The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>15%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>30%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>54.2%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>64.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>35.9%</strong></td>
</tr>
</tbody>
</table>

TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company publishes a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company.

References:
Public:
NA
A2:
Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

References:
Public:
NA
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates an internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure. TI notes that principal executive and financial officers are expected to promote ethical behaviour within the company, but there is no evidence showing the Chief Executive Officer’s direct involvement.

References:
Public:
TI notes:
CODE OF ETHICAL CONDUCT FOR PRINCIPAL EXECUTIVE AND FINANCIAL OFFICERS OF CUBIC CORPORATION, p.1:
‘7. That they will promote ethical behavior to Company employees in their department and among their peers.’
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUJs0I%3d&tabid=241
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

0

Comments:
Based on public information, there is insufficient evidence that the company publishes a statement of values and principles representing high standards of business conduct. TI notes that the company refers to integrity and openness in its Standards of Conduct and Compliance. However, this is not comparable to a published statement of values representing high standards of business conduct.

References:
Public:
TI notes:
ETHICS, STANDARDS OF CONDUCT AND COMPLIANCE, p.2:
‘Our actions demonstrate our high standards of personal and professional integrity to foster truth in what we say and trust in what we promise. We conduct our business in an open and forthright manner in strict compliance with all laws and regulations. We are correctly perceived to be an ethical organization of able and dedicated individuals of high integrity and credibility, producing quality products and services that contribute significantly to our communities and the nation.’
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company belongs to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption.

References:
Public:
NA
A6:
Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

2

Comments:
Based on public information, the company has appointed the Audit and Compliance Committee with overall corporate responsibility for its ethics and anti-corruption agenda.

References:

Public:
Corporate Governance Guidelines (April 2013), p. 1:
‘The Board is responsible for the management and oversight of the Company for the benefit of the shareholders, employees, and other parties with an interest in the Company. The Board meets at least four times per year. Board committees meet as often as necessary. The Audit and Compliance Committee meets at least four times per year.’


Charter of the Audit & Compliance Committee, p. 1:
‘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.4): ‘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.'

http://www.cubic.com/Portals/0/Files/Investor-Relations/Corporate-Governance/Audit%20Committee%20Charter%20Amended%20112014.pdf
A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board.

References:
Public:
TI notes:
Corporate Ethical Conduct, p.3:
‘The Cubic Corporation Ethics Office is responsible for administration, interpretation, and audit of this Policy. Officers of Cubic Corporation and each of its subsidiaries, together with their Department Managers, are responsible for enforcing this Policy and obtaining interpretation as required.’
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

1

Comments:

Based on public information, there is evidence of regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda. The Audit and Compliance Committee receives reports from the Chief Ethics and Compliance Officer regarding the status of the corporate ethics and compliance programme. The company therefore scores 1. To score higher the company would need to provide evidence of a periodic, heavyweight review of the entire ethics and compliance programme.

References:

Public:
Corporate Governance Guidelines, p.1:
‘The Board is responsible for the management and oversight of the Company for the benefit of the shareholders, employees, and other parties with an interest in the Company. The Board meets at least four times per year. Board committees meet as often as necessary. The Audit and Compliance Committee meets at least four times per year. Directors are expected to attend all Board meetings and meetings of committees of which they are members. Directors have full access at all times to management and independent advisors including auditors and legal counsel and the records and reports maintained by the Company.’

Charter of the Audit and Compliance Committee, p.4:
‘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. The Committee shall report regularly to the full Board on the quality and integrity of the Company’s financial statements, Company compliance with legal and regulatory
requirements, and the performance of both the independent and internal auditors.”
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:
0

Comments:
Based on public information, there is no readily available evidence of a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, or evidence of improvement plans being implemented when issues are identified.

References:
Public:
NA
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal process for review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption.

References:

Public:
NA
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

0

Comments:
Based on public information, there is evidence that the company addresses corruption risk in some areas, but this seems to be confined to international trade, and there is no readily available evidence of a formal anti-corruption risk assessment procedure implemented enterprise-wide.

References:
Public:
TI notes:
Cubic Annual Report 2013, p.19:
‘Our international business exposes us to additional risks, including exchange rate fluctuations, foreign tax and legal regulations and political or economic instability that could harm our operating results. Our international operations subject us to risks associated with operating in and selling products or services in foreign countries, including:
• compliance with anti-corruption laws, anti-money laundering laws and sanctions;’

(p.25): ‘Our employees may engage in misconduct or other improper activities, which could harm our business, financial condition and results of operations. We are exposed to the risk of employee fraud or other misconduct. Employee misconduct could include intentionally failing to comply with U.S. government procurement regulations, engaging in unauthorized activities, attempting to obtain reimbursement for improper expenses, or submitting falsified time records, which could result in legal proceedings against us, lost contracts or reduced revenues. For example, see “Item 3. Legal proceedings” in this Form 10-K for a discussion of certain litigation relating to misconduct by one of our former employees. Employee misconduct could also involve improper use of our customers’ sensitive or classified information, which could result in regulatory sanctions against us and serious harm to our reputation. Misconduct could also involve making payments to government officials or third parties which would expose us to being in violation of the Foreign Corrupt Practices Act, the UK Anti-Bribery Act or similar laws in other countries. It is not always
possible to deter employee misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could harm our business, financial condition and results of operations. In addition, alleged or actual employee misconduct could result in investigations or prosecutions of employees engaged in the subject activities, which could result in unanticipated consequences or expenses and management distraction for us regardless of whether we are alleged to have any responsibility.‘

http://www.cubic.com/LinkClick.aspx?fileticket=xr2lRGCYrTU%3d&tabid=234
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied.

References:
Public:
NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:

1

Comments:
Based on public information, there is evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents. Consultants and representatives are retained only after prior review by the company’s Law Department. However, there is no evidence that this review is renewed at least every three years and/or when there is a significant change in the business relationship. The company therefore scores 1.

References:
Public:
Cubic Corporate Code of Ethics, p.1:
‘Consultants and Representatives - Consultants and representatives will be retained only with prior review, by the Cubic Corporation Law Department and a Cubic Corporation Officer’s approval, as well as a warranty by the consultant or representative that he/she shall abide by the letter, spirit and intent of this policy and laws of all applicable countries relating to consultant or representative activities on behalf of Cubic.’
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUj0s0I%3d&tabid=241
A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

1

Comments:
Based on public information, there is some evidence that the company has procedures in place for the behaviour and control of agents with respect to countering corruption. The company therefore scores 1. To score higher the company would need to provide evidence of its right to monitor and audit agents to ensure compliance.

References:

Public:
Corporate Ethical Conduct, p.1:
‘To establish the policy for the conduct of business by the Directors, Officers, employees, agents and representatives (hereinafter referred to as employees) of Cubic Corporation and its subsidiaries (Cubic).’

p.1:
‘A. General Integrity and Compliance with Laws - All employees of Cubic are expected to observe the highest standards of business ethics and comply with all laws, rules, regulations and contract requirements and the letter and spirit of the policy set forth herein in all activities applicable to Cubic's business. Failure to do so may subject not only the employee but also the Company to criminal sanctions (including fine and/or imprisonment) or civil liability (including suspension or debarment). Violation of this policy will not be tolerated by the Company. Where laws, rules, regulations and contract requirements are ambiguous, each employee shall obtain advice from the Cubic Corporation Law Department. Upon accepting employment with Cubic, new employees are provided with this policy and are required to certify that they will read it and comply with its terms.’

Cubic Corporate Code of Ethics, p.2:
‘Consultants and Representatives - Consultants and representatives will be retained only with prior review, by the Cubic Corporation Law Department and a Cubic Corporation’
Officer's approval, as well as a warranty by the consultant or representative that he/she shall abide by the letter, spirit and intent of this policy and laws of all applicable countries relating to consultant or representative activities on behalf of Cubic.

http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241
A13:

Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:

1

Comments:

Based on public information, there is some evidence that the company makes clear to contractors, sub-contractors, and suppliers through policy, its stance on bribery and corruption. The company therefore scores 1. To score higher the company would have to provide more evidence that the company’s anti-corruption stance is made clear in contractual terms, and that the consequences of breaches are clearly communicated.

References:

Public:
Company website:
‘Cubic’s values, embodied in the company’s code of conduct, serve as the foundation for supplier relations. These core values guide our interactions with customers, suppliers, coworkers, team partners, and associates wherever we conduct business. Consistent with our own standards of integrity, Cubic pursues relationships with suppliers who demonstrate high ethical standards and conduct business within the spirit and letter of the law.’
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
Public:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
Public:
NA
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

2

Comments:
Based on public information, there is evidence that the company has a policy on the illegal use of funds and bribes, and covers corruption in its various forms.

References:
Public:
Cubic Corporate Code of Ethics, p.3:
‘B. Conflicts of Interest - Employees may not engage in activities or maintain ties that conflict with their duty of loyalty to the Company. Conflict of interest is defined and appropriate corrective action outlined in Cubic’s corporate policy on “Employee Conflicts of Interest.”

C. Entertainment, Gifts and Hospitality - Employees may not accept costly entertainment or gifts that may result in a perception of impropriety by the employees and/or the Company. Acts of hospitality toward public officials and government employees should avoid compromising the integrity or impugning the reputation of the public official, government employee or the Company. Cubic employees should be particularly sensitive to adverse perceptions that may arise from relationships with public officials and other government employees. Any entertainment, gifts or hospitality accepted or given by employees must comply with the Cubic’s corporate policy on “Gifts and Hospitality.”

D. Illegal Use of Funds - The use of Company (or personal funds in connection with company business) for any unlawful or unethical purpose is strictly prohibited. Employees are prohibited from making or offering, or causing others to make or offer, bribes, gratuities or other illegal payments to improperly advance, promote or expedite Company interests. Such payments include money, favors, entertainment, gifts or anything of value. The burden of proper expense identification rests with the employee. If employees have any question regarding a payment, they must seek advice from the Cubic Corporation Law Department. For more specific guidelines regarding bribery, please see the corporate policy on “Anti-Bribery.”

http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUJs0I%3d&tabid=241
A16:  
Is the anti-corruption policy explicitly one of zero tolerance?

Score:

1

Comments:  
Based on public information, there is no readily available evidence that the anti-corruption policy is explicitly one of zero tolerance. However, the company has a zero tolerance policy of violations of the Code of Business Ethics and Conduct, as shown by its explicit stance on disciplinary procedures in the event of a violation by any employee or director. The company therefore scores 1.

References:

Public:  
Cubic Corporate Code of Ethics, p.1:  
‘I. PURPOSE  
To establish the policy for the conduct of business by the Directors, Officers, employees, agents and representatives (hereinafter referred to as employees) of Cubic Corporation and its subsidiaries (Cubic).  
pp.3-4:  
F. Officers of the Corporation and/or each of its subsidiaries will take immediate and appropriate disciplinary action, including termination where appropriate, upon discovery of any violation of this policy.’  
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUIJs0l%3d&tabid=241

ETHICS, STANDARDS OF CONDUCT AND COMPLIANCE, p.6:  
‘The law and Company policy specifically prohibit offering, giving, soliciting, or receiving any form of bribe or kickback.’
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

1

Comments:
Based on public information, there is evidence that the company's policy is easily accessible to board members, employees, and affiliated organizations through its website. However, TI notes that the company’s Code of Ethics is only available in English and the company is understood to operate internationally. The company therefore scores 1.

References:
Public:
Cubic Corporate Code of Ethics
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s policy is written in clear, comprehensible language.

References:
Public:
Cubic Corporate Code of Ethics, p.3:
‘Illegal Use of Funds - The use of Company (or personal funds in connection with company business) for any unlawful or unethical purpose is strictly prohibited. Employees are prohibited from making or offering, or causing others to make or offer, bribes, gratuities or other illegal payments to improperly advance, promote or expedite Company interests. Such payments include money, favors, entertainment, gifts or anything of value. The burden of proper expense identification rests with the employee. If employees have any question regarding a payment, they must seek advice from the Cubic Corporation Law Department. For more specific guidelines regarding bribery, please see the corporate policy on “Anti-Bribery.”’

http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241
A18: Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score: 2

Comments: Based on public information, there is evidence that the company’s Code of Ethics applies to all employees and Board members.

References:
Public:
Cubic Corporate Code of Ethics, p.1:

‘I. PURPOSE
To establish the policy for the conduct of business by the Directors, Officers, employees, agents and representatives (hereinafter referred to as employees) of Cubic Corporation and its subsidiaries (Cubic).

II. SCOPE
This Corporate Ethical Conduct policy applies to all Cubic entities around the world.’

http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241
A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:
2

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest, which applies to both employees and Board members. The policy provides a definition and examples of potential conflicts of interest.

References:
Public:
Cubic Corporate Code of Ethics, p.1:

‘I. PURPOSE

To establish the policy for the conduct of business by the Directors, Officers, employees, agents and representatives (hereinafter referred to as employees) of Cubic Corporation and its subsidiaries (Cubic).

II. SCOPE

This Corporate Ethical Conduct policy applies to all Cubic entities around the world.’

‘Conflicts of Interest - Employees may not engage in activities or maintain ties that conflict with their duty of loyalty to the Company. Conflict of interest is defined and appropriate corrective action outlined in Cubic’s corporate policy on “Employee Conflicts of Interest.”’

http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241

Cubic Employees Conflicts of Interest:

‘POLICY

Employees are expected to exercise common sense and sound judgment to avoid actual or perceived conflicts of interest with their responsibilities to Cubic. For example, Employees must not hold material financial interests in outside businesses, or engage in outside
activities, associations, or relationships that materially conflict with their duties to Cubic or otherwise violate the guidelines set forth in this policy. Employees are responsible for notifying Cubic of any financial interests, outside activities, associations, or relationships that might be (or could be perceived by others as being) in material conflict with their duties to the Company. Determination of whether a financial interest, activity, association, or relationship constitutes an actual or threatened material conflict of interest will be determined by the Company.’

http://www.cubic.com/LinkClick.aspx?fileticket=c0ru3ZM2Hvk%3d&tabid=241
A21:
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:

Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. However, there is no evidence of clear upper limits being set or a threshold for senior authorisation. TI notes that reference is made to a corporate policy on ‘Gifts and Hospitality’, available on the company’s intranet, but this does not appear to be publicly available. The company therefore scores 1.

References:

Public:
Cubic Corporate Code of Ethics, p.1:
‘Entertainment, Gifts and Hospitality - Employees may not accept costly entertainment or gifts that may result in a perception of impropriety by the employees and/or the Company. Acts of hospitality toward public officials and government employees should avoid compromising the integrity or impugning the reputation of the public official, government employee or the Company. Cubic employees should be particularly sensitive to adverse perceptions that may arise from relationships with public officials and other government employees. Any entertainment, gifts or hospitality accepted or given by employees must comply with the Cubic’s corporate policy on “Gifts and Hospitality.”

Employee Conflicts of Interest, p.2:
‘Employees whose position includes the direct transaction of Company business or the ability to influence Company business transactions, with other companies or entities that are suppliers or vendors must not:
1. Accept from suppliers, vendors, or customers any payment, compensation, loan, financial favor, entertainment or gift beyond commonly accepted business practices. (For more detailed guidelines, refer to the Corporate Policy on “Gifts and Hospitality,” available on the corporate Intranet.)’
A22:
Does the company's anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:
Based on public information, there is evidence that the company has a policy on the giving and receipt of hospitality, that ensures that such transactions are bona fide and not a subterfuge for bribery. However, there is no evidence of clear upper limits being set or a threshold for senior authorisation. TI notes that reference is made to a corporate policy on ‘Gifts and Hospitality’, available on the company’s intranet, but this does not appear to be publicly available. The company therefore scores 1.

References:
Public:
Cubic Corporate Code of Ethics, p.1:
‘Entertainment, Gifts and Hospitality - Employees may not accept costly entertainment or gifts that may result in a perception of impropriety by the employees and/or the Company. Acts of hospitality toward public officials and government employees should avoid compromising the integrity or impugning the reputation of the public official, government employee or the Company. Cubic employees should be particularly sensitive to adverse perceptions that may arise from relationships with public officials and other government employees. Any entertainment, gifts or hospitality accepted or given by employees must comply with the Cubic’s corporate policy on “Gifts and Hospitality.”

Illegal Use of Funds - The use of Company (or personal funds in connection with company business) for any unlawful or unethical purpose is strictly prohibited. Employees are prohibited from making or offering, or causing others to make or offer, bribes, gratuities or other illegal payments to improperly advance, promote or expedite Company interests. Such payments include money, favors, entertainment, gifts or anything of value. The burden of proper expense identification rests with the employee. If employees have any question regarding a payment, they must seek advice from the Cubic Corporation Law Department. For more specific guidelines regarding bribery, please see the corporate policy on “Anti-Bribery.”
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:
Public:
NA
A24:

Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

1

Comments:

Based on public information, there is evidence that the company regulates political contributions in order to prevent undue influence or other corrupt intent. All political contributions must be pre-approved by the Cubic Corporation Law Department. The company therefore scores 1. To score higher the company would need to provide evidence that it publically discloses contributions.

References:

Public:
Cubic Corporate Code of Ethics, p.2:
‘Political Contributions – Neither the Company, its subsidiaries, or any employee or agent acting on behalf of the same, will contribute to political parties or candidates for office except as is allowed by applicable laws, rules and regulations. This policy does not prohibit the formation of a Political Action Committee in the United States for employees as authorized by the U.S. Federal Election Campaign Act or other applicable law. All political contributions must be pre-approved by the Cubic Corporation Law Department.’

http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241
A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, or discloses the issues on which the company lobbies.

References:
Public:
NA
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company prohibits charitable contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:
Public:
NA
A26:
Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda.

References:
Public:
TI notes:
Corporate Ethical Conduct, p.1:
‘General Integrity and Compliance with Laws - All employees of Cubic are expected to observe the highest standards of business ethics and comply with all laws, rules, regulations and contract requirements and the letter and spirit of the policy set forth herein in all activities applicable to Cubic's business. Failure to do so may subject not only the employee but also the Company to criminal sanctions (including fine and/or imprisonment) or civil liability (including suspension or debarment). Violation of this policy will not be tolerated by the Company. Where laws, rules, regulations and contract requirements are ambiguous, each employee shall obtain advice from the Cubic Corporation Law Department. Upon accepting employment with Cubic, new employees are provided with this policy and are required to certify that they will read it and comply with its terms.’
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a training programme that explicitly covers anti-corruption. TI notes that new employees are required to certify in writing that they understand the company’s Code of Conduct, but this does not amount to a training programme.

References:
Public:
TI notes:
Corporate Ethical Conduct, p.1:
‘Where laws, rules, regulations and contract requirements are ambiguous, each employee shall obtain advice from the Cubic Corporation Law Department. Upon accepting employment with Cubic, new employees are provided with this policy and are required to certify that they will read it and comply with its terms.’
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

0

Comments:
Based on public information, there is no readily available evidence that anti-corruption training is provided in all countries where the company operates or has company sites.

References:
Public:
NA
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to Board members.

References:
Public:
NA
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
NA
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:

2

Comments:
Based on public information, there is evidence that the company has a clear and formal process by which employees declare conflicts of interest, either to their managers or to the human resources department.

References:
Public:
Cubic Employee Conflicts of Interest, pp.5-6:
‘B. OBLIGATION TO REPORT POTENTIAL CONFLICTS
Employees have an affirmative obligation to notify their manager, department head, or Human Resources of any actual or potential Conflicts of Interest. Failure to report known or reasonably suspected Conflicts of Interest may result in discipline or discharge. Employees are also strongly encouraged to notify the Company of any actual or perceived Conflicts of Interest of others about which they become aware. There will be no retaliation against any employee who brings forward a good faith concern regarding an employee Conflict of Interest.
C. RESPONDING TO POTENTIAL CONFLICTS
Cubic may become aware of a potential conflict during the hiring process, as a result of an employee's voluntary disclosure, or from reports of others to the employee's manager or Human Resources. Information regarding a possible Conflict of Interest should be provided to senior management or Human Resources, who will discuss the matter with the Ethics and Compliance Officer or his/her designee. The Ethics and Compliance Officer will review the facts and circumstances with management and/or Human Resources to determine if the situation has (or will) cause a violation of this Policy. The Company’s response will vary based on the circumstances.’
http://www.cubic.com/LinkClick.aspx?fileticket=c0ru3ZM2Hvk%3d&tabid=241
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

2

Comments:
Based on public information, there is evidence that the company clearly states that it will apply disciplinary measures to employees and Directors who have violated its Code of Ethics, which includes their anti-corruption policy.

References:
Public:
Cubic Corporate Code of Ethics, p.1:

‘I. PURPOSE
To establish the policy for the conduct of business by the Directors, Officers, employees, agents and representatives (hereinafter referred to as employees) of Cubic Corporation and its subsidiaries (Cubic).

II. SCOPE
This Corporate Ethical Conduct policy applies to all Cubic entities around the world.’

‘General Integrity and Compliance with Laws - All employees of Cubic are expected to observe the highest standards of business ethics and comply with all laws, rules, regulations and contract requirements and the letter and spirit of the policy set forth herein in all activities applicable to Cubic's business.

Failure to do so may subject not only the employee but also the Company to criminal sanctions (including fine and/or imprisonment) or civil liability (including suspension or debarment). Violation of this policy will not be tolerated by the Company.’

(pp.3-4):

‘D. Violations of this Corporate Policy will not be tolerated and, in accordance with company procedures, will result in one or more of the following sanctions, as appropriate:

1. A warning

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2. A reprimand, which will be noted in individual's personnel record
3. Demotion
4. Temporary suspension
5. Discharge
6. Required reimbursement of losses or damages
7. Referral for criminal prosecution or civil action

E. Officers of Cubic Corporation and each of its subsidiaries are required to execute an annual compliance statement to the effect that:
1. They are aware of and understand the foregoing Policy;
2. They have made diligent inquiry within their organization to insure compliance with this policy; and
3. They have reported any transactions or events that violate, or might reasonably appear to an outsider to violate either the law or the letter or spirit of this Policy. Officers of the Corporation and/or each of its subsidiaries will take immediate and appropriate disciplinary action, including termination where appropriate, upon discovery of any violation of this policy.

F. Officers of the Corporation and/or each of its subsidiaries will take immediate and appropriate disciplinary action, including termination where appropriate, upon discovery of any violation of this policy.'

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A33:

Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

1

Comments:

Based on public information, there is evidence that the company has an Ethics Hotline for employees to report concerns or instances of suspected corrupt activity. However, there is no evidence of an independent reporting channel. The company therefore scores 1.

References:

Public:
Cubic Corporate Code of Ethics, pp.3-4:
‘IV. RESPONSIBILITY AND COMPLIANCE WITH POLICY
A. If any order or instruction is issued to an employee that is in violation of this Ethical Conduct policy, it is invalid, not to be obeyed, and compliance with that order shall not relieve the employee of responsibility for the misconduct. All employees are required to report events of a fraudulent or illegal nature, or any orders or instructions that are issued which may be in violation of this policy, to the Cubic Ethics Hotline, the numbers and email address for which are listed below. Calls to the Hotline are received by the Cubic Ethics and Compliance Officer, who is responsible for resolution. Callers will remain anonymous if they wish and the call will remain confidential at their request. No adverse action will be taken or permitted to be taken against any employee for making such a report, failure to make a report may result in the imposition of sanctions, up to and including dismissal from the Company. However, in no event shall making a report serve as protection for fraudulent or illegal activities on the part of the reporting employee.’

‘G. Worldwide Ethics Hotline Numbers
United States Hotline: 1-800-204-0137
European Hotline: +44 800 5053377
Global Ethics Office Email Address: ethics_compliance@cubic.com’
A33(a):

Are the whistleblowing channels available to all employees in all geographies?

Score:

1

Comments:

Based on public information, there is evidence that across geographies all employees have access to one whistleblowing channel, the Ethics Hotline. The company therefore scores 1. To score higher the company would need to provide evidence that across geographies, all employees have access to more than one whistleblowing channel.

References:

Public:
Cubic Corporate Code of Ethics, p.4:
‘G. Worldwide Ethics Hotline Numbers
United States Hotline: 1-800-204-0137
European Hotline: +44 800 5053377
Global Ethics Office Email Address: ethics_compliance@cubic.com’
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I3d&tabid=241
A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, or that whistleblowers are treated supportively. Such formal mechanisms could include analysing whistleblowing data or conducting independent employee surveys.

References:

Public:

NA
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

2

Comments:
Based on public information, there is evidence that employees can receive advice on the Code of Ethics from the Law Department.

References:
Public:
Cubic Corporate Code of Ethics, p.1:
‘Where laws, rules, regulations and contract requirements are ambiguous, each employee shall obtain advice from the Cubic Corporation Law Department. Upon accepting employment with Cubic, new employees are provided with this policy and are required to certify that they will read it and comply with its terms.’

(p.3): ‘The Cubic Corporation Ethics Office is responsible for administration, interpretation, and audit of this Policy. Officers of Cubic Corporation and each of its subsidiaries, together with their Department Managers, are responsible for enforcing this Policy and obtaining interpretation as required.’

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A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

1

Comments:
Based on public information, there is evidence that the company has a policy that prohibits adverse action against any employee that makes a report. However, there is no evidence that disciplinary measures are applied to those who breach this policy. The company therefore scores 1.

References:
Public:
Cubic Corporate Code of Ethics, p.3:
‘No adverse action will be taken or permitted to be taken against any employee for making such a report, failure to make a report may result in the imposition of sanctions, up to and including dismissal from the Company. However, in no event shall making a report serve as protection for fraudulent or illegal activities on the part of the reporting employee.’
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0l%3d&tabid=241
Information Sources:

Company Website:
http://www.cubic.com/

Cubic Corporate Code of Ethics:
http://www.cubic.com/LinkClick.aspx?fileticket=fDjwnOUjs0I%3d&tabid=241

Employee Conflicts of Interest:
http://www.cubic.com/LinkClick.aspx?fileticket=c0ru3ZM2Hvk%3d&tabid=241

Charter of the Audit & Compliance Committee:
http://www.cubic.com/Portals/0/Files/Investor-Relations/Corporate-Governance/Audit%20Committee%20Charter%20Amended%20112014.pdf

Corporate Governance Guidelines (April 2013):

Annual Report 2013:
http://www.cubic.com/LinkClick.aspx?fileticket=xr2IRGCYrTU%3d&tabid=234