

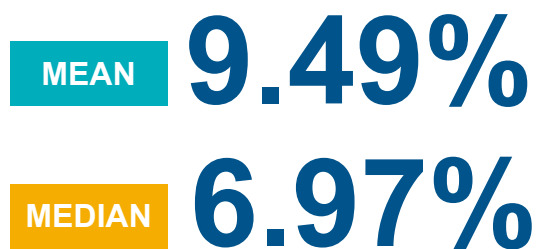
Gender Pay Gap Report 2019



Cubic Corporation is the parent company of three major businesses, Cubic Transportation Systems (CTS), Cubic Global Defence (CGD) and Cubic Mission Solutions (CMS). In the UK, CTS is the largest employer and the only division required to report on the gender pay gap.

On the snapshot date of 5th April 2019 CTS employed 1,112 people, 84% were male and 16% were female. There were 1,081 full-pay relevant employees for the purpose of the gender pay calculations.

The Gender Pay Gap



The Bonus Pay Gap



The proportion of males and females receiving a bonus payment



The proportion of males and females in each pay band

	MALE	FEMALE
Upper quartile	87.78%	12.22%
Upper Middle quartile	86.30%	13.70%
Lower middle quartile	84.44%	15.56%
Lower quartile	82.66%	17.34%

The Analysis

We are pleased to report that we have continued to make progress in increasing the numbers of women within the business over the reporting period. Whilst our overall headcount has increased by 3.54% our female headcount has increased by 10.13% and 40% of all hires at management level in the year to 2019 were women, compared with 26.15% in the previous year.

Importantly, we are also seeing women make good progress within the business. In the year to 5th April 2019, 15.52% of women received a promotion, compared to 9.28% of men, and approximately the same percentage of men and women, around 3.4% made a lateral move within the business. We believe that our Corporate objective to fill 40% of our senior leadership vacancies and 25% of all other vacancies internally will advance this further in the future, ensuring that we retain, develop and recognise the best talent within the business.

All these factors have combined to reduce our gender pay gap from 7.62% to 6.97% over the reporting period, and are also reflected in our quartile figures, with the percentage of women in the upper quartile increasing from 10.34% last year to 12.22% this year.

Interestingly, the biggest change we have seen is in relation to the bonus pay gap. Last year we reported that our bonus pay gap was -85.19% as a result of the male population receiving a higher proportion of lower value bonuses than women. This year, our bonus pay gap achieved 0%. This is largely a result of low value legacy awards being rolled in to salary, whilst the fund for higher value bonuses increased. As a result, the median bonus for men and women achieved parity.

The Action Plan

Through our ongoing support of and partnership with the Women's Engineering Society and Women in Transport we continue to demonstrate our commitment to encouraging more women in to our business and into the industry as a whole. We will continue to offer all our female engineers and women in technical roles or from a STEM background membership of the Women's Engineering Society.

Over the next review period, to April 2020 we will be establishing a broad range of Employee Resource Groups across Cubic Corporation, and naturally one of those groups will be the Cubic Women's Network (CWIN) which has at its core the aim of accelerating a cultural shift by empowering women and promoting gender equality. We firmly believe that by nurturing creative, authentic and high performing teams we are able to make a difference in our people's lives, and in the communities we serve.

Declaration

We confirm that the calculations, data and analysis contained in this report are accurate and that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 has been applied correctly.



David Wear
Interim Senior VP &
Managing Director



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