



CUBIC'S ETHICS & COMPLIANCE HELPLINE UTILIZATION REPORT

SPEAKING UP

On July 14, 2015, Cubic implemented a new, independently administered Ethics & Compliance Helpline for employees (and others) to report concerns about illegal or unethical activities at the Company. Since the Helpline's launch, employee reports to the Company about potential misconduct have more than quadrupled over prior years. We call this success! When employees speak up about things that aren't right, we all benefit. It gives Cubic an opportunity to investigate and intervene to prevent issues from escalating or continuing. When we have open lines of communication about such matters, we support our Values and contribute to the Company's success, which benefits us all.

To every Cube who took the time to report concerns to the Helpline – THANK YOU! We value your contributions to our speak-up culture and are grateful for the opportunity to respond.

ABOUT OUR HELPLINE

- A confidential way to report concerns no matter the country, language or time zone.
- Reports may be submitted via phone or through a secure website 24 hours/7 days a week.
- An independent provider, Navex Global, operates the secure web-based platform, as well as the call center with trained intake specialists who collect information from the reporter.
- A written report is generated to Cubic on each matter, with a unique case number.
- Reporters may remain completely anonymous (if they wish), including during on-going communications with Cubic through the Helpline platform.



For more details regarding Cubic's Helpline and how it works, please see our [Ethics Helpline Frequently Asked Questions](#).

HOW WE RESPOND

Once a report is submitted via the Helpline, Navex Global promptly provides a case report to several specifically designated managers within Cubic's law department responsible for oversight of the Helpline program. These individuals review the activities described and locations at issue to determine who should be notified (i.e., who has a need-to-know) and who should lead a review or conduct a formal investigation. The matters raised in the report and persons involved are kept confidential to the maximum extent feasible. Depending on the nature of the report and persons involved, the investigation may be conducted by a manager in our law, HR, global security, internal audit or other department best suited to lead an effective and impartial investigation. Alternatively, we may engage an outside specialist to conduct or support such investigation.

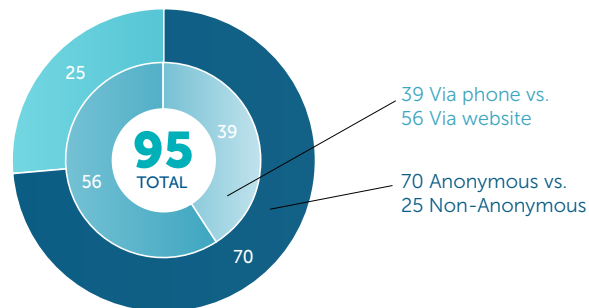


HELPLINE UTILIZATION STATISTICS

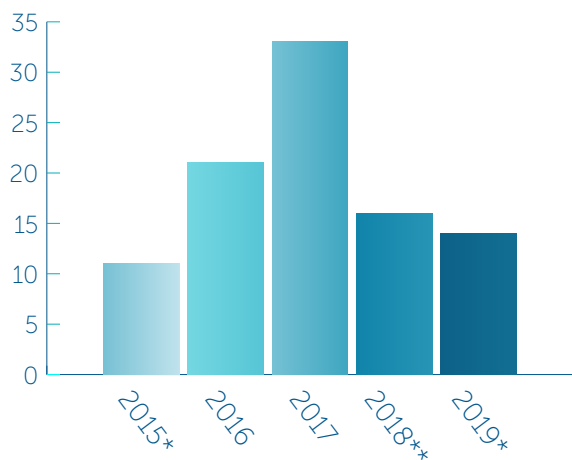
AGGREGATE FOUR-YEAR NUMBERS

JULY 14, 2015
THRU
AUGUST 30, 2019

Total reports since launch:



Total reports per year:



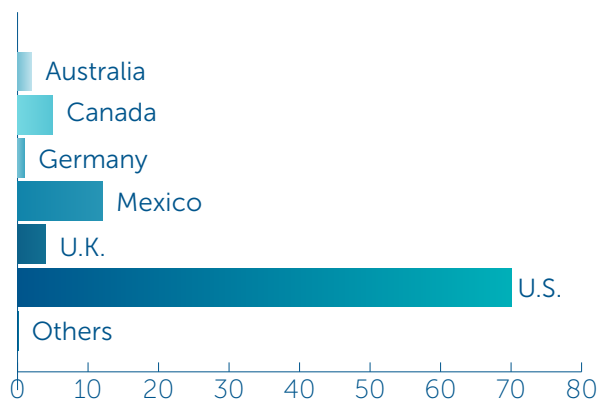
2015 - 11 Reports*
2016 - 21 Reports
2017 - 33 Reports
2018 - 16 Reports**
2019 - 14 Reports*

* Partial year only.

** June 1, 2018, Cubic sold its Defense Services business, which reduced employee population by 3,472.

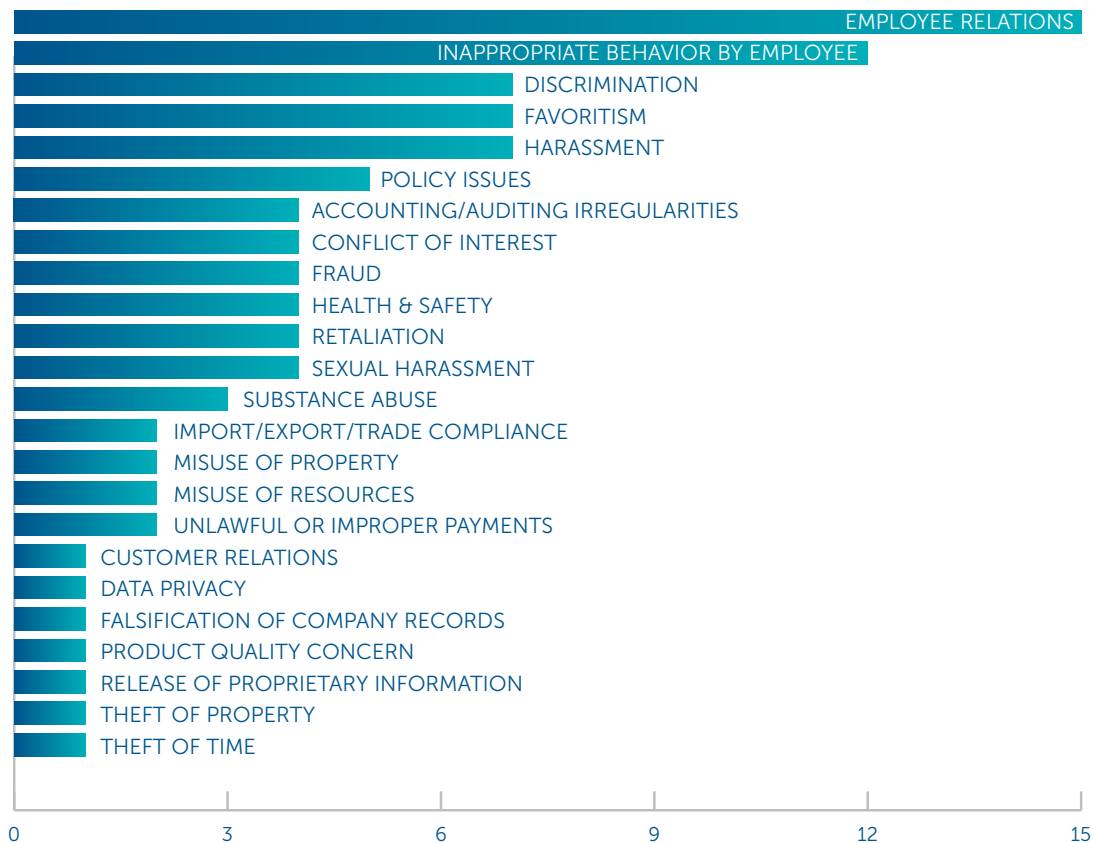
Number of reports by country since Helpline launch:

Australia – 2
Canada – 5
Germany – 1
Mexico – 12
United Kingdom – 4
United States – 70
Others – 0



HELPLINE UTILIZATION STATISTICS

Types of reports received since Helpline launch:

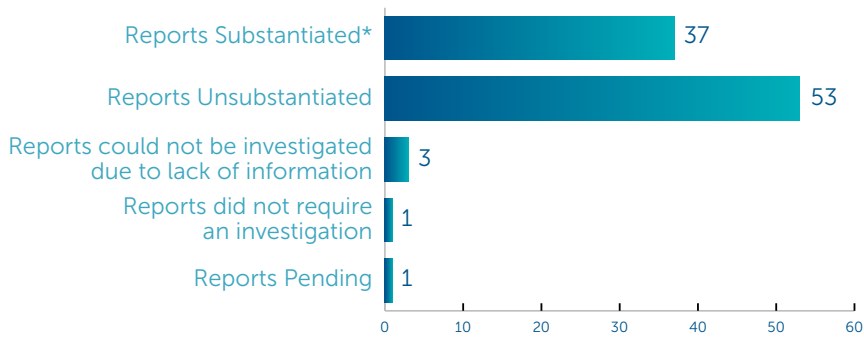


* Numbers reflect primary type of misconduct reported. At least 5 reports had more than one primary misconduct type.

Accounting/Auditing Irregularities – 4	Inappropriate Behavior by Employee – 12
Conflicts of Interest – 4	Misuse of Company Property – 2
Customer Relations – 1	Misuse of Resources – 2
Data Privacy – 1	Policy Issues – 5
Discrimination – 7	Product Quality Concern – 1
Employee Relations – 15	Release of Proprietary Information – 1
Falsification of Company Records – 1	Retaliation – 4
Favoritism – 7	Sexual Harassment – 4
Fraud – 4	Substance Abuse – 3
Harassment – 7	Theft of Property – 1
Health & Safety – 4	Theft of Time – 1
Import/Export/Trade Compliance – 2	Unlawful or Improper Payments – 2

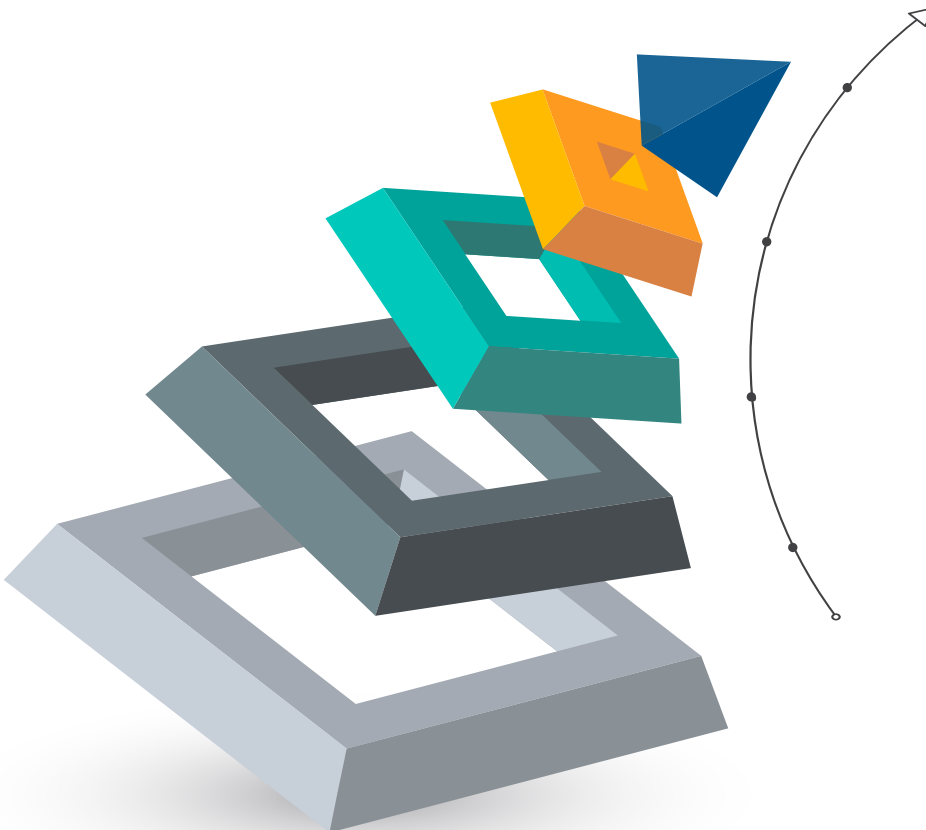
HELPLINE OUTCOME STATISTICS

Substantiation rates since Helpline launch:



*Includes partially substantiated reports

SUMMARY HIGHLIGHTS



- REPORTS WAY UP**
 - Ethics and compliance reports increased 400% - a very good thing!
- MOST REPORTED ISSUES**
 - Inappropriate behavior and employee relation issues were the most reported concerns.
- MOST UTILIZATION BY REGION**
 - U.S. employees submitted 70 reports over a four-year period.
- POSITIVE IMPACT**
 - The Helpline supports a speak-up culture, which is critical to maintaining ethics as our foundation.

HOW WE ADDRESS MISCONDUCT

Cubic considers each report and the investigation findings on a case-by-case basis to determine the most effective and appropriate remedial actions. The goal is always to stop any misconduct from occurring and prevent it from recurring in the future. We also regularly look for opportunities to share lessons learned and address any systemic or operational issues contributing to the problem or allowing it to continue.

Examples of remedial actions Cubic has taken in response to substantiated Helpline reports:

- Employment termination
- Demotion and/or removal of certain responsibilities and authority
- Reduction in salary and loss of bonus
- Formal disciplinary warning placed in personnel file
- Changing employee's work location and/or reporting chain
- Verbal disciplinary warning and coaching
- Mandatory individual training
- Mandatory group or site training
- Department meeting & discussion of issues and expectations
- Revisions to company policy and processes
- Installed new safety equipment
- Enhanced auditing by Internal Audit department
- Summary of report and findings published in Cubic Circuit
- Communication of concerns and related information to Cubic customer



INDEPENDENCE AND OVERSIGHT

Cubic's independent Helpline provider is contractually obligated to document each matter reported and forward a written report to the Company. Further, our internal Helpline program is overseen by designated managers within the law department who have direct access and reporting responsibility to Cubic's Board of Directors. Both the Corporate General Counsel and VP of Compliance share this access and responsibility. Each quarter, they brief the Board's Ethics & Corporate Responsibility Committee on Helpline reports received. A summary of each report (without names) is provided, including status of ongoing reviews or investigations, investigation findings and remedial actions taken.

WHEN TO SPEAK UP

Please seek advice if you ever face a situation or decision where the right thing to do is unclear. There are many people who can help you make the right call. Speaking to someone on your management team or HR department is often the best way to get guidance. You can also reach out to one of our many internal subject matter experts in finance, law, corporate compliance, tax, internal audit, global trade compliance, security and IT. If you are ever unsure how to find the right person to talk to, you can ask any member of management or contact corporate compliance at Corporate.Compliance@cubic.com

In addition to seeking advice when we're unsure how to handle something, we all have an obligation to report suspected unethical or illegal conduct to the Company. Oftentimes the best approach is to inform someone in your management team or HR, but we realize this is not always feasible or comfortable, thus the Helpline offers a confidential alternative.



COMMITMENT TO NON-RETALIATION

If you do raise a concern, please know that Cubic will not tolerate any form of retribution or retaliation. It is critical for employees to have a secure avenue to report concerns without fear. That is why the Company has zero tolerance for retaliation. We VALUE employee feedback and NEED to know about potential illegal and unethical activity so we can stop it and prevent it from recurring.

When you SPEAK UP, you demonstrate our ethical values and commitment to integrity. You also help us protect the Company's reputation and contribute to its long-term success, which benefits us all.



CUBIC™