, and with others on Cubic’s behalf, in accordance with these standards. You will advise your employees and contractors working under your contract with Cubic of these standards and their obligation to comply. If requested by Cubic, you will cooperate with our efforts to investigate an alleged violation of this Code of Conduct involving your employees or contractors. You will also provide information that Cubic may request in connection with its periodic revalidation of you or your company’s business relationship with Cubic.

You will maintain documentation reasonably necessary to demonstrate your compliance with this Code of Conduct and provide Cubic or its independent auditor with access to such documentation upon reasonable request.

Any material violation of this Code of Conduct may form the basis for termination of your business relationship(s) with Cubic, including all related contracts.

#### Reporting violations

We need your help to support our shared commitment to strong business ethics. If you become aware of any unlawful or unethical situation related to business conducted with or on behalf of Cubic, you must promptly notify us via our third-party hosted Cubic Helpline. Please include any information that you have regarding the incident or situation. Cubic takes all reports of illegal or unethical conduct seriously and will conduct a prompt and thorough review or investigation.

Cubic does not permit or condone retaliation against any person for reporting a suspected issue in good faith. Likewise we will not tolerate our business associates retaliating against their employees for reporting an issue to us in good faith. Retaliation by, or against, a business associate employee or agent is a violation of this Code of Conduct and may result in suspension or termination of our business relationship.

Question
<b>7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
Score
<b>0</b>
Comments
There is no evidence that the company's incentive structures for agents are designed to minimise risks of bribery and corruption or that incentive structures are recognised as a risk factor in agent behaviour.
Evidence
No evidence found.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for or on behalf of the company.
Evidence
No evidence found.

Question
<b>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found.

## 7.2 Joint Ventures

Question
<b>7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?</b>
Score
<b>0</b>
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its prospective joint venture partners based on an assessment of corruption risk.
Evidence
<p><b>[1] Code of Business Conduct</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a></p> <p>[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.</p> <p>Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.</p> <p>We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.</p>

Question
<b>7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?</b>
Score
<b>0</b>
Comments
There is no evidence that the company includes anti-bribery and corruption clauses in its contracts with joint venture partners.
Evidence
<p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a></p> <p>[p.1] INTRODUCTION</p> <p>Cubic Corporation and its subsidiaries are committed to conducting business with the highest ethical standards. We always strive to “do the right thing,” which means complying with the law, our policies and our contractual commitments to customers. It also means we consider the impact of our actions on our fellow employees, shareholders, customers, communities and the environment. This commitment extends throughout our global operations, no matter where in the world we do business.</p> <p>We expect the third parties with whom we do business to demonstrate a similar commitment to business ethics. One important aspect of that commitment is following a written code of business conduct or similar set of principles. Third parties who have not already adopted their own robust code of business conduct are required to follow our Code of Conduct for Third Parties, which describes our expectations for the vendors, suppliers, resellers, contractors, agents, representatives, and partners with whom we do business (collectively our “business associates”).</p> <p>[p.2] You must ensure that your employees and contractors working with Cubic understand their obligations to follow the standards described in this Code of Conduct. In addition, Cubic expects that you will maintain your own compliance policies and provide training and resources to your personnel in support of a strong culture of business ethics.</p> <p>Responsible behaviour  Compliance with laws and regulations</p> <p><b>BRIBERY &amp; CORRUPTION</b></p> <p>Cubic will not tolerate any form of bribery or corruption and we insist that our business associates comply with all applicable anti-corruption laws and regulations, including but not limited to the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Making or offering bribes, kickbacks, other payments or items of value, directly or indirectly, to anyone for the purpose of wrongfully obtaining or retaining business related to products or services provided by Cubic or resold by you is strictly prohibited.</p> <p>This includes officials, employees, or representatives of any government, political parties, candidates for office, or public or international organization, as well as any third party where there is reason to believe that it will be passed on to anyone involved in the business decision process for the purpose of influencing the decision. Even where allowed by applicable laws and regulations, any travel-related expenses and business amenities provided must be reasonable, tied to a product demonstration and not provided for the purpose of obtaining or retaining Cubic business.</p> <p>We also do not allow “facilitation payments” – small sums paid to government officials to expedite or facilitate non-discretionary actions or services such as obtaining a visa or customs clearance.</p>

**[p.4] Conflicts of interest**

We expect our business associates to avoid personal and organizational conflicts of interest when dealing with Cubic. Any act that could be perceived as favorable treatment or biased can cast doubt on our integrity and put our reputation at risk. You must avoid even the perception of a conflict of interest and promptly report any instances of actual or potential conflicts between yourself or your personnel and those of Cubic or its customers. For example, you must promptly disclose to Cubic all known family relationships and any material financial or business relationships between any of your principals, employees or agents and Cubic's employees or agents.

**Gifts, meals and entertainment**

You must not use the exchange of business courtesies (i.e., meals, hospitality, entertainment, travel costs and gifts) with private, commercial or government customers to gain an unfair advantage or improperly influence business decisions. Cubic and its partners

[p.5] must compete on the merits of their products and services, and offering or accepting a gift or meal is only permissible when it is modest in value, consistent with local customs or practices and not contrary to any applicable law.

Further, you must not offer or pressure any individual to accept a business courtesy that you know would be contrary to their employer's own rules or policies. For example, our government customers often prohibit their employees from accepting even nominal items or modestly priced meals.

**Compliance and cooperation**

You agree to conduct your business dealings with Cubic, and with others on Cubic's behalf, in accordance with these standards. You will advise your employees and contractors working under your contract with Cubic of these standards and their obligation to comply. If requested by Cubic, you will cooperate with our efforts to investigate an alleged violation of this Code of Conduct involving your employees or contractors. You will also provide information that Cubic may request in connection with its periodic revalidation of you or your company's business relationship with Cubic.

You will maintain documentation reasonably necessary to demonstrate your compliance with this Code of Conduct and provide Cubic or its independent auditor with access to such documentation upon reasonable request.

Any material violation of this Code of Conduct may form the basis for termination of your business relationship(s) with Cubic, including all related contracts.

**Reporting violations**

We need your help to support our shared commitment to strong business ethics. If you become aware of any unlawful or unethical situation related to business conducted with or on behalf of Cubic, you must promptly notify us via our third-party hosted Cubic Helpline. Please include any information that you have regarding the incident or situation. Cubic takes all reports of illegal or unethical conduct seriously and will conduct a prompt and thorough review or investigation.

Cubic does not permit or condone retaliation against any person for reporting a suspected issue in good faith. Likewise we will not tolerate our business associates retaliating against their employees for reporting an issue to us in good faith. Retaliation by, or against, a business associate employee or agent is a violation of this Code of Conduct and may result in suspension or termination of our business relationship.

**[1] Code of Business Conduct**

Accessed 22/06/2019

[https://www.cubic.com/sites/default/files/CubicCodeofConduct\\_2018\\_0.pdf](https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf)

[p.35] The actions of our consultants, technical advisors, business representatives, and other third parties reflect upon and impact Cubic. We will only work with consultants and business representatives of known integrity and require that their conduct meet our standards.

Employees involved in engaging or overseeing third parties must comply with all Cubic policies and procedures regarding third-party selection, approval, due diligence, and appropriate monitoring. Third parties must never be



engaged for improper or illegal purposes such as paying bribes or kickbacks, engaging in industrial espionage, or obtaining the proprietary information of others.

We demand that our business representatives and advisors comply with our policies. If you are ever aware of any possible violations of these policies by a consultant, representative or advisor, you must promptly report it to a senior manager, Cubic's Law Department, Corporate Compliance, or the Cubic Helpline.

Question
<b>7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?</b>
Score
<b>0</b>
Comments
There is no evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
<p><b>[3] Code of Conduct for Third Parties</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a></p> <p>[p.1] INTRODUCTION</p> <p>Cubic Corporation and its subsidiaries are committed to conducting business with the highest ethical standards. We always strive to “do the right thing,” which means complying with the law, our policies and our contractual commitments to customers. It also means we consider the impact of our actions on our fellow employees, shareholders, customers, communities and the environment. This commitment extends throughout our global operations, no matter where in the world we do business.</p> <p>We expect the third parties with whom we do business to demonstrate a similar commitment to business ethics. One important aspect of that commitment is following a written code of business conduct or similar set of principles. Third parties who have not already adopted their own robust code of business conduct are required to follow our Code of Conduct for Third Parties, which describes our expectations for the vendors, suppliers, resellers, contractors, agents, representatives, and partners with whom we do business (collectively our “business associates”).</p> <p>[p.2] You must ensure that your employees and contractors working with Cubic understand their obligations to follow the standards described in this Code of Conduct. In addition, Cubic expects that you will maintain your own compliance policies and provide training and resources to your personnel in support of a strong culture of business ethics.</p> <p>Responsible behaviour  Compliance with laws and regulations</p> <p><b>BRIBERY &amp; CORRUPTION</b></p> <p>Cubic will not tolerate any form of bribery or corruption and we insist that our business associates comply with all applicable anti-corruption laws and regulations, including but not limited to the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Making or offering bribes, kickbacks, other payments or items of value, directly or indirectly, to anyone for the purpose of wrongfully obtaining or retaining business related to products or services provided by Cubic or resold by you is strictly prohibited.</p> <p>This includes officials, employees, or representatives of any government, political parties, candidates for office, or public or international organization, as well as any third party where there is reason to believe that it will be passed on to anyone involved in the business decision process for the purpose of influencing the decision. Even where allowed by applicable laws and regulations, any travel-related expenses and business amenities provided must be reasonable, tied to a product demonstration and not provided for the purpose of obtaining or retaining Cubic business.</p> <p>We also do not allow “facilitation payments” – small sums paid to government officials to expedite or facilitate non-discretionary actions or services such as obtaining a visa or customs clearance.</p> <p>[p.4] Conflicts of interest</p>

We expect our business associates to avoid personal and organizational conflicts of interest when dealing with Cubic. Any act that could be perceived as favorable treatment or biased can cast doubt on our integrity and put our reputation at risk. You must avoid even the perception of a conflict of interest and promptly report any instances of actual or potential conflicts between yourself or your personnel and those of Cubic or its customers. For example, you must promptly disclose to Cubic all known family relationships and any material financial or business relationships between any of your principals, employees or agents and Cubic's employees or agents.

#### Gifts, meals and entertainment

You must not use the exchange of business courtesies (i.e., meals, hospitality, entertainment, travel costs and gifts) with private, commercial or government customers to gain an unfair advantage or improperly influence business decisions. Cubic and its partners

[p.5] must compete on the merits of their products and services, and offering or accepting a gift or meal is only permissible when it is modest in value, consistent with local customs or practices and not contrary to any applicable law.

Further, you must not offer or pressure any individual to accept a business courtesy that you know would be contrary to their employer's own rules or policies. For example, our government customers often prohibit their employees from accepting even nominal items or modestly priced meals.

#### Compliance and cooperation

You agree to conduct your business dealings with Cubic, and with others on Cubic's behalf, in accordance with these standards. You will advise your employees and contractors working under your contract with Cubic of these standards and their obligation to comply. If requested by Cubic, you will cooperate with our efforts to investigate an alleged violation of this Code of Conduct involving your employees or contractors. You will also provide information that Cubic may request in connection with its periodic revalidation of you or your company's business relationship with Cubic.

You will maintain documentation reasonably necessary to demonstrate your compliance with this Code of Conduct and provide Cubic or its independent auditor with access to such documentation upon reasonable request.

Any material violation of this Code of Conduct may form the basis for termination of your business relationship(s) with Cubic, including all related contracts.

#### Reporting violations

We need your help to support our shared commitment to strong business ethics. If you become aware of any unlawful or unethical situation related to business conducted with or on behalf of Cubic, you must promptly notify us via our third-party hosted Cubic Helpline. Please include any information that you have regarding the incident or situation. Cubic takes all reports of illegal or unethical conduct seriously and will conduct a prompt and thorough review or investigation.

Cubic does not permit or condone retaliation against any person for reporting a suspected issue in good faith. Likewise we will not tolerate our business associates retaliating against their employees for reporting an issue to us in good faith. Retaliation by, or against, a business associate employee or agent is a violation of this Code of Conduct and may result in suspension or termination of our business relationship.

## 8. Offsets

Question
<b>8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?</b>
Score
<b>0</b>
Comments
There is no evidence that the company addresses the corruption risks associated with offset contracting. There is no evidence that a dedicated body, department or team is responsible for monitoring of the company's offset activities.
Evidence
No evidence found.

Question
<b>8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?</b>
Score
<b>0</b>
Comments
There is no evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
Evidence
No evidence found.

Question
<b>8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company's offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
The company does not publish any details of its offset obligations and/or contracts.
Evidence
No evidence found.



## 9. High Risk Markets

Question
<b>9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?</b>
Score
<b>0</b>
Comments
There is no evidence that the company acknowledges the corruption risks of operating in different markets, or that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
<p><b>[13] Notice of Annual General Meeting and Proxy Statement</b>  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf</a>            Accessed 22/06/2019</p> <p>[p.13]</p> <p><b>Risk Management</b></p> <p>The Board reviews and approves the procedures adopted and conclusions reached by our Executive Management Committee ("EMC") and discusses with the General Counsel, who is responsible for the Enterprise Risk Management ("ERM") process, and the CEO, the major risk exposures and the steps that have been taken to monitor and control such exposures.</p> <p>The EMC reviews and assesses perceived risks to the enterprise as a whole and its major subsidiaries. It works with relevant managers and develops mitigation and remediation plans. Periodic reports are brought to the attention of the Board by the General Counsel.</p> <p>We have an ERM process for the parent company and sub-groups for our business segments. Each group consists of its senior officers who meet periodically to identify, assess and rank the perceived severity of risks unique to their businesses. Appropriate mitigation plans and training are implemented. To date, the EMC has not identified any risks, capable of control, which it believes cannot be reasonably controlled or mitigated.</p> <p>[p.14]</p> <p>The Board's focus and concern is to identify, and ensure the Company has a plan to respond to, those few issues which could seriously impact our, or one of our material divisions' short or long-term ability to continue normal operations.</p> <p>In conjunction with the risk management review, the Board also addresses our legal compliance efforts in certain complex areas, such as export control, antitrust and foreign corrupt practices.</p>

Question
<b>9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company, in its annual filing to the Securities and Exchange Commission, provides a list of its subsidiaries. This includes the company's ownership percentage of the subsidiary and the country of incorporation.</p> <p>However, the list is not accompanied by a statement that it is complete at the time of publication to the best of the company's knowledge; it is consequently not clear whether the list includes all of the company's holdings. Additionally, the company does not provide information on the subsidiaries' countries of operation.</p>
Evidence
<p><b>[14] Annual Report 2019</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf</a></p>

[p.127]

**EXHIBIT 21.1**

**SUBSIDIARY CORPORATIONS OF CUBIC CORPORATION**  
**PLACE OF INCORPORATION AND PERCENTAGE OWNED**

<u>Subsidiary</u>	<u>Place of Incorporation</u>	<u>Percentage Owned</u>
<b>CTS — NORDIC AKTIEBOLAG</b>	<b>Sweden</b>	<b>100%</b>
<b>CUBIC (UK) LIMITED</b>	<b>England</b>	<b>100%</b>
<b>CUBIC DE MEXICO</b>	<b>Mexico</b>	<b>100%</b>
<b>CUBIC DEFENCE AUSTRALIA PTY LIMITED</b>	<b>Australia</b>	<b>100%</b>
<b>CUBIC DEFENCE NEW ZEALAND LIMITED</b>	<b>New Zealand</b>	<b>100%</b>
<b>CUBIC DEFENCE UK LTD</b>	<b>England</b>	<b>100%</b>
<b>CUBIC DEFENSE APPLICATIONS, INC.</b>	<b>California</b>	<b>100%</b>
<b>CUBIC DEFENSE WLL</b>	<b>Qatar</b>	<b>49%</b>
<b>CUBIC FIELD SERVICES CANADA LIMITED</b>	<b>Canada</b>	<b>100%</b>
<b>CUBIC HOLDINGS LTD.</b>	<b>New Zealand</b>	<b>100%</b>
<b>CUBIC ITALIA S.R.L.</b>	<b>Italy</b>	<b>100%</b>
<b>CUBIC SURFACE TRANSPORTATION SYSTEMS LIMITED</b>	<b>England</b>	<b>100%</b>
<b>CUBIC TECHNOLOGIES DENMARK APS</b>	<b>Denmark</b>	<b>100%</b>
<b>CUBIC TECHNOLOGIES SINGAPORE PTE LTD</b>	<b>Singapore</b>	<b>100%</b>
<b>CUBIC TRANSPORTATION SYSTEMS (AUSTRALIA) PTY LIMITED</b>	<b>Australia</b>	<b>100%</b>
<b>CUBIC TRANSPORTATION SYSTEMS (DEUTSCHLAND) GmbH</b>	<b>Germany</b>	<b>100%</b>
<b>CUBIC TRANSPORTATION SYSTEMS (INDIA) PVT LIMITED</b>	<b>India</b>	<b>100%</b>
<b>CUBIC TRANSPORTATION SYSTEMS CANADA, LTD</b>	<b>Canada</b>	<b>100%</b>
<b>CUBIC TRANSPORTATION SYSTEMS LIMITED</b>	<b>England</b>	<b>100%</b>
<b>CUBIC TRANSPORTATION SYSTEMS, INC.</b>	<b>California</b>	<b>100%</b>
<b>EMIRATES TRAINING TECHNOLOGY LLC</b>	<b>UAE</b>	<b>49%</b>
<b>GATR, INC.</b>	<b>Delaware</b>	<b>100%</b>
<b>ISR SYSTEMS, INC.</b>	<b>Delaware</b>	<b>100%</b>

**Question****9.3 Does the company disclose its beneficial ownership and control structure?****Score****2****Comments**

The company is a publicly listed company listed on the New York Stock Exchange ('NYSE') and therefore automatically receives a score of '2'.

**Evidence****[19] Financial Times Markets Data (webpage)**

Accessed 06/10/2020

<https://markets.ft.com/data/equities/tearsheet/summary?s=CUB:NYQ>

# Cubic Corp

## CUB:NYQ ▼

Industrials > Industrial Transportation

PRICE (USD)	TODAY'S CHANGE	SHARES TRADED	1 YEAR CHANGE	BETA
59.58	↑1.46 / 2.51%	42.09k	↓-13.17%	0.9974

Data delayed at least 15 minutes, as of Oct 06 2020 17:28 BST.

**[13] Notice of Annual General Meeting and Proxy Statement**

Accessed 22/06/2019

<https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf>

[p.2]

## OWNERSHIP OF COMMON STOCK

The following table sets forth information regarding the beneficial ownership of our common stock as of December 19, 2018 for:

- each person, or group of affiliated persons, known to us to own beneficially 5% or more of our outstanding common stock;
- each of our directors and nominees;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission (the "SEC"). Under these rules, beneficial ownership of a class of capital stock includes any shares of such class as to which a person, directly or indirectly, has or shares voting power or investment power and also any shares as to which a person has the right to acquire such voting or investment

power within 60 days through the exercise of any options, warrants or other rights. Shares subject to options, warrants or other rights are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Except as indicated below and under applicable community property laws, we believe that the beneficial owners identified in this table have sole voting and investment power with respect to all shares shown below.

For the purpose of calculating the percentage of shares beneficially owned by any shareholder, this table lists applicable percentage ownership based on 31,132,991 shares of common stock outstanding as of December 19, 2018.

Unless otherwise indicated below, the address for each named director and executive officer is c/o Cubic Corporation, 9333 Balboa Avenue, San Diego, California 92123.

[p.3]

Name of Beneficial Owner	Shares beneficially owned	Percent Owned (%)
<b>5% Shareholders</b>		
BlackRock Institutional Trust Company, N.A. <sup>(1)</sup>	4,245,358	13.6
T. Rowe Price Associates, Inc. <sup>(2)</sup>	3,261,039	10.5
The Vanguard Group <sup>(3)</sup>	2,466,422	7.9
<b>Directors and Executive Officers</b>		
Bradley H. Feldmann <sup>(4)</sup>	50,243	*
Anshooman Aga	1,453	*
Prithviraj Banerjee	0	0
Bruce G. Blakley <sup>(5)</sup>	13,046	*
Maureen Breakiron-Evans	1,742	*
David H. Buss	2,521	*
Matthew J. Cole	8,033	*
Edwin A. Guiles	13,411	*
Janice M. Hamby	3,191	*
David F. Melcher	2,253	*
Steven J. Norris	4,804	*
Michael R. Twyman	13,801	*
John H. Warner, Jr.	26,886	*
All directors and executive officers as a group (16 persons)	159,469	*

\* Less than 1%

(1) Based solely on information made available to Cubic through the NYSE as of September 30, 2018. BlackRock Institutional Trust Company N.A., 400 Howard Street, San Francisco, CA 94105.

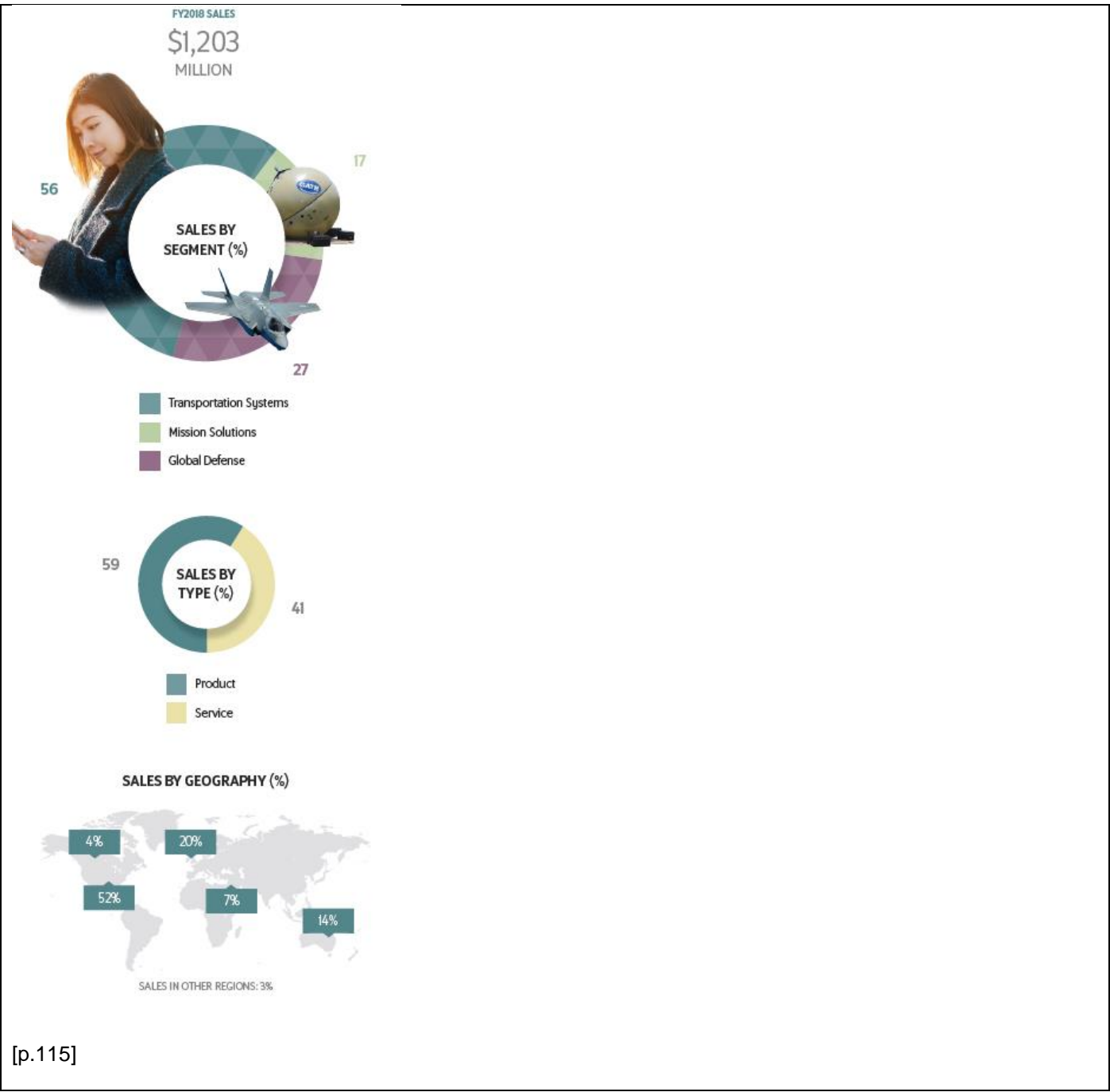
(2) Based solely on information made available to Cubic through the NYSE as of September 30, 2018. The address of T. Rowe Price Associates, Inc., is 100 East Pratt Street, Baltimore, MD 21202.

(3) Based solely on information made available to Cubic through the NYSE as of September 30, 2018. The address of The Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, PA 19355.

(4) Includes 33 shares held in the Feldmann Family Trust Dated 04/20/12. Mr. Feldmann shares voting and investment powers over such shares as one of the two co-trustees of such trust and disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Also includes 3,050 shares held in Mr. Feldmann's IRA and 1,264 shares held indirectly through Mr. Feldmann's 401(k).

(5) Includes 8,971 shares held in the Blakley Living Trust dtd 2/9/16. Mr. Blakley has voting and investment power over such shares as the trustee of such trust, and disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Also includes 190 shares held indirectly through Mr. Blakley's IRA account.

Question
<b>9.4 Does the company publish a percentage breakdown of its defence sales by customer?</b>
Score
<b>0</b>
Comments
<p>There is no evidence that the company publishes details of its defence sales by customer. The company indicates that for its Cubic Global Defence segment, sales to international customers constituted 52% of its sales. However, the company provides no specific details with regard to these customers, and its assumed domestic sales do not meet the 50% threshold for the company to receive a score of '1'.</p>
Evidence
<p><b>[14] Annual Report 2019</b>  Accessed 22/06/2019  <a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf</a></p> <p>[p.4]</p> <p>We have a broad customer base across our businesses, with approximately 53% of our fiscal year 2018 sales generated from U.S. federal, state and local governments. Approximately 2% of these sales were attributable to Foreign Military Sales, which are sales to allied foreign governments facilitated by the U.S. government. The remainder of our fiscal year 2018 sales were attributable to sales to foreign government and foreign municipal agencies.</p> <p>[p.5]</p>





Business segment financial data is as follows (in millions):

	Year Ended September 30,		
	2018	2017	2016
<b>Sales:</b>			
Cubic Transportation Systems	\$ 670.7	\$ 578.6	\$ 586.4
Cubic Global Defense	325.2	360.2	374.7
Cubic Mission Solutions	207.0	168.9	109.5
Total sales	<u>\$ 1,202.9</u>	<u>\$ 1,107.7</u>	<u>\$ 1,070.6</u>
<b>Operating income (loss):</b>			
Cubic Transportation Systems	\$ 60.4	\$ 39.8	\$ 57.5
Cubic Global Defense	16.6	28.1	19.9
Cubic Mission Solutions	(0.1)	(9.3)	(37.0)
Unallocated corporate expenses	(52.5)	(56.0)	(52.0)
Total operating income (loss)	<u>\$ 24.4</u>	<u>\$ 2.6</u>	<u>\$ (11.6)</u>
<b>Assets:</b>			
Cubic Transportation Systems	\$ 390.2	\$ 335.1	\$ 338.2
Cubic Global Defense	360.1	280.1	211.8
Cubic Mission Solutions	352.9	390.5	404.4
Corporate	201.7	156.4	364.8
Discontinued Operations	—	174.2	185.5
Total assets	<u>\$ 1,304.9</u>	<u>\$ 1,336.3</u>	<u>\$ 1,504.7</u>
<b>Depreciation and amortization:</b>			
Cubic Transportation Systems	\$ 12.0	\$ 8.8	\$ 8.2
Cubic Global Defense	8.5	10.4	7.5
Cubic Mission Solutions	22.4	23.8	21.2
Corporate	3.7	5.0	3.4
Total depreciation and amortization	<u>\$ 46.6</u>	<u>\$ 48.0</u>	<u>\$ 40.3</u>
<b>Capital expenditures:</b>			
Cubic Transportation Systems	\$ 3.2	\$ 6.9	\$ 2.2
Cubic Global Defense	9.4	5.9	6.8
Cubic Mission Solutions	2.1	1.7	2.1
Corporate	17.0	22.4	21.0
Total expenditures for long-lived assets	<u>\$ 31.7</u>	<u>\$ 36.9</u>	<u>\$ 32.1</u>
<b>Years ended September 30,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Geographic Information:</b>			
<b>Sales (a):</b>			
United States	\$ 627.8	\$ 522.8	\$ 471.6
United Kingdom	240.7	219.4	243.0
Canada	42.3	31.5	44.6
Australia	166.7	175.6	154.0
Middle East	36.3	64.8	71.0
Far East	50.1	47.9	40.0
Other	39.0	45.7	46.4
Total sales	<u>\$ 1,202.9</u>	<u>\$ 1,107.7</u>	<u>\$ 1,070.6</u>

(a) Sales are attributed to countries or regions based on the location of customers.

Years ended September 30,	2018	2017	2016
Long-lived assets, net:			
United States	\$ 106.7	\$ 100.6	\$ 83.9
United Kingdom	5.7	11.7	9.4
Other foreign countries	12.0	7.3	5.3
Total long-lived assets, net	\$ 124.4	\$ 119.6	\$ 98.6

**[10] Customers and contracts (webpage)**

Accessed 22/06/2019

<https://www.cubic.com/customers-contracts>

Indefinite delivery/ indefinite quantity (IDIQ) vehicles

- US Army Capabilities Integration Centre
- US Army Combined Arms Center Analytical Support
- Enhanced Army Global Logistics Enterprise
- Fielded Training Systems Support (FTSS) III
- Maneuver Center of Excellence (MCoE) Training and Support Services for Fort Benning, GA

## 10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

## List of Evidence & Sources

N o.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Code of business conduct	22/06/19	<a href="https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf">https://www.cubic.com/sites/default/files/CubicCodeofConduct_2018_0.pdf</a>
02	Webpage	Code of business conduct	22/06/19	<a href="https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1">https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-1</a>
03	Document	Code of conduct for third parties	22/06/19	<a href="https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf">https://www.cubic.com/sites/default/files/Code%20of%20Conduct%20for%20Third%20Parties%20Cubic%20Corp.pdf</a>
04	Webpage	Code of conduct for third parties	22/06/19	<a href="https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-3">https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-3</a>
05	Webpage	Cubic Helpline	22/06/19	<a href="https://secure.ethicspoint.com/domain/media/en/gui/53750/index.html">https://secure.ethicspoint.com/domain/media/en/gui/53750/index.html</a>
06	Document	EthicsPoint FAQ	22/06/19	<a href="https://secure.ethicspoint.com/domain/media/en/gui/53750/faq.pdf">https://secure.ethicspoint.com/domain/media/en/gui/53750/faq.pdf</a>
07	Webpage	Cubic Helpline report by phone	22/06/19	<a href="https://secure.ethicspoint.com/domain/media/en/gui/53750/phone.html">https://secure.ethicspoint.com/domain/media/en/gui/53750/phone.html</a>
08	Webpage	Cubic Helpline 2	22/06/19	<a href="https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-2">https://www.cubic.com/about/ethics-compliance#paragraph-tab-18791-2</a>
09	Webpage	Current suppliers	22/06/19	<a href="https://www.cubic.com/suppliers/current-suppliers">https://www.cubic.com/suppliers/current-suppliers</a>
10	Webpage	Customers and contracts	22/06/19	<a href="https://www.cubic.com/customers-contracts#paragraph-tab-9146-2">https://www.cubic.com/customers-contracts#paragraph-tab-9146-2</a>
11	Webpage	Corporate overview – FY2018 sales	22/06/19	<a href="https://www.cubic.com/investor-relations/corporate-overview#paragraph-tab-12981-1">https://www.cubic.com/investor-relations/corporate-overview#paragraph-tab-12981-1</a>
12	Webpage	Corporate overview – global sales	22/06/19	<a href="https://www.cubic.com/investor-relations/corporate-overview#paragraph-tab-12981-2">https://www.cubic.com/investor-relations/corporate-overview#paragraph-tab-12981-2</a>
13	Document	Notice of annual general meeting and proxy statement 2019	22/06/19	<a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp.%202019%20Proxy%20Statement.pdf</a>
14	Document	Annual report 2019	22/06/19	<a href="https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf">https://www.cubic.com/sites/default/files/2019-01/Cubic%20Corp_2018%20Annual%20Report.pdf</a>
15	Document	Audit and compliance committee charter	22/06/19	<a href="https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf">https://www.cubic.com/sites/default/files/Audit%20and%20Compliance%20Committee%20Charter.pdf</a>
16	Document	Ethics and corporate responsibility committee charter	22/06/19	<a href="https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%201.2018%20FOR%20POST.pdf">https://www.cubic.com/sites/default/files/Ethics%20%20Corporate%20Responsibility%20Committee%20Charter_FINAL%201.2018%20FOR%20POST.pdf</a>
17	Document	Executive compensation committee charter	22/06/19	<a href="https://www.cubic.com/sites/default/files/Executive%20Compensation%20Committee%20Charter.pdf">https://www.cubic.com/sites/default/files/Executive%20Compensation%20Committee%20Charter.pdf</a>
18	Document	Code of ethical conduct for principal executive and financial officers	22/06/19	<a href="https://www.cubic.com/sites/default/files/code-of-ethical-conduct.pdf">https://www.cubic.com/sites/default/files/code-of-ethical-conduct.pdf</a>
19	Webpage	Financial Times Markets Data	06/10/20	<a href="https://markets.ft.com/data/equities/tearsheet/summary?s=CU B:NYQ">https://markets.ft.com/data/equities/tearsheet/summary?s=CU B:NYQ</a>