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1.0 Purpose

The purpose of this Global Anti-Corruption Policy is to establish the Global Anti-Corruption Policy for Varex Imaging Corporation (Varex), its employees, its business partners, and all Varex subsidiaries worldwide and to ensure understanding and compliance with applicable laws and this policy.

2.0 Scope

This policy extends to Varex and all of its subsidiaries worldwide including affiliates, partnerships, ventures, and other business associations. All Varex directors, officers, employees, agents, consultants, and business partners are subject to this policy.

Varex employees and business partners must adhere to this policy as well as follow the spirit of this policy. Varex employees and business partners have a duty to exercise good judgment and common sense in anti-corruption and ethical compliance. The fact that particular conduct may not be specifically addressed in this policy does not mean that such conduct is permitted. Any type of corruption is never acceptable nor tolerated. Failure to comply with this policy can lead to serious consequences for Varex and personal liability for individuals involved.

This policy supersedes any and all previous Varex policies or statements related to anti-corruption.

3.0 Background

Varex conducts its operations around the globe in an ethical manner and in compliance with all applicable laws. As part of this commitment, it is Varex’s fundamental policy to prohibit the giving or receiving of payments or other items of value for the purpose of improperly obtaining a business or commercial advantage or which are intended to affect any governmental act or decision. Strict compliance with all local and international anti-corruption and anti-bribery laws is required in conducting Varex’s business globally.

4.0 Policy

4.1 General Requirements to Prevent Corruption and Bribery

- Varex or any Varex person (including directors, officers, and employees) or business partners acting on behalf of Varex may NOT directly or indirectly offer, promise, authorize or pay any bribe or offer anything of value to any government official or any person or entity, including those in private or commercial sector, where the purpose is to improperly induce or influence the recipient to take (or refrain from taking) action that would give an improper or unfair advantage to Varex, its affiliates or any business partner. This prohibition also applies to providing items of value to family members, close associates or favored organizations of Government Officials, or any persons or entities, including those in the private or commercial sector.
- Varex directors, officers, employees, agents, or any business partner acting on Varex’s behalf may NOT receive or accept any bribe or other items of value where the purpose is to improperly induce the recipient to take (or refrain from taking) action that would give an improper or unfair advantage to the person or entity providing the bribe or item of value.
- Gifts of cash or cash equivalents (such as gift certificates, gift cards, vouchers, or loans) are never permitted to be given to or for the benefit of any third party.
- Actions that could or potentially may create the appearance of improper action should be avoided.
- In addition to section 4.5, *Educational Gift Items, Entertainment, Hospitality (Meals), and Travel and Lodging*, “anything of value” includes, but is not limited to:
 - Cash
 - Offers of employment
 - Personal favors (e.g. provide an internship, paid or unpaid, to a family member)
 - Discounts not approved in Varex’s pricing policies (e.g. discount on oncology services or equipment for a particular customer for the purpose of securing future business)
 - Offers to pay a debt, actual payment of a debt, or forgiveness of a debt

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- Gift or sale of stock or other investment opportunities
- Medical, educational, or living expenses
- Contracts or other business opportunities awarded to a company inappropriately engaged or associated with a government official
- Loans, including loans of real property, vacation homes, vehicles, and similar items
- Solicitation and Extortion: Anti-corruption laws prohibit payments made under pressure or duress. Varex employees and business partners must **not** make any payment, or provide anything of value, in response to a solicitation or extortion attempt by any third party.
- Tendering or public procurement is the process where public entities such as governments make purchases. This process must be conducted fairly and in accordance with applicable tender laws.
- If you suspect that an interaction includes bribes, improper influences or transfers of value, contact the Legal Department or the anonymous reporting Hotline.

4.2 Maintaining Accurate Books and Records

General

Varex maintains a system of internal accounting controls and keeps books, records, and accounts in reasonable detail that accurately and fairly reflects all transactions and dispositions of assets. Compliance with all standards, principles, laws, and Varex practices for accounting and financial reporting is required. All payments and other transactions covered under this policy must be accurately reported.

Key Considerations

- False, misleading, or incomplete entries into Varex’s books, records, and other business documents are prohibited. Transactions, which require or contemplate the making of false or fictitious records, in whole or in part, are prohibited.
- No undisclosed or unrecorded funds or accounts may be established for any purpose.
- Circumventing or evading, or attempting to circumvent or evade, Varex’s internal accounting controls is prohibited.
- No payment on behalf of Varex is to be approved or made without adequate supporting documentation or made with the intention or understanding that all or any part of the payment is to be used for any purpose other than the specific purpose described by the documents supporting the payment.

4.3 Third Party Intermediary (TPI)

General

Payments that Varex is prohibited from making under this policy cannot be made indirectly on Varex’s behalf by any third party. The actions and activities of a TPI can be attributed to Varex when the TPI is retained by Varex or acts on behalf of Varex. Varex is required to: (a) conduct risk-based due diligence before retaining a TPI or sub-intermediary; and (b) regularly monitor all TPI activities.

Key Considerations

- **Business Need:** A legitimate need for and value from the use of TPIs must be demonstrated and documented.
- **Due Diligence:** Before entering into an agreement with TPIs, appropriate risk-based due diligence must be conducted and approved. Potential risks or “Red flags” must be escalated to the Red-Flag Advisory Group for approval.
- **Written Agreement:** The written agreement with the TPI must exhibit clear terms to prevent corruption, bribery, and fraudulent acts. This agreement should contain a clear, detailed statement of work to be performed or services to be provided. The compensation to the TPI must not be paid in cash and should be at fair market value. The agreement must also state that Varex has the right to audit no less than annually and the right to terminate the relationship upon written notice.



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Invoices and Statements: TPIs must provide Varex invoices and statements that provide in reasonable detail a description of the good and services rendered. In most circumstances one line descriptions of services in invoices or statements are not acceptable.

- **Training:** Employees of TPIs involved in a project and interacting with government officials or HCPs on behalf of Varex are responsible for completing Varex provided compliance training in a timely manner.
- **Certifications:** TPIs are responsible for providing annual certification of anti-corruption training and compliance.
- **Monitoring:** Varex monitors the TPI relationship for compliance with anti-corruption laws and Varex policy.
- **Auditing:** Varex audits the TPI relationship through an audit department to assess the risk and monitor the TPI conduct.
- **Red Flags:** Varex employees and business partners must **not** ignore any risks or potential risks that might indicate improper payments or activities (e.g. entities working closely or associating with government officials; not agreeing to contract terms; excessive commissions or bonuses; shell companies; offshore payment requests).

4.4 Mergers and Acquisitions

Compliance with anti-corruption laws and regulations should be reviewed and addressed in connection with all potential mergers and acquisitions, however structured. Varex should perform appropriate due diligence that provides confidence and assurance that the potential seller, target company or business neither is, nor has in the past, violated international anti-corruption laws, or alternatively, has affirmatively disclosed any and all such violations to proper authorities.

4.5 Educational Gift Items, Entertainment, Hospitality (Meals), and Travel and Lodging

General

Anti-corruption laws prohibit offering or providing anything of value such as gifts and hospitality to a government official or commercial entity in order to obtain an improper or unfair advantage or unjustly influence an official action. Some laws applicable to government officials may also

- include limits or amounts above which the government official must disclose the gift item and hospitality to his/her superiors.
- include limits or amounts above which the gift is prohibited.
- require government officials to turn over the gift to the government department or agency for which he or she works.

Key Considerations

- **Educational Gift Items:** Educational gift items offered or provided must
 - be permitted by local law
 - be modest, customary, inexpensive in value, infrequent (e.g. every 6 months), not exceed local legal maximum value, and appropriate to the recipient's position and circumstances.
 - be provided in connection with a bona fide and legitimate business purpose
 - **not** be a cash payment
 - **not** be motivated by a desire to exert improper influence
 - **not** be provided to spouses or guests.
 - be recorded accurately in Varex's books and records.
 - be pre-approved by the Ethical Compliance Department
- **Entertainment:** Providing entertainment and recreational activities is prohibited. Activities including, but not limited to sporting events, theater, museums, concerts, side trips from conferences to tourist destinations and entertainment venues and similar activities are prohibited, even if the event is modest or free.
- **Hospitality and Meals**
 - Hospitality and meals must comply with local law and regulation.



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- Meals and venue must be appropriate to the business circumstances.
- Meals and refreshments must be modest in nature and expense, and incidental to a business meeting.
- **Travel and Lodging:** Transportation and lodging expenses for government officials or commercial entities, as permitted by local laws, must also comply with the travel policy.

4.6 Facilitation Payments

General

Facilitation payments which are small, unofficial payments to Government Officials to expedite the performance of routine, non-discretionary and ministerial government actions are prohibited under this policy. Facilitating (“grease”) payments can include, but are not limited to, processing government paperwork, issuing licenses or permits, clearing goods through customs, providing routine government services (such as police protection and mail pick-up), and actions of a similar nature. (Note: Expedite Fees that are standard fees charged for expedited service are not Facilitation payments)

Key Considerations

- Varex will not make payments in order to secure or speed up the performance of a routine action to which Varex is entitled, unless the payment is permissible under local laws and approved in advance by the Ethical Compliance Department.
- Facilitation payments must **not** be promised, offered, or made unless approved in advance by the Ethical Compliance Department.

4.7 Political and Charitable Contributions

Political and charitable contributions intended to influence or obtain a business advantage from a Government Official are prohibited. The use of Varex funds, property, services, or *anything of value* for or in aid of political parties or candidates for public office is generally prohibited. Any exception requires the prior written approval of Varex’s Legal Department and Ethical Compliance Department.

4.8 Receipt or Acceptance of Business Courtesies

Varex employees may accept a business courtesy, directly or through a third party, IF AND 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 Varex Company policies;
- it is not in the form of cash or a cash equivalent (e.g. gift cards);
- 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; and
- it does not create a conflict of interest.

If you suspect the business courtesy is a bribe or improper influence of a transfer of value, contact the Legal Department or Compliance Department or the Hotline. Receiving or accepting any bribe, which includes any financial or other improper unfair advantage is prohibited.

5.0 Responsibilities

5.1 Ethical Compliance Officer, Department, and Staff are responsible for

- establishing and maintaining Varex’s anti-corruption policy, including revisions and obsolescence.
- testing, monitoring, and investigating anti-corruption compliance issues.
- communication, training, and distribution of the policy across Varex world-wide.

5.2 Varex Employees and Business Partners are responsible for

- completing training on Varex’s anti-corruption policy, and receiving certification for the training.

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- understanding and following the policy.
- promptly reporting incidents of non-compliance with the policy.
- identifying the individual or entity you are interacting with before entering into any arrangement or transaction.

6.0 Internal Investigations, Penalties, and Enforcement

Varex promptly investigates all alleged and potential violations of this policy and the compliance program. Allegations are treated confidentially, to the extent consistent with Varex’s interests and its legal obligations. Employees and business partners have a duty to fully cooperate in all internal investigations.

Varex employees and business partners who do not comply with the Global Anti-Corruption Policy or other applicable anti-corruption laws are subject to immediate discipline, up to and including termination of employment or relationship with Varex.

7.0 Exceptions

Any planned deviation from this policy or procedures must have a documented exception granted by the Ethical Compliance Department or Legal Department before engaging in the activity. .

8.0 Reporting Compliance Concerns

Employees who have anti-corruption concerns or complaints are encouraged to promptly submit them to any supervisor, manager, the HR Department, the Legal Department, or the Hotline. Because the manner in which reports may 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.

	Report To
Varex Employees	<ul style="list-style-type: none"> • the hotline • their supervisor or manager or • their Human Resources representative or • any member of Varex’s Legal Department
Non-Employees	<ul style="list-style-type: none"> • the hotline

Note: Submissions regarding any suspected misrepresentations in Varex’s books and records will be forwarded directly to the Varex Legal Department and the Varex Board of Directors.

If an employee reports a concern or a known or suspected compliance violation, and does not receive a satisfactory response after a reasonable period of time, then the employee should immediately escalate the concern directly to the General Counsel in the Legal Department or to Varex’s Ethical Compliance Officer. Varex does not permit retaliation against any person who reports, in good faith, violations of law, regulations, the Code of Conduct, or Varex 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.

9.0 Definitions

Anti-Corruption Laws	<p>All laws that prohibit activity related to influencing governments, entities, or individuals to secure an improper advantage in obtaining or retaining business. Examples of these laws include, but are not limited to:</p> <ul style="list-style-type: none"> • U.S. Foreign Corrupt Practices Act of 1977 (FCPA) as amended: Makes it illegal for U.S. companies to (a) bribe government officials to obtain or retain business or (b) hide or otherwise misrepresent, in their books and records, inappropriate payments to government officials. • U.K. Bribery Act 2010 (UKBA): Makes it illegal to (a) offer, promise, give, or fail to prevent a bribe to a government official or commercial entity or (b) receive or accept a bribe. • China Anti-Bribery laws and regulations: Makes it illegal to bribe government officials and
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	<p>also officers and employees of private commercial enterprises, and outlaws payment or acceptance of kickbacks in commercial transactions.</p> <ul style="list-style-type: none"> • Brazilian Clean Companies Act (BCCA): Prohibits (a) bribery (promoting, offering, or giving, directly or indirectly, an improper benefit to a public agent, or to a third person related to that public agent), (b) fraudulent conduct in the public bidding (e.g. tenders) and contracting process, and (c) efforts to hinder the investigation or supervisory work of public bodies, entities, or agents, or to intervene in their actions. • Organization for Economic Cooperation and Development (OECD) Anti-Bribery Convention: Requires its signatories, under their national laws, to criminalize the bribery of government officials and to impose criminal penalties on those who give, offer, or promise any such bribes.
Government Official	<ul style="list-style-type: none"> • Any officer or employee of a government, or any department, agency, or instrumentality of a government • Any individual working for a government-controlled hospital or clinic • Any officer or employee of government-owned entities or companies • Any officer or employee of a “public international organization” (such as the United Nations, World Bank, or International Monetary Fund) • Any person acting for, or on behalf of, a government, a government entity, or a public international organization • Any political party or party official • Any candidate for political office • Consultants who hold government positions • Spouses, immediate family members, and other relatives of any of the foregoing • Any Health Care Professional employed or acting on behalf of a health care entity, owned or controlled by a government body, such as public hospitals or state universities.
Recipient	An individual or entity that could be influenced to secure an improper advantage in obtaining or retaining business.
Third Party Intermediary (TPI)	A non-Varex entity or individual that has a business arrangement or renders services with Varex by contract. TPIs may include entities such as distributors, sales agents, regulatory consultants, service providers, and import and export companies.
Unfair Advantage	<p>Any situation where the payor makes a payment to a recipient to secure any of the following benefits to which the payor is not entitled, or to avoid compliance with any requirement to which the payor is subject as a matter of local law or regulation. Some examples of “unfair advantage” include but are not limited to:</p> <ol style="list-style-type: none"> 1. Improperly obtaining tax exemptions, preferences or benefits 2. Avoidance or reduction of customs duties and import taxes on imported merchandise 3. Circumventing regulatory approval, license and permit requirements 4. Resolving problems due to a failure to comply with applicable laws or regulations 5. Improperly obtaining the issuance of a government license or permit, such as a product certification, land-use permit or zoning variance 6. Improperly obtaining a government license, concession or franchise. 7. Obtaining a change in, or avoidance of compliance with, an applicable law or regulation
Varex Employees and Business Partners	Includes Varex’s directors, officers, employees, agents, consultants, stockholders (who are acting at Varex’s direction), and Third Party Intermediaries (TPIs).

10.0 References and Appendices

10.1 References

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10.1.1 Varex's Code of Conduct

10.1.2 Policy on Travel