

CUBIC CORP /DE/
Form DEF 14A
January 19, 2017

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

CUBIC CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
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 - (4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

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2017 Notice of Annual Meeting of Shareholders and Proxy Statement

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PRINCIPAL EXECUTIVE OFFICE
9333 Balboa Avenue
San Diego, California 92123

January 19, 2017

To Cubic Shareholders:

Cubic Corporation's 2017 Annual Meeting will be held in the Main Conference Room at the Headquarters of the Company, at 9333 Balboa Avenue, San Diego, California 92123, on February 20, 2017, at 11:30 a.m. Pacific Time. The formal notice and proxy statement follow.

The directors and officers of the Company invite your attendance at the meeting. Whether or not you plan to attend the meeting, we would appreciate your completing and returning the accompanying proxy which, of course, may be revoked at any time before it is used.

The Company's 2016 Annual Report is enclosed.

Sincerely yours,

Walter C. Zable

Chair of the Board

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PARTICIPATE IN THE FUTURE OF CUBIC CORPORATION; CAST YOUR VOTE RIGHT AWAY

It is very important that you vote to play a part in the future of Cubic Corporation. New York Stock Exchange ("NYSE") rules state that if your shares are held through a broker, bank or other nominee, they cannot vote on your behalf on non-discretionary matters.

Please cast your vote right away on all of the proposals listed below to ensure that your shares are represented.

Proposals which require your vote

		More information	Board recommendation
PROPOSAL 1	Election of directors	Page 3	FOR each nominee
PROPOSAL 2	Approval, on an advisory basis, of Cubic Corporation's named executive officer compensation	Page 11	FOR
PROPOSAL 3	Advisory vote on the frequency of holding future advisory votes on Cubic Corporation's named executive officer compensation	Page 12	EVERY YEAR
PROPOSAL 4	Ratification of Ernst & Young LLP as Cubic Corporation's independent public accountant for 2017	Page 32	FOR

Vote right away

Even if you plan to attend this year's meeting, it is a good idea to vote your shares now, before the meeting, in the event your plans change. Whether you vote by internet, by telephone or by mail, please have your proxy card or voting instruction form in hand and follow the instructions.

By internet using your computer

By telephone

**By mailing your
proxy card**

Visit 24/7

Dial toll-free 24/7

Cast your ballot,

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www.proxyvote.com

1-800-690-6903
or by calling the
number provided
by your broker, bank
or other nominee if your shares are
not registered in your name

sign your proxy card
and send free of postage

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**TO ENSURE YOUR REPRESENTATION AT THE MEETING,
PLEASE DATE, SIGN AND MAIL PROMPTLY
THE ENCLOSED PROXY, FOR WHICH
A RETURN ENVELOPE IS PROVIDED.
YOU MAY ALSO VOTE BY
TELEPHONE OR ONLINE. SEE
ATTACHED INSTRUCTIONS FOR VOTING.**

Notice of Annual Meeting

The 2017 Annual Meeting of Shareholders of Cubic Corporation will be held in the Main Conference Room at the Headquarters of the Company, at 9333 Balboa Avenue, San Diego, California 92123, on February 20, 2017, at 11:30 a.m. Pacific Time, for the following purposes:

1. To elect eight directors for the ensuing year: Walter C. Zable, Bruce G. Blakley, Maureen Breakiron-Evans, Bradley H. Feldmann, Edwin A. Guiles, Janice M. Hamby, Steven J. Norris and John H. Warner, Jr.;
2. To consider and vote upon, on an advisory basis, the compensation of the Company's named executive officers;
3. To consider and vote upon, on an advisory basis, the frequency of holding future advisory votes on the compensation of the Company's named executive officers;
4. To confirm the selection of Ernst & Young LLP as the Company's independent registered public accountants for fiscal year 2017; and
5. To transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

Only shareholders of record at the close of business on December 23, 2016 will be entitled to vote at the meeting. The transfer books will not be closed.

By Order of the Board of Directors

James R. Edwards

Secretary

San Diego, California

January 19, 2017

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PRINCIPAL EXECUTIVE OFFICE

9333 Balboa Avenue
San Diego, California 92123

Proxy Statement

We encourage your personal attendance.

Proxies in the form enclosed and/or as shown at www.proxyvote.com are solicited by the Board of Directors (the "Board") for use at the Annual Meeting of Shareholders to be held in San Diego, California, on February 20, 2017, and at any adjournments or postponements of the meeting. Execution of a proxy will not in any way affect a shareholder's right to attend the meeting and vote in person, and any shareholder giving a proxy has the right to revoke it at any time before it is exercised, by filing with the Secretary of Cubic Corporation ("Cubic" or the "Company") a written revocation or duly executed proxy bearing a later date. The proxy will be suspended if the shareholder is present at the meeting and elects to vote in person.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on February 20, 2017.

This proxy statement and our Annual Report are available electronically at www.proxyvote.com.

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OUTSTANDING SHARES AND VOTING RIGHTS

A quorum of shareholders is required. A quorum exists if a majority of the outstanding shares are represented by shareholders present at the meeting or by proxy. Abstentions and broker non-votes will be counted towards the quorum requirement. 27,089,307 shares of our common stock were outstanding at December 23, 2016, which is the record date for voting.

Each holder of common shares is entitled to one vote for each share. Votes will be counted by the Inspector of Elections. Abstentions will be counted towards the vote total for each proposal, and will have the same effect as "Against" votes. Advisory votes are not binding, but the Board will consider the outcome of such votes when making future decisions. Broker non-votes count to determine a quorum but otherwise have no effect and are not counted towards the vote total for any proposal. Proxies without authority to vote will also not be counted in votes cast. Directors are to be elected by a plurality vote. With the

exception of Proposal 3, all proposals require an affirmative vote of a majority of shares having voting power, present in person or represented by proxy. In the case of Proposal 3, the frequency that receives the affirmative vote of holders of a majority of those shares present in person or represented by proxy will be deemed the frequency selected by shareholders. However, in the event that no frequency receives a majority of the shares entitled to vote and present in person or represented by proxy, the Board will consider the frequency that receives the most votes.

There are no rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon at the Annual Meeting.

The approximate date on which the proxy statement and form of proxy are first being sent to shareholders is January 19, 2017.

OWNERSHIP OF COMMON STOCK

The following table sets forth information regarding the beneficial ownership of our common stock as of December 23, 2016 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 27,089,307 shares of common stock outstanding as of December 23, 2016.

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.

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OWNERSHIP OF COMMON STOCK

Name of Beneficial Owner	Shares beneficially owned	Percent Owned (%)
<i>5% Shareholders</i>		
Black Rock Fund Advisors(1)	2,328,902	8.6
Wellington Management Co. LLP(2)	2,178,971	8.0
The Vanguard Group, Inc.(3)	1,816,307	6.7
Dimensional Fund Advisors LP(4)	1,386,113	5.1
<i>Directors and Named Executive Officers</i>		
Walter C. Zable(5)	1,975,687	7.29
Bruce G. Blakley(6)	12,026	*
Maureen Breakiron-Evans	0	0
Matthew J. Cole	4,013	*
Bradley H. Feldmann(7)	28,092	*
Edwin A. Guiles(8)	11,826	*
Janice M. Hamby	523	*
Steven J. Norris	2,420	*
Robert S. Sullivan	11,826	*
John D. Thomas(9)	27,049	*
William J. Toti	0	0
Michael R. Twyman	7,975	*
John H. Warner, Jr.(10)	23,826	*
All directors and executive officers as a group (16 persons)(11)	2,128,650	7.86

*

Less than 1%.

(1)

Based solely on information made available to Cubic through the NYSE as of November 30, 2016. The address of Black Rock Fund Advisors is 40 East 52nd Street, New York, NY 10022.

(2)

Based solely on information made available to Cubic through the NYSE as of November 30, 2016. The address of Wellington is 280 Congress Street, Boston, MA 02210.

(3)

Based solely on information made available to Cubic through the NYSE as of November 30, 2016. The address of The Vanguard Group, Inc. is 100 Vanguard Boulevard, V26, Malvern, PA 19355.

(4)

Based solely on information made available to Cubic through the NYSE as of November 30, 2016. The address of Dimensional Fund Advisors is 6300 Bee Cave Road, Building 1, Austin, TX 78746.

(5)

Includes 164,229 shares in the aggregate owned by three trusts for Mr. Zable's three daughters; 1,767,110 shares owned by the Walter C. Zable Trust U/A/D dated 2/7/06; and 24,351 shares owned by the W. Zable GST Trust. Mr. Zable has voting and investment power over such shares as the trustee of such trusts, and disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Also includes 19,385 shares held by the Walter C. Zable and Stefanie A. Zable Family Foundation. Mr. Zable is the sole trustee of the Foundation and has voting and investment power over such shares, but has no pecuniary interest in such shares and disclaims beneficial ownership of such shares.

(6)

Includes 4,500 vested options to purchase common stock; 7,326 owned by 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 200 shares held indirectly through Mr. Blakley's IRA account.

(7)

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 1,234.5154 shares held indirectly through Mr. Feldmann's 401(k).

(8)

Includes 4,500 vested options to purchase common stock.

(9)

Includes 2,160.4724 shares owned indirectly through Mr. Thomas' 401(k); 1970 shares held in the John David Thomas 1998 Trust; 14,625 shares held in the Thomas Family 2009 Trust; and 100 shares held indirectly through Mr. Thomas's IRA.

(10)

Includes 4,500 vested options to purchase common stock.

(11)

Includes 13,500 vested options to purchase common stock.

PROPOSAL 1: ELECTION OF DIRECTORS

Our Board of Directors ("Board") has eight members who are to be elected by a plurality vote at the Annual Meeting, each to hold office for one year and until his successor is elected. The Nominating and Corporate Governance Committee and the Board have unanimously recommended the election of the eight directors listed below. Six nominated directors are independent ("Independent Directors") and one is an executive employee of the Company. Mr. Zable has been an employee of the Company within the past three years and is therefore not considered to be independent. Proxy holders will, unless authorization to do so is withheld, vote the proxies received by

them for the election of the listed directors, in accordance with this proxy authorization, reserving the right, however, to distribute, in their discretion, their votes of uncommitted proxies among the Board nominees. The proxies cannot be

voted for a greater number of persons than the number of nominees named. Although it is not contemplated that any nominee will be unable to serve as a director, in such event, the proxies will be voted by the proxy holders for such other persons as may be designated by the Board.

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THE BOARD OF DIRECTORS

Corporate Governance

The Company's Corporate Governance Guidelines and the Charters of the Audit and Compliance Committee, the Executive Compensation Committee, the Nominating and Corporate Governance Committee, the Classified Business Oversight Committee and the Ethics and Corporate Responsibility Committee, the Ethical Conduct Policies, including those applicable to our principal executive, financial and accounting officers, and our Employee Conflicts of Interest Policy, are all available on our website: cubic.com/Investor-Relations/Corporate-Governance. The information contained on our website is not incorporated by reference in, or considered part of, this proxy statement.

Director Continuing Education

Upon joining the Board, directors are provided with an orientation about the Company, including our business operations, strategy and governance. Directors may attend outside director continuing education programs sponsored by educational and other institutions to assist them in staying abreast of developments in corporate governance and critical issues relating to the operation of public company boards. Members of our senior management regularly review with the Board the strategy and operating plan of each of the business segments and the Company as a whole. The Board also conducts periodic visits to our facilities as part of its regularly scheduled Board meetings.

Director Compensation

Non-employee directors receive an annual retainer of \$50,000. The Lead Independent Director receives an additional annual retainer of \$25,000. Each Nominating and Governance Committee member receives an additional annual retainer of \$5,000, with the Chair of the Nominating and Governance Committee receiving an additional annual retainer of \$5,000. Each Executive Compensation Committee member receives an additional annual retainer of \$7,500, with the Chair of the Executive Compensation Committee receiving an additional annual retainer of \$7,500. Each Audit and Compliance Committee member receives an additional annual retainer of \$10,000, with the Chair of the Audit and Compliance Committee receiving an additional annual retainer of \$10,000. The Classified Business Oversight Committee Chair and each non-employee director member receives an additional annual retainer of \$5,000. Each member of the Ethics and Corporate Responsibility Committee receives an additional annual retainer of \$5,000, with the Chair of the Ethics and Corporate Responsibility Committee receiving an additional annual retainer of \$5,000. Admiral Hamby's employment with the National Defense University restricted the receipt of annual outside compensation to \$27,225, until July 1, 2016, when those restrictions no longer applied, so her director compensation during 2016 was appropriately limited.

Non-employee directors also participate in the Company's equity plans. Each of Mr. Blakley, Mr. Guiles and Dr. Warner holds fully

vested options to purchase 4,500 shares of common stock that were granted upon their initial election to the Board with an e