Code of Conduct

ETHICS,
STANDARDS OF CONDUCT
AND
COMPLIANCE
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VALUES AND VISION

In our daily business, we have important obligations to our country, our customers, our shareholders and to one another. Fulfillment of these obligations requires development and cultivation of these basic VALUES:

PEOPLE:
Our most valuable asset and our competitive edge. We strive to provide an organization and operating environment that attracts, nurtures, stimulates and rewards employee productivity and professionalism.

QUALITY:
Our first priority in everything we do. Excellence in the form of quality is a shared attribute of the customers and markets we serve, and the products we build. Attention to detail and quality performance are stressed in every line and staff function from the plant floor through the highest levels of management.

ETHICS AND INTEGRITY:
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.

TEAMWORK:
Our greatest accomplishments are possible only when we work together. As leaders in technology advancement, from design and systems development to manufacturing, testing, and operational integration, the Company emphasizes teamwork, while still recognizing vital individual contributions.
To ensure a continuing focus on the code of ethics and standards of conduct by all Cubic employees, the Company has established a Corporate Ethics Office. This Office, together with Internal Audit, is responsible for monitoring conformity with the Company Code of Ethics, and resolving problems presented directly to the Office or via the Company or Ombudsman hot lines. The Ethics Officer reports directly to the Cubic Corporation Audit and Compliance Board.

As a condition of employment with Cubic, all employees are required to observe the highest standards of business ethics and comply with all laws, regulations and contract requirements, and the letter and spirit of the policy set forth herein in all activities. Where laws, regulations, contract requirement and the requirements of this policy are ambiguous, each employee shall obtain advice from the Corporate Legal Department. Upon accepting employment with Cubic, new employees will be provided a copy of this policy and will certify in writing that they have read and understand the content. Certification by all employees will be repeated thereafter on an annual basis. Violations of the law, regulations or Company ethical policy are grounds for disciplinary action up to and including termination and criminal sanction.

The Company and all employees benefit from an ethical business environment. Employees who become aware of legal, regulatory or ethical violations are responsible for reporting such violations to their line management, the Legal Department, or via the Company or Ombudsman hotlines. The very viability of the Company is dependent upon employees reporting such actions. There will be no retribution or retaliation of any sort against any employee for making such a report, and should the person reporting desire, every effort will be made to protect the identity of the reporting employee.
SECURITIES LAWS AND REGULATIONS:

The Company is required by law to make prompt public disclosure of “material information” regarding the company. “Material information” is information that affects investor decisions and the market price of the Company’s shares. On occasion, Company employees are privy to important information affecting the Company’s worth that has not been publicly released (e.g., potential acquisitions, divestitures, information about competitors, etc.). The law prohibits the use of nonpublic information obtained as a consequence of Company employment for personal gain of the employee or of anyone as a result of association with that employee.

ANTitrust laWS:

The global business of the Company is subject to antitrust and fair competition laws of the countries in which we do business. Generally speaking, antitrust laws prohibit agreements or actions “in restraint of trade,” restrictive practices that eliminate or reduce competition to the detriment of the customer. Antitrust violations take numerous forms: fixing or controlling prices; boycotting targeted suppliers or customers; allocating product territories, or markets; or limiting the production or sale of products or product lines.

U.S. antitrust laws also apply to international operation transactions related to imports to, or exports from, the U.S. Moreover, the international activities of the Corporation could be subject to antitrust laws of foreign nations or organizations such as the European Economic Community.
ENVIRONMENTAL LAWS:
Over the years, governments at all levels in many countries, but particularly in the U. S. and component states, have enacted strict and rigid environmental laws and regulations. Many of these laws focus specifically on corporations and corporate employees, and carry criminal as well as civil sanctions. In many instances, the prohibited conduct does not have to be either knowing or wilful to constitute a violation. Environmental laws and regulations impact a variety of our company operations, particularly those causing emissions to air, land or water. Accidental releases or spills of toxins may pose a health threat and must be reported. It is imperative that the company have a comprehensive environmental protection program that protects employees, customers and the environment. The program must emphasize extensive and continuing training for appropriate employees, as well as an independent monitoring and auditing program to gauge compliance.

TRADE SECRET LAWS:
Company Trade Secrets represent the "Life Blood" of Cubic. They are perhaps, the most important assets of the Company. As such, great care must be undertaken to ensure that Company Trade Secrets remain secret. Cubic proprietary information should never be disclosed to others without a valid nondisclosure agreement (approved by the Legal Department) in place. The Economic Espionage Act of 1996 and the Uniform Trade Secret Act expressly prohibit the wrongful disclosure and theft of both Company trade secrets, and the trade secrets of Cubic's competitors.
PROCUREMENT LAWS AND PERFORMANCE:

The Company will strictly adhere to the laws and regulations which govern the acquisition of products and services by the U.S. and foreign governments. Procurement integrity will dominate the conduct of business with the government. The Company will compete fairly and ethically for targeted business opportunities; in no event shall a company employee, consultant or other representative attempt to obtain, from any source, source selection or classified information or unauthorized information about a competitor. Employees responsible for procurement negotiations or presentations shall ensure that all communications and representations are accurate and factual. Illegal or unethical conduct, purposeful or inadvertent, will be promptly reported. Employees will be continuously and extensively trained to ensure proper recording and charging of time to the appropriate account, regardless of budget status. Erroneous or falsified timecards cannot be tolerated. Each individual employee is personally responsible for ensuring that his or her time is promptly and accurately reported. Managers and supervisors in providing direction and guidance to employees under their supervision, must be careful to avoid placing or seeming to place pressure or otherwise influencing employees to deviate from acceptable norms of conduct. Through policy and practice, Cubic is committed to the principles of Total Quality Management. Our goal is to produce products and services of the highest quality, which will not only meet, but exceed, customer requirements on time, at a fair price.

BRIBERY, GRATUITIES AND ANTIKICKBACK LAWS:

The integrity of the procurement practice is a fundamental element of the Company’s business practice. Marketing, sales and the entire procurement practice must be free from any suggestion or perception that favorable treatment was sought, received, or given on the basis of the furnishing or receipt of gifts, entertainment, favors, hospitality or other gratuities. The law and Company policy specifically prohibit offering, giving, soliciting, or receiving any form of bribe or kickback.
PROCUREMENT INTEGRITY:
All employees involved in the government contracts procurement process will initially, as a condition of employment, sign a procurement integrity certificate certifying that they are familiar with the Procurement Integrity Act, and will report any violations thereof to the appropriate Company official.

ANTIBOYCOTT LAWS:
Boycotts and other similar activities in restraint of trade are generally illegal unless sanctioned by the U.S. government. The Company will not directly or indirectly participate in any activity which could have the effect of restricting international trade. The mere receipt of a request to engage in such practice is a reportable event by law.

FOREIGN CORRUPT PRACTICES ACT (FCPA):
The FCPA prohibits corporations and their employees and agents from seeking to obtain or retain business by corruptly offering foreign officials money or other things of value to influence their official acts. All Cubic employees and consultants involved in foreign sales are required to certify that they have read and understand the FCPA and will abide by its terms.

EXPORT CONTROL LAWS:
Cubic is committed to complying with all export control laws. U.S. export control laws apply to the export and re-export of both U.S. goods and technology. In some circumstances, these laws prohibit subsidiaries of U.S. companies, including those located outside the continental U.S., from dealing directly or indirectly with specified countries.
COMPLIANCE WITH LAWS

SAFETY AND HEALTH:
It has long been Cubic’s policy to conduct its global operations and business with a view toward safeguarding the safety and health of employees, customers, our communities and subcontractors. There are a plethora of national and local laws designed to promote a safe work place laws which are strictly enforced by the Company. The Company conducts extensive and continuous training and regular safety audits to ensure an understanding and compliance with safety laws.

COMPLIANCE WITH EMPLOYMENT LAWS:
Cubic is committed to compliance with all state and federal employment laws and regulations including Title VII of the 1964 Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act and the Equal Pay Act. The Company has also undertaken a program of affirmative action that reinforces the Company’s commitment to providing equal employment opportunities to all employees regardless of race, color, national origin, age, gender, religion, disability or veteran status. Employees are entitled to work in an environment free from discrimination and harassment, and should report any such complaints to the Human Resources or Legal Departments. Harassment of any type will not be tolerated.
CONFLICTS OF INTEREST

Employees have a duty to avoid financial, business, or other personal relationships which might conflict with the performance of their duties. Each employee shall make a full and prompt disclosure to his or her supervisor of any situation which involves a potential conflict. Examples of conflicts are:

- Ownership by an employee or family member of a significant financial interest which does business with or competes with the Company.

- Employment by a competitor while employed by the Company.

- Serving as a director, officer, partner or consultant in any outside organization or enterprise which does or seeks to do business with or is a competitor of the Company.

- Acceptance of gifts, payments, or services from those seeking to do business with the Company.

- Placement of business with a firm owned or controlled by an employee or close relative.
RELATIONS WITH NONGOVERNMENT PERSONNEL

The use of company or personal funds in connection with Company business for any unlawful or unethical purpose is strictly prohibited. It is the general policy of Cubic to prohibit gifts of more than nominal value to government or private individuals with which we do business or seek to do business. Nonetheless, it is recognized that furnishing reasonably priced meals, refreshments and inexpensive entertainment to nongovernment personnel with which the Company does business is a commonly accepted practice. Employees and supervisors who make expenditures for meals, refreshments, or entertainment must use discretion and care to ensure that such expenditures are in the proper course of business, and could not reasonably be construed as bribes or improper inducements.

RECEIPT OF GIFTS, MEALS, OR REFRESHMENTS BY CUBIC EMPLOYEES

Cubic employees may accept gifts, meals, refreshments, or entertainment of nominal value in connection with the conduct of business. While it is difficult to define “nominal,” in no event should whatever is accepted exceed $150 in value. Each employee is personally responsible that his or her acceptance of gifts, meals, refreshment or entertainment is proper and could not reasonably be construed as an attempt by the offering party to secure favorable treatment. There is no dollar limitation on bribery. Particular care should be taken when dealing with individuals or companies seeking a business relationship with Cubic.
POLITICAL CONTRIBUTIONS

Employees may not make any contribution of Company funds, property or services, including the work time of any employee, to any political party or to the campaign of any candidate for federal office. Any corporate contribution to a state or local campaign requires the prior approval of the General Counsel of the Company. This policy does not prohibit the formation of a Political Action Committee for employees as authorized by the Federal Election Campaign Act; however, no direct or indirect pressure in any form is to be directed toward employees to make any political contribution or participate in the support of a political party or the political candidacy of any individual.

INFORMATION REGARDING COMPETITORS

In a highly competitive business world, it is imperative to the success of any company that it learns as much as it can about its competitor’s products and strategies. Much of this information is legitimately available through annual reports, marketing materials, etc. All employees must, however, refrain from any activity that is either illegal or unethical, or which could cause embarrassment to the Company in seeking competitive information.
CONCLUSION

This policy provides general guidelines for all managers, supervisors, and employees. Failure to comply with the laws, regulations, and standards set forth herein, may result in disciplinary action, including termination, referral for criminal prosecution and reimbursement to the Company of any losses or damages resulting from the substandard conduct. The principles of fairness and dignity will be applied at all times during the investigation of alleged violations. More specific guidance on the matters set forth herein are contained in Corporate Policies, and the policies and procedures of subsidiaries and their divisions.
ACKNOWLEDGMENT OF ETHICS, STANDARDS OF CONDUCT AND COMPLIANCE

Please complete this form and return to Human Resources at MS 10-23.

I certify that I have received a copy of the CUBIC CORPORATION Ethics, Standards of Conduct and Compliance.

Print Name ___________________________________________

Department ___________________________________________

Employee # __________________

Signature ____________________________________________

Date ______________________