

**Varex Imaging Corporation**  
**Code of Conduct**  
**(As of August 2017)**

As a company dedicated to inventing industry leading imaging technologies for medical, industrial, and security uses, Varex places top priority on ethical business practices. In all our efforts, we seek to do well by doing the right thing. This means acting ethically, responsibly, and respectfully in compliance with applicable laws wherever we operate. This also means knowing that, in fulfillment of our company mission, we want to succeed, make the world a better place and hold ourselves to a higher standard.

At Varex, we believe ethics start at the top with our Board of Directors and Senior Management. Our commitment extends to all our employees, business partners, and stakeholders. Varex takes ethical behavior very seriously, starting with practices based on this Code of Conduct. We developed this Code of Conduct to provide guidance for daily business activity where questions could arise. The Code of Conduct guidance may state that certain conduct is acceptable or unacceptable, or may provide safeguards that assist with avoiding the appearance of impropriety or misconduct. This Code of Conduct does not attempt to summarize all laws, rules and regulations that may apply to Varex's business, or capture all Varex Company policies that provide further guidance in specific areas. Varex employees and business partners are responsible for reading and understanding the rules and regulations that apply to our business and responsible for complying with Varex Company policies, including any regional variations. Failure to comply may result in disciplinary action, including termination. Ultimately, our success depends not only on compliance with this Code of Conduct and these policies, but also on the honesty, fairness, integrity, good common sense, and discretion brought to the job by all of us.

Compliance is owned by all Varex employees. Our reputation as a company of the highest integrity means everything. I am convinced that our commitment to ethical compliance is not a "defensive" measure. Rather, it is a competitive advantage that will allow us to grow in many ways and to succeed as a company. And besides, it's the right thing to do!

Sunny Sanyal  
Chief Executive Officer  
Varex Imaging Corporation

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**Note:** *Varex Imaging Corporation and its subsidiaries worldwide are referred to in this Code of Conduct as the "Company" or "Varex." "Board" refers to Varex's Board of Directors.*

## **INTRODUCTION - DO WHAT'S RIGHT**

### ***Who must follow the Code of Conduct?***

### ***What employees should do***

### ***What managers and officers must do***

### ***How to seek advice and raise concerns***

### ***Violations and retaliation***

### ***Who must follow the Code of Conduct?***

Ensuring that Varex does the right thing is the responsibility of

- Varex BOARD MEMBERS, OFFICERS, AND OTHER EMPLOYEES.
- SUBSIDIARIES AND CONTROLLED AFFILIATES: Entities in which Varex owns more than 50 percent of the voting rights or has the right to control the entity are required to adopt and follow the Code of Conduct and Varex's compliance policies.
- THIRD PARTIES REPRESENTING THE COMPANY ("business partners"): Third parties, such as agents, consultants, distributors, sales representatives, independent contractors, suppliers and joint venture or strategic partners must:
  - agree to comply with the ethical standards of the Code of Conduct.
  - be furnished with information and education about applicable compliance policy requirements.
  - understand and comply with relevant aspects of Varex's compliance policies.

### ***What employees should do***

#### ***UNDERSTAND AND COMPLY WITH COMPANY POLICIES***

- Regularly review your knowledge and understanding of Varex's ethical and legal standards as applicable to your work. Review Company policies and understand country-specific variances, as they expand upon the guidelines and requirements stated in this Code of Conduct.
- Check Varex's intranet or ask your local Human Resources ("HR") or Legal Representative for applicable policies and country-specific variances.
- Attend applicable compliance training sessions and complete online training in a timely manner.
- Uphold the ethical standards of the Code of Conduct, and follow the policies, procedures, and practices that support them, through your daily business conduct.
- Contribute to a workplace environment that is conducive to maintaining the highest legal and ethical standards in daily business activities.
- Never put short-term goals above Varex's commitment to compliance and ethics.

#### ***BE PROACTIVE***

- Seek help when the proper course of action is unclear. Do not be afraid to ask questions.
- Be alert to actions by any employee, director, or third party acting on behalf of the Company that are illegal or are in violation of the Code of Conduct or other Company policies and procedures.
- Promptly report potential violations (see the section, "*How to seek advice and raise concerns*" below).

### ***What managers and officers must do***

In addition to the employee expectations, managers and officers must take the following steps to prevent, detect, and respond to compliance issues:

- Set an example with words and actions.
- Encourage ethical conduct by personally leading compliance efforts.
- Create a culture in which employees understand their ethical responsibilities and raise good faith concerns without fear of retaliation.
- Keep an “open door”: invite employees to share any concerns.
- Consider compliance efforts when evaluating and rewarding employees.
- Provide employees with clear guidelines on matters of everyday business conduct.
- Facilitate employee attendance and timely completion of compliance training.
- Promptly report compliance issues and employee concerns through proper channels. Do not attempt to investigate matters yourself.
- Cooperate with Company investigations. Ensure all relevant employees and documents are available as needed.
- Ensure employees understand that business results are never more important than ethical conduct.

### ***How to seek advice and raise concerns***

We encourage all our employees, officers, Board members, and business partners to promptly come forward with questions or concerns about possible violations of laws, the Code of Conduct, ethical business standards, accounting and auditing standards, or Varex policies. They are also encouraged to seek proper guidance when in doubt about their responsibilities under the Code of Conduct, Company policies, or the requirements of applicable laws or regulations. Varex will treat these reports fairly and objectively and will keep the reports in confidence to the extent it is reasonably possible to do so, given the Company’s need to thoroughly investigate the information reported and subject to duties arising from applicable laws, regulations, or legal proceedings.

Varex’s confidential Hotline is an online and telephone reporting service operated by an independent private firm. This service may be used, where available, for raising questions or reporting concerns, and is accessible 24 hours a day, 7 days a week. Information detailing how to access the Hotline is available on Varex’s internal and external websites and is posted at Varex locations.

Employees who have concerns or complaints are encouraged to promptly report them to their local supervisor, manager, HR Department, or compliance leaders. The manner in which reports may also be made varies from country to country. Employees may call the Hotline for further instructions on how and to whom to report any particular type of incident.

While you may report anonymously, you are encouraged to provide your identity when reporting as this allows for a more thorough investigation. If you are uncomfortable in providing your identity and if allowed by local law, you may make your report without disclosing your identity.

**IMPORTANT:** For individuals in certain countries, the Hotline only allows you to report accounting or auditing concerns through this system, due to local law. If you wish to report problems in the workplace, contact your local management or your HR or Legal Department Representative.

**QUESTION:** What happens when you contact the Hotline?

**ANSWER:** Any information you seek or concerns you report through the Hotline will be handled promptly and discreetly. If you call the Hotline, your call will be documented in detail by a professional non-Varex interviewer. All information gathered through the Hotline will be sent to the appropriate Varex entity for investigation. An appropriate investigator, consistent with local legal requirements, will investigate reported allegations of illegal or unethical behavior. The number of individuals involved in any investigation will be limited to the extent consistent with a full investigation and where consistent with privacy principles. As the investigation progresses, you may be asked to provide additional information or answer questions. Information you provide will be used only as necessary to answer your question or investigate a reported issue. In certain cases, information may be shared with local law enforcement or other authorities to comply with legal requirements or to protect Varex's legal interests.

**SITUATION:** You suspect that a co-worker may be involved in unethical behavior. Since you don't have any proof, you don't know if you should say anything. You are worried that the co-worker may get in trouble even if your suspicions are incorrect.

**WHAT TO DO:** Raise the issue as soon as possible, using one or more of the resources listed above, depending on your jurisdiction. Information you provide will be used only as necessary to investigate the situation. Investigating all reports of possible non-compliance or unethical behavior—including reports that prove to be incorrect—helps Varex maintain the integrity of the ethical compliance program.

### ***Violations and retaliation***

Varex has a policy of no tolerance for violations of the Code of Conduct. Violations will be treated seriously, and may be grounds for disciplinary action, including termination of employment in accordance with applicable law. All employees are encouraged to raise questions and concerns.

Varex will not permit retaliation against any person who reports, in good faith, violations of law, regulations, the Code of Conduct, or Company policies. Retaliation, including any attempt to harm or slander another employee, or reports not made in good faith, may be grounds for discipline up to and including termination of employment, consistent with applicable law.

## **MARKETPLACE**

***Applicable laws and regulatory excellence***

***Product safety and quality***

***Relationships with health care professionals***

***Business courtesies***

***Bribery and other corrupt payments***

***Fair dealing and complying with competition laws***

***Trade compliance***

***Supplier relationships and working with third parties***

***Money laundering prevention***

***Applicable laws and regulatory excellence***

Varex employees are located around the world and are citizens of many different countries. As a result, our operations are subject to the laws of many countries, provinces, states, municipalities, and organizations. Failure to comply with any applicable laws can result in serious civil and even criminal liability and damage to our assets and reputation.

Today's regulatory environment demands that every employee and manager be aware of, knowledgeable about, and committed to regulatory excellence. In some instances, there may be a conflict between the applicable laws of two or more countries. When you encounter a conflict, it is especially important to consult the appropriate person in the Varex Legal Department to understand how to resolve the conflict properly.

Your particular business unit or department may issue its own policies, procedures and guidelines specific to its business. You must follow those policies, procedures and guidelines in addition to those described in the Code of Conduct. If there is a conflict between business policies, procedures and guidelines, the Code of Conduct, and any legal requirements, the most stringent standard applies. If you see a conflict between the various policies and guidelines, please bring them to the attention of your management team or the Varex Legal or compliance function.

***Product safety and quality***

Safety is paramount in all of the products and services Varex provides. It is Varex's responsibility to manufacture its products to meet all legal and regulatory requirements governing the design, manufacture, and supply of products that make a positive difference in the markets they serve.

Varex designs and manufactures its products to meet government agency guidelines, as well as customer inspection, test, and quality criteria. We perform the testing and documentation necessary to meet these criteria, and we provide the necessary documentation of this testing. It is a violation of law and Company policy to knowingly submit false test or other data to any governmental agency or customer.

In addition, Varex collects and reports information related to complaint and safety incidents involving our products. All applicable employees should receive complaint handling training and are required to report incidents when they occur.

In some countries, applicable employees will also be required to report complaint and safety incidents involving our products to governmental entities (for example, regulatory, consumer or police entities). Contact the Regulatory Department if you have questions.

### ***Relationships with health care professionals***

A ***health care professional*** is an individual or entity that is involved in the provision of health care services to patients; and that influences, purchases, leases, recommends, uses, arranges for the purchase or lease of, or prescribes a company's products and services. Examples of health care professionals are doctors, nurses, hospital and medical office staff, and others who have contact with patients.

Developing honest, constructive relationships with health care professionals is essential to understanding the needs of the health care community. These relationships are subject to strict regulations (which vary from country to country), of which all Varex employees and agents should be aware.

If your job brings you in contact with health care professionals, be sure that these interactions (a) are for valid business purposes, (b) are consistent with all laws, regulations and Varex policies regarding interactions with health care professionals, and (c) do not (in fact or appearance) influence any medical decisions made by health care professionals.

In certain countries, Varex is required to report all payments and transfers of value provided to health care professionals. Local policies and procedures for recording such payments accurately and completely must be followed. Consult the Legal or compliance function with any questions.

QUESTION: I am working outside the United States. I want to hire a U.S. licensed doctor to do some consulting here. Do I have to report payments made to the doctor?

ANSWER: Yes, all payments Varex or its affiliates make—cash or otherwise—to U.S. health care professionals must be reported regardless of the country where the consulting (or any other service) is performed. Contact the Legal or compliance function for guidance on how to report these payments. This applies to other countries as well.

QUESTION: I became aware of a doctor, with a great deal of experience on Varex equipment, who left her current position and was looking for a new one. Can I hire a recruiter or other consultant to find her a position?

ANSWER: No. Providing the service would be considered an improper inducement provided to the doctor and probably the hiring hospital.

### ***Business courtesies***

Offering or accepting business courtesies (e.g., gifts, meals, and other forms of entertainment) may or may not be acceptable, depending on who is offering or accepting the courtesy, where the offer occurs, and why the offer is being made. Business courtesies offered to government officials or health care professionals are particularly sensitive, as they may violate anti-bribery or anti-corruption laws or industry standards of practice. Contact the Varex Legal or compliance function if you have questions related to business courtesies.

Varex employees may offer or accept a business courtesy, directly or through a third party, only if the courtesy meets the following criteria:

- It has a legitimate business purpose and is not intended to exert improper influence or the expectation of reciprocity.
- It does not violate any laws, regulations, or company policies.
- It is not in the form of cash or a cash equivalent.
- It could not be perceived as or appear to be a bribe or other corrupt payment.
- It is appropriate in terms of value, time and place, and frequency.
- It does not create a conflict of interest.

These criteria apply to business courtesies everywhere in the world, even where they are considered “a way of doing business.” Whether a business courtesy is appropriate, or any questions related to a business courtesy, should be directed to a supervisor, manager, or the Legal or compliance function.

QUESTION: I work in a country where refusing a business courtesy from a business partner could be considered an insult and might jeopardize the business relationship. What should I do if I’m offered a business courtesy that I feel is inappropriate?

ANSWER: Contact your supervisor, manager, or the Varex Legal or compliance function to determine how to proceed. You may be able to accept the gift on Varex’s behalf. Business courtesies are acceptable only if they meet the defined criteria.

### ***Bribery and other corrupt payments***

Bribery is defined as offering or giving something of value to a person to improperly influence the person’s views or conduct. In the business world, bribery can be used to improperly influence judgment or actions, affect a decision, gain (or retain) customers, or obtain an unfair advantage.

Bribery and other corrupt payments are prohibited by law throughout the world. Bribes can take the form of cash, gifts, entertainment, contributions, or anything else of value. The transfer of a bribe made directly or through an intermediary are both illegal.

To prevent bribes or other corrupt payments from being hidden, companies are required to keep accurate financial records and have accounting controls in place.



Varex is fully committed to the principles and practices of anti-bribery and anti-corruption laws. All employees, and all parties acting on behalf of Varex, must adhere to this commitment and must avoid any action that could be seen as an act of bribery or a corrupt payment.

**SITUATION:** You learn that a consultant is being paid much more than usual for the type of work being billed, and the financial records you are reviewing do not provide any explanation.

**WHAT TO DO:** Report what you have found to the Varex Legal or compliance function, or call the Hotline.

### ***Fair dealing and complying with competition laws***

Fair dealing means that no unfair advantage is taken through manipulation, concealment, misrepresentation of material facts, abuse of confidential or privileged information, or similar practices. Varex competes vigorously, fairly and solely on the merits of our products and services. Our actions and relationships, including those with the Company's customers, suppliers, competitors and employees, must be based on fair dealing, fair competition in quality, price, and service, and compliance with applicable laws and regulations.

Our business activities are subject to competition laws in most countries around the world, and apply to many aspects of our business, including sales, marketing, procurement, contracting, and mergers and acquisitions. These laws are intended to promote fair competition and specifically prohibit or restrict anti-competitive agreements or arrangements to:

- fix, coordinate, or control prices.
- facilitate collusive bidding or bid-rigging.
- assist a customer in the drafting of tender specifications.
- limit competition against other market participants.
- share information with competitors about prices, profits, or profit margins.
- divide or allocate markets, territories, or customers.
- exchange or share with a competitor any unpublished information concerning prices or any other competitive information.
- make reciprocal deals with partners or suppliers.

Although the intent of competition laws is straightforward, their application to particular situations is complex.

If you have any questions about fair dealing or compliance with competition laws, contact the Legal Department.

**SITUATION:** During a presentation at a trade show, you are seated next to a sales representative of a competitor. As the presentation concludes and the audience disperses, you notice that the competitor's sales representative has accidentally left behind what appears to be a confidential internal report about a new product. This report might be helpful to you in developing a marketing strategy for a competing product that Varex is about to release.

**WHAT TO DO:** Alert the sales representative to the situation immediately. Any attempt to gain information from the report would be unethical and in violation of the principles of fair competition.

### ***Trade compliance***

The growth and success of Varex's global business depends on our continued ability to conduct trade across borders with ease. Many countries regulate international trade transactions, such as imports, exports and international financial transactions, for a variety of reasons, including national security and foreign policy. Varex is committed to complying with all applicable export, import, and trade compliance laws and regulations in all countries in which Varex does business.

When conducting business across borders, employees must be aware of and follow all applicable laws, as well as Varex's trade compliance policies and procedures. Export control laws govern the transfer of goods, services and technology among countries. Note that many countries have published lists of companies and individuals who are considered "restricted parties" or are subject to trade and financial sanctions. Varex's trade compliance program therefore requires that all customers and transactions be screened for export compliance purposes. Additionally, global sanctions programs restrict or prohibit Varex's business in or with certain countries, including Cuba, Iran, North Korea, Sudan, and Syria, unless specifically licensed or otherwise approved under the relevant export and trade regulations. As these laws are complex and frequently change, employees should always contact the Trade Compliance Department for guidance on any proposed business activity related to these countries.

Customs laws and regulations govern the importation of goods. These laws ensure that only admissible goods enter into the importing country, and that the correct amount of duties and taxes are paid on those goods. Varex must maintain and report accurate product descriptions, customs tariff codes, commercial value and country of origin for all imported goods. Employees must follow all regulations governing export and import licensing, shipping documentation, import documentation, reporting and record retention requirements.

### ***Supplier relationships and working with third parties***

In many instances Varex engages individuals or companies that provide supplies and services on Varex's behalf. The actions and activities of suppliers and third parties can be attributed to Varex. Anti-corruption laws do not always differentiate between acts made by Varex or by someone acting on behalf of Varex, so Varex may be held liable for actions conducted by its business partners. For these reasons, Varex is required to undertake certain measures when

dealing with suppliers and third parties, including performing due diligence and conducting anti-corruption training prior to retaining third parties.

Contact the Legal or compliance function if you have questions when engaging suppliers and third parties.

### ***Money laundering prevention***

Money laundering is the act of concealing the sources of money to avoid disclosing its sources, uses, or paying taxes. More than 100 countries now have laws against money laundering. These laws prohibit transactions involving proceeds from criminal activities. People involved in criminal activities— *i.e.*, terrorism, illegal narcotics, tax evasion, and fraud—may try to launder the proceeds of their crimes to hide them or make them appear legitimate. A related concern, sometimes called reverse money laundering, is the use of legitimate funds to finance terrorist activity.

Varex is committed to compliance with all anti-money laundering and anti-terrorism laws throughout the world. We will conduct business only with reputable customers involved in legitimate business activities using funds derived from legitimate sources. Employees should avoid engaging in any transaction that is structured in a way that could be viewed as concealing illegal conduct or the tainted nature of the proceeds or assets at issue in the transaction. Consult the Legal or compliance function if you have any questions regarding the appropriate due diligence required before conducting business with any vendor, supplier, contractor, reseller, distributor, customer, or other third party. Be especially wary of oddly structured transactions. Failing to detect customer relationships and transactions that place Varex at risk can severely damage our integrity and reputation.

**SITUATION:** A Varex customer in the European Union places a large order with a substantial deposit. The order is cancelled and the customer requests that the funds be refunded to a numbered bank account in Latin America. Should I be concerned?

**WHAT TO DO:** Yes, you should be concerned if a transaction involves transferring funds to or from countries or entities unrelated to the transaction. Requests to transfer money to third parties also raise concerns that need to be investigated to ensure the legitimacy of the transaction. Consult with the Legal or compliance function before proceeding.

## **FELLOW EMPLOYEES**

***Workplace and mutual respect***

***Harassment and bullying***

***Fair employment***

***Health and safety***

***Employee and customer data privacy***

***Workplace and mutual respect***

At Varex, we consider our employees to be our greatest strength. When employees are valued and treated as team members, they are motivated to contribute to the working environment in a constructive and effective manner, to the mutual benefit of all. We each play a role in creating and maintaining this type of environment. The workplace at Varex should be free from harassment, discrimination, intimidation, bullying, and retaliation. These behaviors, by employees or anyone doing business with Varex, will not be tolerated.

Varex is proud to be a global company with employees, business partners, and other stakeholders who are diverse. Varex expects its employees, officers, Board members and business partners to treat other employees, business partners, and stakeholders with respect and consideration for different values and cultures.

Each Company employee, officer, Board member and business partner is responsible for being considerate of the different norms, behaviors, and beliefs of colleagues, whatever the relationship with Varex.

***Harassment and bullying***

Varex does not tolerate harassment, bullying or intimidation in any form, whether verbal, non-verbal, or physical. Varex employees must comply with all applicable laws, employ common sense and exhibit respect for others at all times. If you feel someone is harassing you, bullying you or is interfering with your ability to perform your job, you have the right to ask the person to stop, and tell him/her—in a clear, professional manner—that the behavior is unwelcome. You may also report such behavior or concern to your local management, HR department, or consult the Hotline for alternatives for reporting in your country. Retaliation is prohibited when you act in good faith to report an incident of harassment, bullying or intimidation.

**QUESTION:** I have seen co-workers being taunted about their religion. Should I do anything even though they haven't said anything?

**ANSWER:** Yes. The Company expects all employees to treat each other with respect and consideration. If you are subjected to or observe someone else being subjected to unlawful or disrespectful behavior, talk to your local supervisor, manager or HR representative, or call the Hotline, which will direct you to possible alternatives for reporting depending upon your country.

### ***Fair employment***

Varex is firmly committed to providing equal employment opportunities to all current and prospective employees. The Company bases employment decisions on job qualifications and merit, which include an individual's skills, performance and leadership, and we respect and comply with all local and national laws in the locations where our employees work around the world. Whenever possible, Varex makes reasonable accommodations for disabled individuals.

**SITUATION:** You feel that your supervisor is discriminating against you, but you are concerned that if you say anything to your supervisor, it will just lead to more problems.

**WHAT TO DO:** Varex will not tolerate unlawful discrimination in the workplace. You do not have to follow the 'chain of command' in a situation like this. Report your concerns to your local supervisor's manager, your HR representative, or another member of the local management team, or call the Hotline, which will direct you to possible alternatives for reporting depending upon your country.

### ***Health and safety***

Varex is committed to complying with health and safety laws. All employees are responsible for creating and maintaining a safe working environment that minimizes workplace injuries and protects the health and safety of Varex's employees, business partners, and visitors.

**SITUATION:** You're dispatched to rewire a customer's failing electrical system. Unfortunately, the customer cannot completely shut down the system for repairs as planned. You accomplish most of the job by shutting down parts of the system as needed. Finally, all that remains is some simple rewiring that requires a more disruptive shut-down. The customer asks you to do this work with no shut-down. You feel confident that you can do this as a favor to the customer with minimal risk.

**WHAT TO DO:** You must absolutely not do the customer this favor. Both Varex policy and safe work practices require that energized machinery is de-energized before working on it.

To ensure workplace safety, Varex does not tolerate the abuse of drugs or alcohol in the workplace. All employees must obey legal, regulatory, and Company requirements prohibiting the use of illegal substances and must complete training programs on substance abuse and employee assistance.

### ***Employee and customer data privacy***

Varex is committed to the highest standards of protection of data belonging to our employees and our customers.

Maintaining employee privacy and the confidentiality of employee records and personal information is essential. Access to employee records is limited to individuals with authorization for valid, legal, business-related reasons, and any information obtained from employee records

may be used only under that authorization. Employees who have access to, or work with, the personal information of Varex colleagues have a responsibility to handle that information appropriately and to take all reasonable precautions to preserve its confidentiality. Employees have access to their own records according to local laws.

Varex complies with applicable laws in the treatment of employee and customer data in accordance with Varex's privacy policies. Varex generally does not accept patient health data from its customers.

## **COMMUNITY AND ENVIRONMENT**

### ***Political contributions***

#### ***Protecting the environment***

#### ***Communicating on behalf of the Company***

### ***Political contributions***

Contribution of Varex funds, assets, services, or facilities to or on behalf of a political party, candidate, or political action committee ("PAC") is regulated and governed by applicable laws and Company policies.

No employee or business partner may act on behalf of Varex in providing any business courtesy, gift, or payment to any government or political party official, employee candidate, or agent, whether in the United States or in another country, and whether made directly or through an intermediary, unless approved in writing by the Legal or compliance function. Many anti-corruption laws prohibit payments to foreign political parties and candidates for foreign political office if made for the purpose of improperly obtaining or retaining business or some other unfair advantage.

In addition, all Varex employees and business partners must comply fully with all applicable laws regulating corporate participation in public affairs.

No employee or business partner is authorized to (a) state any political position on behalf of Varex, (b) use Company letterhead in communicating personal views, or (c) take any action that might be viewed as lobbying, without the prior approval of the Legal Department.

This is not intended to discourage or prohibit our employees, officers, or Board members from voluntarily making personal political contributions, from participating in the political process on their own time and at their own expense, from expressing their personal views on legislative or political matters, or from otherwise engaging in political activities. Employees are encouraged to exercise their rights as individual citizens.

### ***Protecting the environment***

Varex is committed to conducting its business in a manner that provides reasonable safeguards to public health and the environment. Varex is also committed to conserving the Earth's natural resources.

To meet Varex's environmental standards, every facility is required to demonstrate compliance with public health and environmental laws pertaining to its operation. Every facility is expected to maintain an open dialogue with local communities on the nature and hazards of the materials that it manufactures or handles. The Company's policy is to participate actively with government authorities, industry groups, and the public in promoting community awareness and emergency response programs to deal with any potential hazards associated with Company products and facilities.

### ***Communicating on behalf of the Company***

Only those officially designated by Varex are permitted to communicate on its behalf. When in doubt about any communication, contact the Legal Department.

If your job duties require you to communicate on behalf of the Company, you must still seek approval of communications from the Corporate Communications Department, or your local HR Department.

If you are not officially designated by Varex to communicate on its behalf, be very careful in communicating about the Company's business or products. Remember that statements about products and financial data are highly regulated and subject to legal restrictions. Your violations of these laws could result in liability for both you and Varex.



## **COMPANY ASSETS AND INFORMATION**

### ***Conflicts of interest***

### ***Confidential information***

### ***Insider trading and stock tipping***

### ***Intellectual property***

### ***Disclosure of trade secrets***

### ***Corporate opportunities***

### ***Recordkeeping and public reporting***

### ***Company communication systems***

### ***Protection and proper use of Company assets***

### ***Conflicts of interest***

All Varex employees, officers, and Board members have a duty to work in Varex's best interest. A conflict of interest exists when loyalties or activities are or could be divided between Varex interests and personal interests (or interests of another person or entity). A conflict of interest also exists when an employee, officer, or Board member is in a position to exploit their role and responsibilities for personal benefit. Even the appearance of a conflict of interest should be avoided. Employees, officers, and Board members have a duty to use good judgment and to avoid situations that present an actual or potential conflict with Varex interests. Examples of a conflict of interest include:

- taking actions or having interests that make it difficult to perform your job responsibilities.
- receiving or soliciting improper benefits (favors, gifts, loans, etc.), either for yourself or for a relative, from a customer, supplier, contractor, or competitor.
- having a financial investment or other business interest in a customer, supplier, contractor, or competitor.
- benefiting from improper use or disposition of Company property, confidential information, business opportunities or other assets.
- diverting from Varex, for the employee's own benefit or otherwise, any business opportunity in which Varex has or is likely to have an interest.
- receiving substantive value from, or contributing substantive value to, a party with which the Company does business.
- taking, for personal gain or benefit, opportunities that belong or are presented to the Company or that are discovered as a result of your position with the Company.
- engaging or retaining a person or entity to provide services for the Company because they have a personal, professional, or commercial relationship with a Varex customer or prospective customer.
- as an employee, holding employment with or serving as a Board member of another company without permission, or competing with Varex.
- as a Board member, serving as a director of or holding employment with a customer, supplier, contractor, or competitor of Varex, without appropriate approvals.

- benefiting directly or indirectly from a related person transaction (e.g., a transaction with a third party that has a common executive officer or member of the board of directors), as further outlined in Company policies.
- using a family member, an agent, or another third party to accomplish what the employee is prohibited from doing directly.

If you believe a potential conflict of interest exists, please promptly discuss the situation with your manager, an HR representative, or the Legal Department.

QUESTION: My sister owns a small firm that manufactures materials that could be used in Company products. Is it a prohibited conflict of interest to do business with her?

ANSWER: Not necessarily, but you must disclose the potential business relationship to management before doing any business, and you must not attempt to influence Varex's business relationship with your sister's firm. An impartial person, rather than you, should decide if your sister's firm is the best source of the material.

### ***Confidential information***

Confidential information, including trade secrets and business, financial, technical, proprietary, and personnel information, is important Varex property. Intentional or inadvertent disclosure of confidential information could seriously harm Varex's financial performance and competitive position and could compromise our rights to intellectual property, trade secrets, or proprietary information. Each employee, officer and Board member is responsible for protecting against the unauthorized disclosure or use of Varex confidential information, both internal and external. Confidential information should always be labeled as Confidential and Proprietary Information of Varex Imaging Corporation.

QUESTION: I have been called to jury duty. I've heard that this can involve long waiting periods, so I'm planning to bring along my laptop computer to work on a report about a new product. Is this permissible?

ANSWER: Confidential information should not be brought into a location that could compromise the security of the information. If you will be near people that can see your computer, do not work on confidential information. You should also avoid discussions (including telephone conversations) about Company business in public locations.

### ***Insider trading and stock tipping***

Using material, non-public ("inside") information for your own financial or other personal benefit, or sharing this information with others, may violate both civil and criminal law. Inside information is news about a 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. Common examples include projections or changes in estimates of future earnings, a proposed merger or acquisition or sale

of substantial assets, stock offerings or repurchases, changes in senior management, significant new products or discoveries, and significant expansion or curtailment of operations.

Employees, officers, and Board members who are aware of material inside information about a company are prohibited from directly or indirectly trading stock in that company (known as “insider trading”) and must refrain from disclosing this information to others or recommending that anyone else trade stock in that company (known as “stock tipping”). The information may be about Varex or about other companies where the information about other companies is known to an individual through their relationship with Varex. The restriction against insider trading and stock tipping also applies to family members and others living in the same household of employees and Board members, as well as to accounts that are controlled by or subject to the influence of these persons.

Employees, officers, and Board members who are aware of material non-public information are subject to additional trading constraints. If you have any questions about inside information and trading in securities, please contact the Legal Department.

QUESTION: I was talking with my cousin and mentioned that I had an upcoming business trip to close a deal to acquire Company X. Could this create a problem?

ANSWER: Yes. If you or your cousin trade stock of either company involved in the deal, both of you could be charged with insider trading. Also, if your cousin passes the information along to another person, you could be implicated.

### ***Intellectual property***

Intellectual property is one of Varex’s most valuable assets. All employees must work to safeguard our patents, trademarks, copyrights, trade secrets, and other proprietary information. At the same time, it is critical that we respect the valid intellectual property rights of others. Unauthorized use of others’ intellectual property can expose Varex and its employees to civil and criminal penalties.

A key to protecting our intellectual property is the timely and reasonable review of new products, services, processes, and software for possible inventions and trade secrets and for infringement of the intellectual property rights of others. Report all inventions promptly to the Legal Department to ensure appropriate patent protection.

Do not investigate or discuss issues of intellectual property coverage or validity, whether of Varex’s intellectual property or that of third parties. Contact the Legal Department concerning any issues related to intellectual property of others such as patents, trademarks, or proprietary information.

QUESTION: One of our products will soon have a new feature that will really help it outperform the competition. A big customer is pressing me to describe the new feature now, because the customer needs to make buying decisions this week. I know the Company wants to patent the feature, but I'm not sure the application has been filed yet. May I show the customer the new feature?

ANSWER: No. Patent counsel should be consulted first because showing the feature to the customer before a patent application is filed could result in the loss of the Company's ability to obtain a patent.

### ***Disclosure of trade secrets***

The federal Defend Trade Secrets Act (the "DTSA") provides that an individual shall not be held criminally or civilly liable for the disclosure of a trade secret that is made (i) in confidence to a government official or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Additionally, the DTSA provides that an individual who files a retaliation lawsuit against an employer for reporting a suspected violation of law may disclose a trade secret to his/her attorney and use the trade secret information in court, but only if the individual (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

### ***Corporate opportunities***

Employees, officers, and Board members are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees, officers, and Board members are prohibited from using corporate property, information or position for personal gain and from competing with the Company. Employees, officers, and Board members owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### ***Recordkeeping and public reporting***

Varex makes business decisions based on information maintained at every level of the Company. Incomplete or inaccurate information can lead to serious legal and financial consequences.

Varex is legally required by many government agencies, including the U.S. Securities and Exchange Commission, U.S. Food and Drug Administration, and European Commission, to file timely, complete, accurate, and understandable reports and tax returns with the proper authorities and to maintain, in reasonable detail, books and records that accurately reflect Varex's activities. At times, employees, officers, and Board members may be called upon to provide information to help Varex meet these reporting and filing requirements. The Company expects that all employees, officers, and Board members take this responsibility seriously and

record and report information timely, fully, accurately, fairly and honestly. No employee may enter, or cause to be entered, information in the Company's books or records that intentionally misleads, misrepresents, omits, or disguises the true nature of any transaction or result. For example, employees may not enter into or authorize side agreements with purchase orders or customer contracts. In addition, Varex transactions, assessments, and forecasts must be recorded and reported as necessary to maintain accountability for assets and to permit preparation of financial statements according to generally accepted accounting principles.

QUESTION: Varex is entitled to a large payment from a customer if we certify that project installation has been completed. We're not sure whether a few small items have been installed yet, but they should be soon. It's getting close to year-end, and we'd like to book the payment. Can we submit our invoice and certification now?

ANSWER: No, you cannot submit the invoice and certification until you we have received confirmation that the installation has been completed in accordance with the contract.

### ***Company communication systems***

Varex provides the use of communication tools, such as such as email, computers, data files, telephones, voicemail, photocopies, trademarks and logos for work-related purposes to improve the efficiency and effectiveness of our employees' work and communication. Employees are required to use these tools in a professional, ethical, and lawful manner and to exercise good judgment and discretion as outlined in Company policies.

All employees are required to use Varex communication tools in accordance with Company policy. All communications should be professional, honest, and accurate. Employees should not conduct any significant personal business on Company premises, on Company time, or using Company communications tools. Varex locations outside the United States may have more restrictive policies or even prohibit use of Company systems for personal use. These locations will have their own rules regarding inspection and monitoring of emails and other electronic communications, based upon local laws, and employees should be sure to consult local policies where applicable.

### ***Protection and proper use of Company assets***

All employees, officers, and Board members are required to protect the Company's assets, both tangible and intangible, against loss, theft, misuse and improper disclosure, and ensure efficient use of such assets. Misuse of the Company's assets has a direct impact on Varex's profitability. Company assets should be used only for legitimate business purposes, though incidental personal use of certain assets may be appropriate as determined with one's supervisor.

## **AMENDMENTS, MODIFICATIONS, AND WAIVERS**

This Code of Conduct may be amended or modified from time to time by the Company's Board or a committee of the Board, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, as amended, and the rules thereunder (the "'34 Act"), and the applicable rules of the NASDAQ Stock Market (the "NASDAQ Rules"). Any amendment, modification or waiver of the provisions of the Code of Conduct for the Company's executive officers or Board members may only be made by the Board or a committee of the Board, and must promptly be disclosed to stockholders as required by the '34 Act and NASDAQ Rules.