

Code of Business Ethics (August 2009)

Varian Medical System, Inc.'s founding tenet and continuing commitment by the Board of Directors, CEO, CFO, Officers and all employees is to comply fully with all laws governing its operations, and to honor the highest legal and ethical standards in the conduct of its business activities.

This means not only observing the law, but conducting Varian's business in a manner that identifies Varian as an ethical and law-abiding enterprise, alert to all responsibilities of good corporate citizenship. The spirit of this Code of Business Ethics (the "Code") requires all Varian directors and employees (including the CEO, CFO and Officers) to maintain the highest degree of legal and ethical standards. Consultants, agents, on-site contractors and others acting on behalf of Varian are also expected to adhere to the principles expressed in the Code.

The Code is an integral part of our underlying broader Company Policies and the policies expressed herein are to be read in conjunction with the Company Policies as applicable. The Code and the Company Policies are not meant to be all-inclusive but, rather, they are intended to provide general guidance and principles related to honest and ethical conduct, assist in recognizing and dealing with ethical issues and problem conduct, provide a mechanism for reporting unethical conduct and foster a culture of honesty and accountability.

Responsibility for compliance with this Code of Business Ethics rests with each director and employee. Every Varian director and employee is expected to read, understand and seek a practical working knowledge of the Code and its application to the performance of one's business responsibilities. The unqualified recognition on the part of all directors and employees of this responsibility is fundamental to Varian's compliance program. Conduct not complying with both the letter and the spirit of these requirements, including those set forth in the Company Policies, may be grounds for disciplinary action, which in serious cases may include termination of employment, loss of position and, in appropriate cases, referral to the responsible governmental authorities.

Neither the Code of Business Ethics nor the Company Policies or other guidance shall modify the employment-at-will relationship with employees of the Company, guarantee employment for any period of time, or create any express or implied rights in any person.

ACTING LAWFULLY AND WITH INTEGRITY, HONESTY AND FAIRNESS

We want Varian to be known as a company that deals fairly and honestly in all of its affairs. Our firm policy is to conduct all of Varian's activities in accordance with the highest principles of business ethics and in full compliance with the requirements of applicable laws and regulations. This means that at all times we will conduct Varian affairs with honesty, integrity, fairness and courtesy, as well as respect for the rights of customers, vendors, suppliers, competitors, fellow employees, stockholders, local communities, governments at all levels and the general public. Directors and employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or other unfair-dealing practices. We will conduct our affairs, without exception, within the spirit as well as the letter of applicable laws, rules, regulations, this Code and the Company Policies, and in a manner that avoids any suggestion of impropriety. We expect all actions undertaken on Varian's behalf to demonstrate that Varian is an ethical and law-abiding enterprise, alert to all the responsibilities of good corporate citizenship.

The Code does not attempt to summarize all laws, rules and regulations applicable to Varian or our business. One should consult the various guidelines prepared by the relevant corporate functions, including the Company Policies, and the Legal Department in case of any questions involving legal issues. Ultimately, our success depends not only on compliance with these requirements, but also on the honesty, fairness, integrity, good common sense and discretion of our directors and employees.

INSIDER TRADING

Strict laws prohibit directors, employees and others who are aware of material, non-public ("inside") information regarding any company from trading stock in that company, and one should refrain from

disclosing such information to unauthorized persons. (See Company Policy 0014.) Inside information is information about Varian or any other company not known to the investing public. Inside information is "material" if it could reasonably be expected to alter the total mix of information available about a company or affect the price of a company's stock.

These constraints also apply to family members of directors, employees and others living in the same household, as well as to accounts that are controlled by or subject to the influence of any such persons.

CONFLICT OF INTEREST; RELATED PERSON TRANSACTIONS AND PERSONAL GAIN

We expect our directors and employees to devote their best efforts and attention to the conduct of Varian business affairs and the performance of their duties and responsibilities. Directors and employees are expected to use good judgment and to avoid situations that present an actual or potential conflict of interest between one's personal interests and Varian's interests. A conflict of interest may or could exist when one's loyalties or activities are or could be divided between Varian's interests and those of oneself or another business entity. Even the appearance of a conflict of interest should be avoided.

Situations where an actual or potential conflict may occur include:

- taking actions or interests that make it difficult to perform one's job responsibilities;
- receiving or soliciting improper benefits (either to oneself or to a relative) as a result of one's position with Varian, such as favors, gifts, loans or guaranty of obligations from any customers, suppliers, competitors or contractors;
- having financial interest in a contract between Varian and oneself or a relative, or holding a financial interest in any customer, supplier, competitor or contractor;
- benefiting (oneself or a relative) from improper use or disposition of Varian property or other assets;
- receiving or contributing substantive value to a party with which Varian does business;
- taking opportunities for personal gain or benefit that belong to Varian or that are discovered as a result of one's position with Varian;
- as an employee, holding other employment or serving as a director of another company without permission, or competing with Varian;
- as a director, serving as a director or as an employee with a customer, supplier, competitor or contractor of Varian, without Board permission;
- otherwise, directly or indirectly benefiting from a "related person transaction".

A "related person transaction" is any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which Varian (including any of its subsidiaries) was, is or will be a participant, and in which any related person had, has or will have a direct or indirect interest. A "related person" means:

- a. any person who is, or at any time since the beginning of Varian's last fiscal year was, a director or executive officer of Varian or a nominee to become a director of Varian;
- b. any person who is known to be the beneficial owner of more than 5% of any class of Varian's voting securities;
- c. any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such Director, Executive Officer, nominee or more than 5% beneficial owner; and
- d. any firm, corporation or other entity in which any of the foregoing persons is employed or is a general partner, principal or member or in a similar position or in which such person, together with any of the persons identified in a, b or c, has a 10% or greater beneficial ownership interest.

Any employee who is involved in a transaction, activity or relationship that constitutes or could reasonably constitute or potentially constitute a conflict of interest must disclose the matter to one's department

manager, the Human Resources department or the Legal Department. Company Policies 002 and 003 details rules for avoiding conflicts of interest and certain situations, including related person transactions, where approval of an activity must be obtained. Failure to adhere to the provisions of this policy will result in disciplinary action up to and including termination of employment.

A director's business or family relationships may occasionally give rise to that director's material personal interest on a particular issue. Each director is responsible for disclosing to the Nominating and Corporate Governance Committee and General Counsel situations reasonably giving rise to a potential conflict of interest. Section 26 of the Corporate Governance Guidelines details further rules for avoiding conflicts of interest and related person transactions for directors.

When in doubt as to whether a conflict of interest or potential conflict of interest exists or might occur regarding a particular transaction, activity or relationship, the director or employee should consult with the Legal Department or, additionally for employees, one's department manager or the Human Resources department.

PROTECTING VARIAN ASSETS AND CONFIDENTIALITY

It is the responsibility of every director and employee to protect Varian's assets, both intangible assets such as trade secrets, proprietary technical and other confidential business and financial information, and physical property, against loss, theft, misuse and improper disclosure and to ensure their appropriate use for business purposes (of course, incidental personal use of certain assets may be appropriate as determined in conjunction with one's supervisor).

Trade secrets, proprietary technical and other confidential business and financial information are valuable assets that must be protected during and after employment, except as authorized by Varian.

Leaks of such confidential information can seriously harm Varian's financial performance and competitive position. Each director and employee has the responsibility to protect and keep confidential all Varian confidential information from unauthorized disclosure or use, except when disclosure is authorized by Varian or required by laws, regulations or legal proceedings. The Legal Department should be consulted if one believes he or she has a legal obligation to disclose confidential information. Directors and employees who have access to confidential information that Varian obtains from another person or company have the responsibility to protect and keep confidential that information from unauthorized disclosure or use. Employees should refer to Company Policy 3407 for specific procedures and rules to maintain and prevent disclosure of confidential information.

ACCURATE REPORTING OF INFORMATION

As a public company, we have responsibilities to our stockholders and to the SEC to provide information in our public filings in a timely, full, accurate, fair and understandable manner. At times, directors and employees may be called upon to provide information to help us meet these requirements. We expect that all directors and employees take this responsibility seriously and record and report information timely, fully, accurately, fairly and honestly.

REPORTING CONCERNS AND UNETHICAL BEHAVIOR

Directors and employees are encouraged to seek guidance from the Legal Department or, for an employee, additionally a supervisor, manager or the Human Resources Department when in doubt about their responsibilities under the Code, Company Policies or the requirements of applicable laws or regulations.

Accounting and Auditing Related Matters. For complaints regarding accounting, internal accounting controls or auditing matters, the Audit Committee of our Board of Directors has established a procedure for receipt, retention and treatment of complaints regarding such matters. Directors and employees who have concerns or complaints regarding such matters are encouraged to promptly submit those concerns or complaints which, subject duties arising from applicable laws, regulations or legal proceedings, will be treated confidentially. Such concerns and complaints may be submitted anonymously.

Such submissions may be made to Varian's anonymous Financial Hotline for Accounting & Auditing issues by using any one of three methods:

- **Dial 1.877.259.1616** in the U.S. or Canada;
- **Dial 1.650.424.8120** from any other location, worldwide
- **Email:** varfin@openboard.info; or
- **Internet:** <https://www.openboard.info/varfin/index.cfm>.

Submissions will be forwarded directly to the Lead Director of our Board and to the Legal Department.

Other Illegal or Unethical Behavior. Every employee has the right and obligation to report promptly, on a confidential basis if desired, any violation or suspected violation of law or applicable regulations, the Code or Company Policies. Reports may be made to a supervisor, manager, the Human Resources Department, the Legal Department or by calling Varian's **Ethical General HotLine** number shown below. Any allegations of violations will be treated thoroughly, fairly, and objectively, and kept in the strictest possible confidence, subject to duties arising from applicable laws, regulations or legal proceedings. Such reports may be made anonymously.

Reports may be made to Varian's anonymous **Ethical General HotLine** by using one of three methods:

- **Dial 1.800.367.4402** in the U.S. or Canada;
- **Email:** var.gh@openboard.info; or
- **Internet:** <https://www.openboard.info/var/index.cfm>.

IMPORTANT: If you work for a Varian facility outside the United States or Canada, do not use this Ethical General Hotline. Those who work outside the United States or Canada should contact their local management, Human Resources or Works Counsels.

These reports will be forwarded directly to the Legal Department.

No Reprisals. Varian will not permit any reprisal or retaliation against any person who makes, in good faith, a report or submission of violations of law, regulation, the Code or the Company Policies or raises issues of business ethics.

AMENDMENTS, MODIFICATIONS AND WAIVERS

The Code may be amended or modified from time to time by the Board of Directors or a committee thereof, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, and the rules thereunder (the "'34 Act"), and the applicable rules of the New York Stock Exchange (the "NYSE Rules"). Any amendment, modification or waiver of the provisions of the Code for executive officers or directors of Varian may only be made by the Board of Directors, or a committee thereof, and must promptly be disclosed to stockholders as required by the '34 Act and NYSE Rules.