

VARIAN MEDICAL SYSTEMS INC
Form PRE 14A
December 13, 2013
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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:

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| <input checked="" type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the Commission Only |
| <input type="checkbox"/> Definitive Proxy Statement | (as permitted by Rule 14a-6(e)(2)) |
| <input type="checkbox"/> Definitive Additional Materials | |
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VARIAN MEDICAL SYSTEMS, INC.

(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.

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(3) Filing Party:

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Varian Medical Systems, Inc.

3100 Hansen Way

Palo Alto, CA 94304

January [], 2014

Dear Stockholder:

You are cordially invited to attend Varian Medical Systems, Inc.'s 2014 Annual Meeting of Stockholders to be held on Thursday, February 20, 2014 at 4:30 p.m. Pacific Time at our headquarters at 3100 Hansen Way, Palo Alto, California 94304.

The Secretary's formal notice of the meeting and the Proxy Statement appear on the following pages and describe the matters to be acted upon at the annual meeting. You also will have the opportunity to hear what has happened in our business in the past year.

We hope that you can join us. However, whether or not you plan to be there, please vote your shares as soon as possible so that your vote will be counted.

Sincerely,

Richard M. Levy
Chairman of the Board

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Varian Medical Systems, Inc.

3100 Hansen Way

Palo Alto, CA 94304

January [], 2014

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

AND PROXY STATEMENT

Varian Medical Systems, Inc. will hold its Annual Meeting of Stockholders on Thursday, February 20, 2014 at 4:30 p.m. Pacific Time at our headquarters at 3100 Hansen Way, Palo Alto, California 94304.

This annual meeting is being held for the following purposes:

to elect four directors to serve until the 2017 Annual Meeting of Stockholders;

to provide an advisory vote on the compensation of our named executive officers as described in the accompanying Proxy Statement;

to approve the Varian Medical Systems, Inc. Management Incentive Plan;

to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2014;

to amend our certificate of incorporation to declassify the Board;

to amend our certificate of incorporation to eliminate cumulative voting for directors; and

to transact any other business that properly comes before the annual meeting.

The Board of Directors has selected December 23, 2013 as the record date for determining stockholders entitled to vote at the annual meeting. A list of stockholders as of that date will be available for inspection during ordinary business hours at our principal executive offices at 3100 Hansen Way, Palo Alto, California 94304 for 10 days before the annual meeting.

Except for those stockholders that have already requested printed copies of our proxy materials, we are furnishing our proxy materials for this annual meeting to you through the Internet. On or about January [], 2014, we mailed to stockholders on the record date a Notice of Internet Availability of Proxy Materials (the "Notice"). Certain stockholders who previously requested email notice in lieu of mail received the Notice by email. If you received a Notice by mail or email, you will not receive a printed copy of the proxy materials unless you specifically request one. Instead, the Notice instructs you on how to access and review all of the important information contained in our Proxy Statement and in our Annual Report on Form 10-K for the fiscal year ended September 27, 2013 (which we posted on the Internet on January [], 2014), as well as how to submit your proxy over the Internet. We believe that mailing or emailing the Notice and posting other materials on the Internet allow us to provide you with the information you need while lowering the costs of delivery and reducing the environmental impact of the annual meeting. If you received the Notice and would still like to receive a printed copy of our proxy materials, you may request a printed copy of the proxy materials by any of the following methods: through the Internet at www.proxyvote.com; by telephone at 1-800-579-1639; or by sending an email

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to sendmaterial@proxyvote.com.

Whether or not you plan to attend the annual meeting, please vote your shares as soon as possible in accordance with the instructions provided to you to ensure that your vote is counted at the annual meeting.

By Order of the Board of Directors,

John W. Kuo
Corporate Secretary

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GENERAL INFORMATION

Q: Who is soliciting my proxy?

A: The Board of Directors (the Board) of Varian Medical Systems, Inc. (we, us or the Company) is sending you this Proxy Statement in connection with the Board's solicitation of proxies for use at the 2014 Annual Meeting of Stockholders or any adjournment or postponement thereof (the Annual Meeting). Certain of our directors, officers and employees also may solicit proxies on the Board's behalf by mail, telephone, email or fax, or in person. We have hired Georgeson Inc., 480 Washington Blvd., Jersey City, New Jersey 07310, to assist in soliciting proxies from brokers, bank nominees and other stockholders.

Q: Who is paying for this solicitation?

A: We will pay for the solicitation of proxies. Our directors, officers and employees will not receive additional remuneration. We expect that we will pay Georgeson Inc. not more than \$10,000, plus reasonable out-of-pocket expenses, and also will reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable charges and expenses to forward our proxy materials to the beneficial owners of our common stock.

Q: What am I voting on?

A: You will be voting on six proposals. Proposal One is for the election of Susan L. Bostrom, Regina E. Dugan, Venkatraman Thyagarajan and Dow R. Wilson to the Board for three-year terms ending at the 2017 Annual Meeting of Stockholders.

Proposal Two is an advisory vote on the compensation of the executive officers listed in the Summary Compensation Table (the named executive officers) as described in this Proxy Statement.

Proposal Three is for the approval of the Varian Medical Systems, Inc. Management Incentive Plan.

Proposal Four is the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2014.

Proposal Five is for the approval of an amendment to the Varian Medical Systems, Inc. Certificate of Incorporation to declassify the Board, provided Proposal Six is also approved.

Proposal Six is for the approval of an amendment to the Varian Medical Systems, Inc. Certificate of Incorporation to eliminate cumulative voting for directors, provided Proposal Five is also approved.

Q: Who can vote?

A: Only our stockholders of record at the close of business on December 23, 2013 may vote. Each share of common stock outstanding on that date is entitled to one vote on all matters to come before the meeting, except that cumulative voting will apply in the election of directors. Under the cumulative voting method of election, the stockholder computes the number of votes available to the stockholder by multiplying the number of shares the stockholder owned on the record date by the number of directors to be elected, and may cast the votes all for a single nominee or may distribute them in any manner among the nominees.

Q: Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?

A: Pursuant to rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials (consisting of the Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 27, 2013, as filed with the SEC on November 26, 2013) over the Internet. Therefore, we are sending a Notice of Internet Availability of Proxy

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Materials (the Notice) to our stockholders. Starting on the date of distribution of the Notice, all stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request printed copies may be found in the Notice. If you request printed versions of the proxy materials by mail, the materials will also include a proxy card or other voting instruction form.

Q: Can I receive proxy materials for future annual meetings by email rather than receiving a paper copy of the Notice?

A: If you are a holder of record, you may elect to receive the Notice or other future proxy materials by email by logging into www.proxyvote.com and entering your email address before you vote if you are voting by Internet or any time at www.computershare.com/us/ecomms or <http://enroll.icsdelivery.com/var>. If your shares are registered in street name, please check with your broker, bank, or other nominee about how to receive future proxy materials by email, or enroll at <http://enroll.icsdelivery.com/var>. If you choose to receive proxy materials by email, next year you will receive an email with instructions on how to view those materials and vote before the next annual meeting. Your choice to obtain documents by email will remain in effect until you notify us otherwise. Delivering future notices by email will help us further reduce the cost and environmental impact of our stockholder meetings.

Q: What is the difference between a stockholder of record and a street name holder?

A: If your shares are registered directly in your name with Computershare Trust Company, N.A., our stock transfer agent, you are considered the stockholder of record for those shares. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank or other nominee how to vote their shares using the method described under *How do I vote and how do I revoke my proxy?* below.

Q: How do I vote and how do I revoke my proxy?

A: If you hold your shares in your own name as a stockholder of record, you may vote your shares either in person at the meeting or by proxy. To vote in person, please bring a form of identification, such as a valid driver's license or passport, and proof that you were a stockholder as of December 23, 2013, and we will give you a ballot when you arrive. To vote by proxy, please vote in one of the following ways:

Via the Internet. You may vote through the Internet at www.proxyvote.com by following the instructions provided in the Notice.

By Telephone. If you received your proxy materials or request printed copies by mail, stockholders located in the United States may vote by calling the toll-free number found on the proxy card.

By Mail. If you received your proxy materials or request printed copies by mail, you may vote by mail by marking, dating, signing and mailing the proxy card in the envelope provided.

Voting by proxy will not affect your right to vote your shares if you attend the Annual Meeting and want to vote in person by voting in person you automatically revoke your proxy. You also may revoke your proxy at any time before the applicable voting deadline by giving our Secretary written notice of your revocation, by submitting a later-dated proxy card or by voting again using the telephone or Internet (your latest telephone or Internet proxy is the one that will be counted).

If you vote by proxy, the individuals named as proxyholders will vote your shares as you instruct, including with respect to cumulative voting for directors. If you vote your shares over the telephone, you must select a voting option (For or Withhold (for directors) and For, Against or Abstain (for Proposals Two through Six)) in order for your proxy to be counted on that matter. If you validly vote your shares over the

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Internet or by mail but do not provide any voting instructions, the individuals named as proxyholders will vote your shares **FOR** all directors and **FOR** all proposals. In that case, the proxyholders will have full discretion and authority to vote cumulatively in the election of directors and to allocate votes among any or all of the nominees for director in any order they determine.

If your shares are registered in street name, you must vote your shares in the manner prescribed by your broker, bank or other nominee. In most instances, you can do this over the telephone or Internet, or if you have received or request a hard copy of the proxy statement and accompanying voting instruction form, you may mark, sign, date and mail your voting instruction form in the envelope your broker, bank or other nominee provides. The materials that were sent to you have specific instructions for how to submit your vote and the deadline for doing so. If you would like to revoke your proxy, you must follow the broker, bank or other nominee's instructions on how to do so. If you wish to vote in person at the Annual Meeting, you must obtain a legal proxy from the broker, bank or other nominee holding your shares.

Q: What is the deadline for submitting a proxy?

A: Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day. In order to be counted, proxies submitted by telephone or the Internet must be received by 11:59 p.m. Eastern Time on February 19, 2014. Proxies submitted by mail must be received prior to the start of the Annual Meeting.

Q: What constitutes a quorum?

A: On the record date, we had [] shares of common stock, \$1.00 par value, outstanding. Voting can take place at the Annual Meeting only if stockholders owning a majority of the issued and outstanding stock entitled to vote at the Annual Meeting are present in person or represented by proxy.

Q: What are abstentions and broker non-votes and how do they affect voting?

A: *Abstentions* If you specify that you wish to abstain from voting on an item, your shares will not be voted on that particular item. Abstentions are counted toward establishing a quorum and included in the shares entitled to vote on Proposals Two through Six. On Proposals Two through Six, abstentions have the effect of a vote against the proposal.

Broker Non-Votes Under the New York Stock Exchange (NYSE) rules, if your broker holds your shares in its name and does not receive voting instructions from you, your broker has discretion to vote these shares on certain routine matters, including the ratification of the appointment of the independent registered public accounting firm. However, on non-routine matters such as the election of directors, and Proposals Two, Three, Five and Six, your broker must receive voting instructions from you, as it does not have discretionary voting power for that particular item. So long as the broker has discretion to vote on at least one proposal, these broker non-votes are counted toward establishing a quorum. When voted on routine matters, broker non-votes are counted toward determining the outcome of that routine matter.

Q: What vote is needed?

A: For Proposal One, the election of directors, the four nominees receiving the highest number of votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on Proposal One will be elected as directors. As a result, if you withhold your authority to vote for any nominee, your vote will not affect the outcome of the election.

For Proposals Two, Three and Four, an affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the relevant proposal is required to approve those proposals.

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For Proposals Five and Six, an affirmative vote of the majority of shares outstanding and entitled to vote on the record date is required to amend our Certificate of Incorporation.

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Because your vote on Proposal Two is advisory, it will not bind the Board or the Compensation Committee. However, the Board and the Compensation Committee will review the voting results and take the results into consideration in making future determinations on executive compensation.

Q: What happens if a director receives a plurality, but not a majority, of votes cast at the Annual Meeting?

A: In an uncontested election, if a nominee for director who is an incumbent director is elected by a plurality of the votes cast but does not receive the vote of at least the majority of the votes cast (*i.e.*, the number of shares voted for a director's election does not exceed 50% of the total number of votes cast with respect to that director's election, including votes to withhold authority), the director is deemed elected but is obligated to offer his or her resignation to the Board. Following submission of the offer of resignation, the Board, after considering relevant factors, including the recommendation of the Nominating and Corporate Governance Committee (the Nominating Committee), will decide whether or not to accept the offer of resignation and thereafter publicly disclose its decision. If a director's offer of resignation is not accepted by the Board, the director will continue to serve until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's offer of resignation is accepted by the Board, then the Board, in its sole discretion, may fill any resulting vacancy or decrease the size of the Board pursuant to the provisions of our By-Laws.

Q: Can I vote on other matters?

A: You are entitled to vote on any other matters that are properly brought before the Annual Meeting. Our By-Laws limit the business conducted at any annual meeting to (1) business in the notice of the annual meeting, (2) business directed by the Board and (3) business brought by a stockholder of record entitled to vote at the meeting so long as the stockholder has met the requirements for submitting stockholder proposals provided in our By-Laws. Under our By-Laws, a stockholder must notify our Secretary in writing (at our Palo Alto, California headquarters) of the proposal not less than 90 days nor more than 120 days before the anniversary of the prior year's annual meeting, which for the 2015 Annual Meeting of Stockholders will be no earlier than October 23, 2014 and no later than November 22, 2014. The notice must give a brief description of the business to be brought before the annual meeting, the reasons for conducting the business and the text of the proposal, as well as the name and address of the stockholder giving the notice and the beneficial owner on whose behalf the proposal is made, the number of shares owned and information about that beneficial ownership, all as detailed in our By-Laws. The notice must also describe any material interest the stockholder or beneficial owner has in the business and arrangements between such stockholder or beneficial owner and any other person in connection with the proposal and must include certain representations, all as detailed in our By-Laws.

To have your stockholder proposal be considered for presentation in the proxy statement and proxy card for our 2015 Annual Meeting of Stockholders, rather than just voted upon at the meeting without inclusion in the proxy statement and proxy card, a stockholder must submit to our Secretary (at our Palo Alto, California headquarters) a written proposal no later than September 8, 2014. The submission must contain the information required under Rule 14a-8 under the Securities Exchange Act of 1934 (the Exchange Act).

We do not expect any matters other than those listed in this Proxy Statement to come before the Annual Meeting. If any other matter is presented, your proxy gives the individuals named as proxyholders the authority to vote your shares to the extent authorized by Rule 14a-4(c) under the Exchange Act, which includes matters that the proxyholders did not know were to be presented at least 60 days before the anniversary of the mailing of last year's proxy statement.

Q: How do I nominate someone to be a director?

A: A stockholder may nominate one or more persons for election as one of our directors at an annual meeting of stockholders by notifying our Secretary in writing (at our Palo Alto, California headquarters) not less than 90 days nor more than 120 days before the anniversary of the prior year's annual meeting, which for

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the 2015 Annual Meeting of Stockholders will be no earlier than October 23, 2014 and no later than November 22, 2014. The notice must include all information about the nominee that must be disclosed in proxy solicitations pursuant to Regulation 14A under the Exchange Act (including the nominee's written consent to being named as a nominee and serving as a director) and a description of all material monetary agreements during the past three years and any other material relationships, between such stockholder and a beneficial owner on whose behalf the nomination is made and their affiliates and associates, or others acting in concert, on the one hand, and each proposed nominee, and his/her affiliates and associates, or others acting in concert, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if the stockholder were a registrant, all as described in our By-Laws. The notice must also include certain additional information about and representations by the stockholder and/or the beneficial owner, all as detailed in our By-Laws.

Q: How does the Board select nominees for the Board?

A: The Nominating Committee will consider potential candidates for directors submitted by stockholders, in addition to those suggested by other Board members and members of our management, and does not evaluate candidates differently based upon the source of the nominee. The Nominating Committee considers and evaluates each properly submitted potential candidate for director in an effort to achieve a balance of skills and characteristics on the Board, as well as to ensure that the composition of the Board at all times adheres to the independence requirements applicable to NYSE-listed companies and other regulatory requirements applicable to us. Please refer to Proposal One Election of Directors and our Corporate Governance Guidelines for additional details on our policy, process and membership criteria. A stockholder may recommend potential candidates for director by notifying our Secretary in writing (at our Palo Alto, California headquarters) as detailed in the question and answer above.

Q: How may I communicate with the Board of Directors?

A: Stockholders and other interested parties may communicate directly with the Board, the Board's lead non-employee director or any other director or with the independent directors as a group or any other group of directors through the Board's lead director by sending an email to lead.director@varian.com. Messages received will be forwarded to the appropriate director or directors.

Q: When and where is the Annual Meeting being held?

A: The Annual Meeting will be held on Thursday, February 20, 2014 at 4:30 p.m. Pacific Time at our headquarters at 3100 Hansen Way, Palo Alto, California 94304. If you need directions to the Annual Meeting so that you may attend or vote in person, please contact our Investor Relations department at investors@varian.com.

Q: How can I find the results of the Annual Meeting?

A: Preliminary results will be announced at the Annual Meeting. Final results also will be published in a current report on Form 8-K to be filed with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

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PROPOSAL ONE

ELECTION OF DIRECTORS

Our Board; Selection of Nominees

Our Board is divided into three classes serving staggered three-year terms. At the Annual Meeting, you and the other stockholders will elect four individuals to serve as directors for three-year terms that end at the 2017 Annual Meeting of Stockholders. If Proposals Five and Six are approved, our Board will be elected annually beginning in 2016. Proposal Five would not affect the unexpired term of any director elected prior to the Company's 2016 Annual Meeting of Stockholders.

Our Nominating Committee is charged with identifying, evaluating and recommending to the full Board director nominees. There are no minimum qualifications for director. The Nominating Committee generally seeks individuals with broad experience at the policy-making level in business, government, education, technology or public interest. While we do not have a formal diversity policy for Board membership, we look for potential candidates that help ensure that the Board has the benefit of a wide range of attributes, including cultural, gender, ethnic and age diversity; international business experience; and experience in industries beyond healthcare. We also look for financial oversight experience, financial community experience and a good reputation with the financial community; business management experience and the potential to succeed top management in the event Board intervention is necessary on an unexpected basis; business contacts, business knowledge and influence that may be useful to our businesses and product lines; and knowledge about our industries and technologies. We believe that all of our directors should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform and carry out all director duties in a responsible manner. Each director must also represent the interests of all stockholders.

When seeking new director candidates, the Nominating Committee will consider potential candidates for directors submitted by Board members, members of our management and our stockholders, and does not evaluate candidates differently based upon the source of the nominee. The Nominating Committee has engaged Egon Zehnder International, an executive and director search firm, to help identify and evaluate potential candidates for additional members of the Board. In early 2013, Egon Zehnder provided the Nominating Committee with potential candidates that met guidelines established by the Board and assisted the Nominating Committee in assessing the qualifications of candidates. Regina E. Dugan was one of the candidates identified by Egon Zehnder.

All of the nominees, Susan L. Bostrom, Regina E. Dugan, Venkatraman Thyagarajan and Dow R. Wilson, are now members of the Board. In connection with the appointment of Ms. Dugan in December 2013, the Board increased the size of the Board from ten to eleven directors. The term of Richard M. Levy, who has been a director since 1999, will expire at the Annual Meeting, and the Board has approved a reduction in the size of the Board from eleven to ten directors, to be effective as of the Annual Meeting.

The individuals named as proxyholders will vote your proxy for the election of the three nominees unless you direct them to withhold your vote. If any nominee becomes unable to serve as a director before the Annual Meeting (or decides not to serve), the individuals named as proxyholders may vote for a substitute.

Set forth below are the names and ages of these nominees and the other continuing directors, the years they became directors, their principal occupations or employment for at least the past five years, the names of other public companies for which they serve as a director or have served as a director during the past five years. Also set forth are the specific experience, qualifications, attributes or skills that led our Nominating Committee to conclude that each person should serve as a director. All of our directors have held high-level positions in companies and have experience in dealing with complex issues. We believe that each is an individual of high character and integrity and has the ability to exercise sound judgment.

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Nominees for Election for a Three-Year Term Ending with the 2017 Annual Meeting

Susan L. Bostrom

Age 53, a director since 2004. Former Executive Vice President, Chief Marketing Officer, Worldwide Government Affairs of Cisco Systems, Inc. (a networking equipment provider) from January 2006 to January 2011. From February 2000 to January 2006, Senior Vice President of Cisco Systems, taking on responsibility for Worldwide Government Affairs in October 2002 and becoming Chief Marketing Officer in January 2006. From 1998 to February 2000, Vice President of the Internet Business Solutions Group at Cisco Systems. Ms. Bostrom is a director of Cadence Design Systems, Inc. (an electronic design company), Marketo, Inc. (a marketing automation SaaS company) and Rocket Fuel Inc. (a provider of artificial intelligence advertising solutions).

We believe Ms. Bostrom's qualifications to serve as a director include her extensive experience and leadership roles at one of the world's leading technology companies, as well as her knowledge of marketing, government affairs, public policy, and developing trends in networking and new media such as virtual collaboration, social media and information exchanges. She also brings to the Board her experience in serving on the board of directors of three public technology companies, a hospital, a university and a private company, as well as service on the advisory board for two educational institutions.

Regina E. Dugan

Age 50, a director since December 2013. Senior Vice President, Advanced Technology and Products since March 2012 at Google's Motorola Mobility LLC (a mobile technology company Google acquired in May 2012). Previously, director of Defense Advanced Research Projects Agency (DARPA, a research and development organization of the U.S. Department of Defense) from July 2009 to March 2012. From 2005 to July 2009, co-founder, president and chief executive officer of RedXDefense LLC (a security solutions company) and from 2001 to July 2009, co-founder, president and chief executive officer of Dugan Ventures (an investment firm), where Ms. Dugan still serves as a non-voting partner.

We believe Ms. Dugan's qualifications to serve as a director include her experience leading DARPA, the principal agency within the U.S. Department of Defense for research, development, and demonstration of high-risk, high-payoff capabilities, her familiarity with defense and security, as well as commercial industries. She has expertise with a wide range of advanced technologies and a demonstrated track record in moving new technologies to use, from sensor systems to big data products. She brings to the Board years of serving in senior executive positions with responsibilities that included fostering innovation and developing strategic business relationships across diverse industries and commercial entities large and small.

Venkatraman Thyagarajan

Age 67, a director since 2008. Retired. Former Senior Vice President and Area Director for GlaxoSmithKline Asia Pacific (a global pharmaceutical company) from January 2003 to April 2008. From January 2001 to December 2002, Vice President for South Asia for GlaxoSmithKline Asia Pacific and Managing Director of GlaxoSmithKline Pharmaceuticals Ltd. (an Indian pharmaceutical company). Mr. Thyagarajan is Vice Chairman of the Board of Directors of GlaxoSmithKline Pharmaceuticals Ltd. and a director of Tata Consultancy Services Ltd. (an Indian software company).

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We believe Mr. Thyagarajan's qualifications to serve as a director include his extensive knowledge of the global healthcare industry gained over four decades of working in different parts of the world, including Europe, Asia Pacific, India, the Middle East and Africa. He has significant operational, financial, marketing and senior management experience in one of the world's leading pharmaceutical companies. Mr. Thyagarajan also brings to the Board his experience in serving on the board of directors and the audit committee and compensation committee of other public companies.

Dow R. Wilson

Age 54, a director since September 2012. Our President and Chief Executive Officer since September 2012. Our Corporate Executive Vice President and Chief Operating Officer from October 2011 through September 2012 and Corporate Executive Vice President and President, Oncology Systems from August 2005 through September 2011. Our Corporate Vice President and President, Oncology Systems from January 2005 to August 2005. Prior to joining our Company in January 2005, Mr. Wilson served in various senior management positions within General Electric (a diversified industrial company). Mr. Wilson is on the board of directors of Saba Software, Inc. (an e-learning software provider).

We believe Mr. Wilson's qualifications to serve as a director include his deep knowledge of our business, strategy and technology, which he has gained through serving as President of our Oncology Systems business and Chief Operating Officer before becoming our President and Chief Executive Officer. Mr. Wilson had already gained significant knowledge of the medical and healthcare industries, both in the United States and internationally, while serving in management positions at General Electric. This combined executive management experience at two large, global organizations has provided him with critical insights into the operational requirements of a company with worldwide reach, knowledge of corporate and business unit strategies, and operational expertise. He also brings to the Board his experience serving on the board of directors and as the lead director of another public company.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE ABOVE NOMINEES.

Directors Continuing in Office Until the 2015 Annual Meeting

Timothy E. Guertin

Age 64, a director since 2005. Our Vice Chairman of the Board since September 2012. Our Chief Executive Officer from February 2006 through September 2012 and President from August 2005 through September 2012. Our Chief Operating Officer from October 2004 to February 2006. Our Corporate Executive Vice President from October 2002 to August 2005 and President of our Oncology Systems business unit from 1992 to January 2005. Our Corporate Vice President from 1992 to 2002. Mr. Guertin is on the board of directors of Teradyne, Inc. (a supplier of electronics test equipment) and Kinetic Concepts, Inc. (a medical technology company).

We believe Mr. Guertin's qualifications to serve as a director include his deep knowledge of our management structure, strategy and users of our technology, which he has gained over more than 30 years with the

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Company. His service in various leadership roles, including President of our Oncology Systems business before becoming our President and Chief Executive Officer, has given Mr. Guertin extensive knowledge of radiation producing technologies, software controls and safety measures, as well as broad experience in product development, regulatory, marketing, financial and operational matters. Mr. Guertin also brings to the Board his experience in serving on the board of directors of a public company, a medical technology company, several medical, healthcare and technology industry organizations and as a director and chairman of the board of directors of TechAmerica (a nationwide technology trade association). He also serves on the board of the Radiation Oncology Institute (ROI, a non-profit organization engaged in cancer treatment research).

David J. Illingworth

Age 60, a director since August 2011. Retired. Former Chief Executive Officer of Smith & Nephew plc (a global medical devices company) from July 2007 until April 2011. From 2002 until July 2007, Chief Operating Officer and division president at Smith & Nephew. Prior to joining Smith & Nephew, served in various senior management roles, including President of XL Vision, Inc., Chairman and Chief Executive Officer of VidaMed, Inc., President of Nellcor Puritan Bennett LLC, and Managing Director, Asia/Pacific for GE Medical Systems. Mr. Illingworth served as a director of Smith & Nephew in the past five years.

We believe Mr. Illingworth's qualifications to serve as a director include his in-depth knowledge of the medical technology industry. His service as an executive of various medical technology companies has provided him with extensive experience in sales, operations and general management not only in the United States but also in the United Kingdom and Asia. Mr. Illingworth also brings to the Board his experience in serving on the board of directors of another public medical device company.

Ruediger Naumann-Etienne

Age 67, a director since 2003. Owner and Managing Director of Intertec Group (an investment company specializing in the medical technology field) since 1989. Chairman of the Board of Directors of Cardiac Science Corporation (a provider of cardiology products) from 2006 to 2010, having previously been Vice-Chairman from 2005 to 2006 and Chairman of Quinton Cardiology Systems, one of its predecessor companies, from 2000 to 2005. From 1993 to 1999, Chairman of the Board of Directors of OEC Medical Systems (a provider of interoperative imaging solutions, acquired by General Electric Company). Mr. Naumann-Etienne is a director of Encision Inc. (a provider of laparoscopic surgery instruments) and IRIDEX Corporation (a provider of light-based medical systems and delivery devices) and was a director of BioRad Laboratories, Inc. in the past five years.

We believe Mr. Naumann-Etienne's qualifications to serve as a director include experience working in the medical device business for nearly three decades, and working with a leading electronics company for a decade, in senior business and finance executive roles. Mr. Naumann-Etienne has extensive experience with finance and mergers and acquisitions, as well as international experience, having lived and worked in Europe and Latin America. He is fluent in four languages. Mr. Naumann-Etienne also brings to the Board his experience in serving as chief executive officer, Chairman or director, and a member of the audit, nominating and compensation committees, of a number of public medical device companies.

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Directors Continuing in Office Until the 2016 Annual Meeting

R. Andrew Eckert

Age 52, a director since 2004. Chief Executive Officer of CRC Health Corporation (a provider of substance abuse treatment and adolescent youth services) since January 2011. Previously, managing director of Symphony Technology Group (a private equity firm) from October 2009 to January 2011. From October 2005 to May 2009, Chief Executive Officer and President of Eclipsys Corporation (a healthcare information management software provider). From 2004 to 2005, Chief Executive Officer of SumTotal Systems, Inc. (an enterprise software provider). From 2002 to 2004, Chief Executive Officer of Docent Inc. (an enterprise software provider that was acquired by SumTotal Systems). Previously, Chairman and Chief Executive Officer of ADAC Laboratories (a medical imaging company) from 1997 to 2001. Mr. Eckert has served on the board of directors of Eclipsys Corporation in the past five years.

We believe Mr. Eckert's qualifications to serve as a director include his extensive experience obtained over 15 years of serving as an executive officer of several public companies, including a medical imaging company and healthcare information management company, as well as his deep knowledge of operational, financial, strategic planning, product development and marketing matters. Mr. Eckert also brings to the Board his experience in serving on the board of directors of several public companies in the healthcare industry.

Mark R. Laret

Age 59, a director since 2007. Chief Executive Officer of University of California, San Francisco Medical Center since April 2000. Chief Executive Officer of University of California, Irvine Medical Center from 1995 to March 2000. Mr. Laret is on the board of directors of Nuance Communications, Inc. (a provider of voice and language solutions).

We believe Mr. Laret's qualifications to serve as a director include his in-depth knowledge of the healthcare industry and hospital operations, and managed care industry. His service as chief executive officer of leading medical institutions has provided him with experience in strategic planning, finance, financial management of hospital and physician practice, medical education and clinical research, and business turnaround. Mr. Laret also brings to the Board his experience in serving on the board of directors of another public company in the technology sector.

Erich R. Reinhardt

Age 67, a director since August 2012. Retired. Chairman of the Board of Directors of Medical Valley Europäische Metropolregion Nürnberg E.V., a national center of excellence for scientific medical technology in Germany. Former Advisor to the Chief Executive Officer of Siemens AG from May 2008 to March 2011 and President and Chief Executive Officer of Siemens Healthcare (formerly Siemens Medical Solutions, a supplier to the healthcare industry) from 1994 to April 2008. Also served as a member of the managing board of Siemens AG from 2001 to 2008.

We believe Mr. Reinhardt's qualifications to serve as a director include his extensive experience in the medical device and healthcare industry. His service as a manager and executive in a leading international healthcare company has provided him with significant operational and international experience. Mr. Reinhardt also brings to the Board his experience in serving on the board of directors of a private healthcare company, a hospital and a research institute in Germany.

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Governance of the Corporation

Corporate Governance

We are committed to strong corporate governance, and have adopted policies and practices that comply with or exceed the NYSE listing requirements and the Exchange Act. These policies and practices include:

The Board has adopted clear corporate governance policies articulated in our Corporate Governance Guidelines, which includes basic director duties and responsibilities.

A majority of the Board members are independent of the Company and our management. The definition of independent is included in our Corporate Governance Guidelines, which can be found through the Corporate Governance link on the Investors page on our website at www.varian.com.

All members of our key Board committees the Audit Committee, the Compensation and Management Development Committee (the Compensation Committee) and the Nominating Committee are independent.

The Board has appointed a lead non-employee director. As described below, Mr. Eckert has served in the capacity of lead director since February 2012.

The Board has adopted a policy under which an incumbent director in an uncontested election who is elected by a plurality but does not receive the majority of the votes cast is obligated to offer his or her resignation to the Board.

The Board has also adopted a Code of Business Ethics applicable to all of our employees, including the executive officers, and to our directors.

We have hotlines for employees to report concerns regarding ethics and financial matters, including accounting, internal controls and audit concerns, and the Audit Committee has established procedures for anonymous submission of these matters.

The Board has adopted a policy regarding conflicts of interest and related-person transactions under which potential conflicts of interest and related-person transactions must be reviewed and pre-approved by the Nominating Committee. The Nominating Committee has determined that certain categories of transactions are pre-approved under this policy. Please refer to the discussion under Certain Relationships and Related Transactions for more information on this policy and the related procedures.

The Board conducts an annual self-assessment on its effectiveness and the effectiveness of each of its committees.

Directors are expected to attend all stockholder meetings, and all current directors except Ms. Bostrom attended our 2013 Annual Meeting of Stockholders.

The Board has adopted a guideline for director retirement that provides that a director should not serve on the Board for more than 15 years or after a director reaches the age of about 75 . This guideline may be adjusted as the Board deems appropriate.

Our Corporate Governance Guidelines state that the Nominating Committee should consider recommending a new member to each committee every three years.

The Board has adopted a recoupment policy to recover certain incentive payments made to executives in the event of a restatement of our financial statements.

We did not renew our stockholders' rights plan when it expired in December 2008.

The Board encourages director continuing education through a mix of in-house and third-party presentations and programs. The Nominating Committee is charged with tracking director continuing education. We pay or reimburse directors for expenses associated with attending these continuing education events.

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The annual cycle of agenda items for Board and committee meetings reflects Board and committee requests and changing business and legal issues. The Board receives regularly scheduled presentations from our finance and legal departments and major business units and operations. The Board's and committees' annual agenda includes, among other items, our long-term strategic plans, periodic reports on progress against long-term strategic plans, emerging and disruptive technologies, potential acquisition or investment targets, review of risks relevant to our business, capital projects and evaluation of the Chief Executive Officer and management and Board succession.

Director Independence

The Board has determined that Ms. Bostrom; John Seely Brown, a director until February 2013; Ms. Dugan; Mr. Eckert; Mr. Illingworth; Mr. Laret; Mr. Naumann-Etienne; Mr. Reinhardt and Mr. Thyagarajan are independent for purposes of the NYSE listing requirements and under our Corporate Governance Guidelines. Each of Mr. Levy, our Chairman of the Board, and Mr. Wilson, our President and Chief Executive Officer, is an employee and therefore not independent. Mr. Guertin, our Vice Chairman, was an employee until February 2013, and is therefore not independent. The Board considered transactions and relationships, both direct and indirect, between each director (and his or her immediate family) and the Company and its subsidiaries and affirmatively determined that none of Ms. Bostrom, Mr. Brown, Ms. Dugan, Mr. Eckert, Mr. Illingworth, Mr. Laret, Mr. Naumann-Etienne, Mr. Reinhardt or Mr. Thyagarajan has any material relationship, either direct or indirect, with us other than as a director and stockholder.

Mr. Laret is employed as Chief Executive Officer of and has a relative that is also employed by UCSF Medical Center. UCSF Medical Center is a customer of the corporation with payments made to the corporation of approximately \$3.3 million in fiscal year 2013 and \$300,000 in fiscal year 2012. In connection with a research agreement, we paid UCSF approximately \$10,000 in fiscal year 2013. In addition, we paid to UCSF and one of its departments approximately \$6,500 and \$10,500 charitable and other donations in fiscal years 2013 and 2011, respectively. The Board determined that these amounts are immaterial and that Mr. Laret does not have any relationship that is inconsistent with a determination that he is independent, and is therefore independent for purposes of the NYSE listing requirements and under our Corporate Governance Guidelines.

Additionally, Ms. Bostrom serves as an outside director of a hospital and a university, and Mr. Brown is a visiting scholar at a university, that are customers of ours. The Board has determined that these relationships are immaterial and are not inconsistent with a determination that these directors are independent for purposes of the NYSE listing requirements and under our Corporate Governance Guidelines.

Board Meetings

The Board met five times in fiscal year 2013. Four of these Board meetings included executive sessions of either the independent directors or the non-management directors, or both, with Mr. Levy presiding at meetings of the non-management directors and Mr. Eckert presiding at meetings of the independent directors. We have four standing committees of the Board: the Audit Committee, the Compensation Committee, the Nominating Committee and the Executive Committee. Each current director attended at least 75% of the total Board meetings and meetings of the committees on which they served that were held in fiscal year 2013 during the time each served as a director. Directors are encouraged to attend meetings of committees on which they do not serve as members. However, each of the Audit Committee, the Compensation Committee and the Nominating Committee regularly hold executive sessions of only the committee members or non-management directors.

Board Leadership Structure

The Board has adopted Corporate Governance Guidelines designed to promote the functioning of the Board and its committees. These Guidelines address Board composition, Board functions and responsibilities, qualifications, leadership structure, committees and meetings.

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Our Corporate Governance Guidelines do not indicate a particular Board structure, and the Board is given the flexibility to select its Chairman and our Chief Executive Officer in the manner that it believes is in the best interests of our stockholders. Accordingly, the Chairman and the Chief Executive Officer may be filled by one individual or two. The Board has determined that having Mr. Levy serve as Chairman and Mr. Wilson serve as Chief Executive Officer is in the best interests of the stockholders. We currently separate the roles of Chief Executive Officer and Chairman in recognition of the differences between the two roles as they are presently defined. The Chief Executive Officer is responsible for setting our strategic direction and for our day-to-day leadership and performance, while the Chairman provides guidance to the Chief Executive Officer and leads the Board. In addition, because Mr. Levy is not independent within the meaning of the NYSE listing standards, our Corporate Governance Guidelines call for one of the directors who is independent to serve as the lead director. The lead director is responsible for leading meetings of the independent directors, serves as a liaison between independent directors and the Chairman (and between the directors and the Chief Executive Officer), and has the prerogative of calling, with due notice, a meeting of the full Board and/or an executive session of the Board consisting exclusively of the non-management or independent directors. Our Board has designated Mr. Eckert as our lead independent director. Mr. Eckert has taken an active leadership role on our Board and has gained extensive knowledge of our business and history since becoming a director in 2004. The Board believes its administration of its risk oversight function has not affected the Board's leadership structure.

The Board intends to appoint a new Chairman of the Board immediately prior to the expiration at the Annual Meeting of Mr. Levy's term. If the new Chairman of the Board is determined to be independent within the meaning of the NYSE listing standards, the role of lead independent director will not be necessary in the Board's leadership structure.

Board Committees and Committee Meetings

Each of our standing committees has a written charter approved by the Board that clearly establishes the committee's roles and responsibilities. Copies of the charters for the Audit Committee, the Compensation Committee, the Executive Committee and the Nominating Committee, as well as our Corporate Governance Guidelines and Code of Business Ethics, can be found through the Corporate Governance link on the Investors page on our website at www.varian.com. Please note that information on, or that can be accessed through, our website is not part of the proxy soliciting materials, is not deemed filed with the SEC and is not to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Exchange Act, and, except for information filed by the Company under the cover of Schedule 14A, is not deemed to be proxy soliciting materials.

Audit Committee: The Audit Committee performs the following principal functions:

Oversees our accounting and financial reporting process and audits of financial statements.

Assists the Board in oversight and monitoring of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the independent registered public accounting firm's qualifications and independence, (iv) the performance of our internal audit function and of the independent registered public accounting firm and (v) the principal risk exposures facing the corporation that are related to financial statements, legal, regulatory and other similar matters, as well as the corporation's related mitigation efforts.

Prepares the Audit Committee Report included in our proxy statement.

Reviews and approves our foreign exchange exposure management policy, including but not limited to entering swaps thereunder and the exemption of swaps from any execution and clearing requirements.

Reports to the Board the results of its monitoring and recommendations.

Provides to the Board any additional information and materials as the committee may determine is necessary to make the Board aware of significant financial matters requiring the Board's attention.

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The members of the Audit Committee are Mr. Naumann-Etienne (Chair), Mr. Eckert, Mr. Illingworth, Mr. Laret, Mr. Reinhardt and Mr. Thyagarajan. The Audit Committee met 12 times in fiscal year 2013. Each member of the Audit Committee meets the additional requirements regarding independence for Audit Committee members under the NYSE listing requirements. The Board has determined that Mr. Naumann-Etienne is an audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K under the Exchange Act based upon his experience as the chief financial officer and principal accounting officer of Disonics, Inc. between 1984 and 1987 and as group controller for Texas Instruments Inc. between 1982 and 1984, and his formal education represented by his doctorate degree in international finance from the University of Michigan. The Board has determined that Mr. Eckert is an audit committee financial expert based upon his experience as the chief executive officer of Eclipsys Corporation from 2005 to 2009, of SumTotal Systems Inc. from 2004 to 2005, of Docent, Inc. from 2002 to 2004, and of ADAC Laboratories from 1997 to 2001, as well as other business experience, and his formal education represented by his Masters in Business Administration from the Stanford Graduate School of Business. The Board has also determined that Mr. Illingworth, Mr. Laret, Mr. Reinhardt and Mr. Thyagarajan are financially literate based upon each of their familiarity with financial statements and, for Mr. Illingworth, his experience as chief executive officer of Smith & Nephew plc; for Mr. Laret, his experience as chief executive officer of UCSF Medical Center; and for Mr. Reinhardt, his experience as president and chief executive officer of Siemens Healthcare.

Compensation and Management Development Committee: The Compensation Committee performs the following principal functions:

Discharges the Board's responsibilities relating to compensation of our executive officers.

Evaluates our compensation plans, policies and programs for executive officers and recommends the establishment of policies dealing with various compensation and employee benefit plans.

Administers our stock and cash incentive plans.

Provides advice on management development matters that have major implications for the growth, development and depth of our management team, including reviewing succession plans.

Reviews and discusses with management and recommends to the Board whether the disclosures under Compensation Discussion and Analysis should be included in our proxy statement.

Assesses, at least annually, the risks associated with our compensation policies, and reports to the Board and the Audit Committee whether our compensation policies and practices create risks that are reasonably likely to have a material adverse effect on us.

The Compensation Committee determines all compensation for our executive group. Before making decisions on compensation for each of the executives other than the Chief Executive Officer (CEO), the Compensation Committee reviews with our CEO each individual's performance and accomplishments over the prior year. Except for his own position, our CEO makes recommendations to the Compensation Committee about base salary increases, any changes to the incentive plan target awards and the amount of equity awards for each executive. However, the Compensation Committee retains and does not delegate any of its exclusive power to determine all matters of executive compensation and benefits. The Compensation Committee meets alone with its independent advisors to develop and establish a proposal for CEO pay. This proposal is also reviewed with the other independent members of the Board.

To independently assist and advise the Compensation Committee, the Compensation Committee has for a number of years retained Frederic W. Cook, & Co., Inc. (FWC). Additionally, beginning in February 2006, the Compensation Committee retained the services of Wilson Sonsini Goodrich & Rosati (WSGR) to provide independent legal guidance on executive compensation matters. The engagement of FWC is exclusively with the Compensation Committee, which has sole authority to retain and terminate any compensation consultant or other advisor that it uses. FWC has no relationship with the Company or management except as it may relate to performing services on behalf of the Compensation Committee. WSGR performs limited legal services for the

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Company, and the amounts associated with these services are immaterial. The Compensation Committee has assessed the independence of these persons pursuant to SEC rules and concluded that no conflict of interest exists that would prevent them from independently representing the Compensation Committee.

Typically, on an annual basis, FWC reviews and analyzes our executive compensation programs, compensation strategy and effectiveness of pay delivery. FWC provides market information on compensation trends and practices and makes recommendations to the Compensation Committee based on competitive data. FWC advises the Compensation Committee chair on agenda items for Compensation Committee meetings, reviews management proposals and is available to perform special projects at the Compensation Committee chair's request. FWC and WSGR also periodically provide the Compensation Committee with updates on regulatory and legislative developments pertaining to executive compensation and compensation committee governance. FWC provides analyses and recommendations that inform the Compensation Committee's decisions, but does not decide or approve any compensation actions. As needed, the Compensation Committee also consults with FWC and WSGR on program design changes.

The members of the Compensation Committee are Ms. Bostrom (Chair), Mr. Eckert, Mr. Illingworth and Mr. Naumann-Etienne. The Compensation Committee met six times in fiscal year 2013. In addition to being independent, each member of the Compensation Committee is a non-employee director for purposes of the Exchange Act and is an outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code).

Nominating and Corporate Governance Committee: The Nominating Committee performs the following principal functions:

Develops and recommends to the Board corporate governance principles, including our Corporate Governance Guidelines, Code of Business Ethics and policy regarding conflicts of interest and related person transactions.

Identifies and recommends to the Board potential nominees to the Board, including stockholder suggestions.

Reviews with the Board annually the independence, skills and characteristics of all individual members and the skills and characteristics of the Board as a whole in determining whether to recommend incumbent directors for re-election.

Evaluates and makes recommendations to the Board concerning the size of the Board, the appointment of directors to Board committees, the qualifications of committee members and the selection of Board committee chairs.

Oversees the annual review of director independence and evaluation of the Board's performance.

The members of the Nominating Committee are Mr. Laret (Chair), Mr. Reinhardt and Mr. Thyagarajan. The Nominating Committee met four times in fiscal year 2013.

Executive Committee: The Executive Committee performs the following principal functions:

Acts on matters when a meeting of the full Board is impracticable.

Has all the powers of the Board except those powers reserved by law to the full Board.

The members of the Executive Committee are Mr. Levy (Chair), Mr. Eckert and Mr. Naumann-Etienne. The Executive Committee did not meet in fiscal year 2013.

Director Stock Ownership Guidelines

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To align the Board's interests with the interests of our stockholders, the Board has adopted stock ownership guidelines for its members. The guidelines state that each director should own shares of common stock (including Deferred Stock Units) with a value at least equal to five times his or her applicable annual retainer fee.

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Directors who were first appointed or elected to the Board after February 2004 must achieve the guideline within five years after such appointment or election. At the end of fiscal year 2013, all directors met the guidelines or were within the allowed time frame for meeting the guidelines. Under our insider trading policy, purchases on margin and the buying and selling of puts and calls of Company securities are prohibited.

The Board's Role in Risk Oversight

Our Company faces a number of risks, including operational, economic, financial, legal, regulatory and competitive risks. Our management is responsible for the day-to-day management of the risks we face. While our Board, as a whole, has ultimate responsibility for the oversight of risk management, it administers its risk oversight role in part through the Board committee structure, with the Audit Committee, Compensation Committee and Nominating Committee responsible for monitoring and reporting on the material risks associated with their respective subject matter areas.

The Board's role in our risk oversight process includes receiving regular reports from members of senior management, as well as external advisors such as FWC and WSGR, on areas of material risk to us, including operational, economic, financial, legal, regulatory and competitive risks. The full Board (or the appropriate committee in the case of risks that are reviewed by a particular committee) receives these reports from those responsible for the relevant risk in order to enable it to understand our risk exposures and the steps that management has taken to monitor and control these exposures. When a committee receives the report, the Chairman of the relevant committee generally provides a summary to the full Board at the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role. The Audit Committee assists the Board in oversight and monitoring of principal risk exposures related to financial statements, legal, regulatory and other matters, as well as related mitigation efforts. The Compensation Committee assesses, at least annually, the risks associated with our compensation policies. See also [Compensation of the Named Executive Officers and Directors Relationship Between Compensation Plans and Risk](#). The Nominating and Corporate Governance Committee assists the Board in oversight of risks that we have relative to compliance with corporate governance standards.

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PROPOSAL TWO

ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Background to the Advisory Vote

Under an amendment to the Exchange Act adopted by Congress as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), stockholders are able to vote to approve, on an advisory (non-binding) basis no less frequently than once every three years, the compensation of the named executive officers (an Advisory Vote on Compensation). We submitted both our first Advisory Vote on Compensation and an advisory vote on how frequently such a vote would occur to our stockholders at our 2011 Annual Meeting of Stockholders. At that meeting, stockholders showed significant support for an annual vote. As a result, our Compensation Committee and Board submitted an Advisory Vote on Compensation at the 2012 and 2013 Annual Meetings of Stockholders and are again submitting for the vote of stockholders at the 2014 Annual Meeting an Advisory Vote on Compensation in connection with the executive officers named in this Proxy Statement (the NEOs). In each of the prior votes, stockholders holding in excess of 90% of the shares that voted cast their votes for approval of the compensation. As described more fully in the Compensation of the Named Executive Officers and Directors section of this Proxy Statement, including the Compensation Discussion and Analysis and the related tables and narrative, we design our executive compensation program to reward, retain and attract executives in order to support our business strategy; achieve our short and long-term goals; and provide continued success for our customers, stockholders, employees and communities. At the core of our executive compensation program is our pay-for-performance philosophy that links competitive levels of compensation to achievements of our overall strategy and business goals, as well as individual performance. We believe our compensation program is strongly aligned with the interests of our stockholders and sound corporate governance principles.

Our Compensation Program

We urge you to read the Compensation of the Named Executive Officers and Directors Compensation Discussion and Analysis section of this Proxy Statement and the tables and narrative for the details on our executive compensation, including the fiscal year 2013 compensation of our NEOs. Highlights of our executive compensation programs include the following:

We position total compensation (consisting of base salary, annual cash incentives and long-term incentive grant values) for executives, taking into account past performance, our growth targets and the high cost of living in the geographic location of our headquarters, between the median and 75th percentile of our competitive peer group.

A significant portion of our executives' compensation is at risk, where actual earn-outs or pay directly depends upon achieving both financial and individual performance goals and/or stock price appreciation.

NEOs may receive long-term equity awards subject to long-term vesting requirements. We believe these awards ensure that a significant portion of the executives' compensation is tied to long-term stock price performance and therefore align our executives' interests with those of our stockholders. Our long-term incentive awards are comprised of a balance of stock options, restricted stock units and performance-based units.

Executive perquisites are limited, and we do not provide tax gross-ups for imputed income on executive perquisites.

The Compensation Committee has adopted guidelines under which officers are expected to hold a significant amount of our common stock to discourage them from taking a short-term view of performance or exposing us to excessive risk.

Each of our executive officers is employed at will without contractual severance protection other than pursuant to the change-in-control agreements described below.

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We believe the compensation program for our NEOs has been instrumental in helping us achieve solid financial performance despite ongoing uncertainties in the U.S. healthcare market related to the implementation of healthcare reform, cumulative cuts in reimbursements and consolidation of radiation oncology centers. Our revenues for fiscal year 2013 were \$2.9 billion, up 5% from fiscal year 2012. Net earnings per diluted share (EPS) for fiscal year 2013 were \$3.98, up 6% from \$3.76 in fiscal year 2012. While our net orders in fiscal year 2013 decreased as compared to fiscal year 2012, our gross orders were relatively consistent with the prior year and we ended fiscal year 2013 with a \$2.9 billion backlog, up slightly from the end of fiscal year 2012.

Our fiscal year 2013 financial performance, along with the individual performance of our executive officers, were key factors in determining variable compensation for fiscal year 2013, including the following:

Earnings before interest and taxes (EBIT), net orders and revenues were the key financial performance measures in determining our NEOs' annual cash incentives. These measures provide a balance between a top line (e.g., in using net orders and revenues—an example of financial measures before costs and expenses are considered) and bottom line (e.g., in using EBIT—an example of a financial measure that incorporates top line results plus costs and expenses) approach to measuring our annual performance. During fiscal year 2013 and after adjusting for exchange rate variances, net orders declined 0.2%, revenues grew 5.6%, and EBIT from continuing operations grew 5.0% in fiscal year 2013 over fiscal year 2012. Despite improved financial performance in fiscal year 2013, our achievement fell below our pre-established performance targets for the year and therefore resulted in the payment of annual cash incentive awards below target levels for our NEOs.

Base salaries: Base salaries of our NEOs increased modestly between 3% and 10% reflecting each NEO's performance and experience, as well as internal equity considerations, except for Mr. Wilson who received a 30% increase in connection with his promotion to President and CEO. As with all of our NEOs, we evaluate each individual's compensation by looking at pay for similar positions within our peer group and external competitive market pay data.

Performance-based equity awards are an integral part of our long-term incentive program. The performance-based awards vest at the end of a three-year period based primarily on growth in fully diluted EPS from continuing operations, as adjusted to reflect our total stockholder return relative to the companies in the U.S. Dow Jones Medical Equipment Index. By linking our long-term incentives to these important Company and market metrics, we seek to more closely align our NEOs' incentives with the long-term interests of our stockholders. The equity awards that were made to NEOs in fiscal year 2013 consisted of approximately one-third each in value of stock options, full-value shares (i.e., restricted stock units) and performance-based units.

The Compensation Committee will continue to analyze our executive compensation policies and practices and adjust them as appropriate to reflect our performance and competitive needs.

Based on the above, we request that you indicate your support for our executive compensation philosophy and practices, by voting in favor of the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables and narrative discussion, is hereby APPROVED.

As an advisory vote, the vote on Proposal Two is not binding. Nonetheless, the Compensation Committee, which is responsible for designing and administering our executive compensation program, and the Board value the opinions expressed by stockholders, and will consider the outcome of the vote when making future compensation decisions for our NEOs.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NEOs AS DESCRIBED IN THIS PROXY STATEMENT.

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PROPOSAL THREE

APPROVAL OF THE VARIAN MEDICAL SYSTEMS, INC.

MANAGEMENT INCENTIVE PLAN

You and other stockholders are also being asked to approve the Varian Medical Systems, Inc. Management Incentive Plan (the "MIP") that provides for performance-based incentive compensation to executives and key employees. Section 162(m) of the Internal Revenue Code ("Section 162(m) ") requires that the stockholders approve the material terms of the MIP at least every five years. The MIP was last approved by the stockholders at the 2009 Annual Meeting of Stockholders.

Background and Reason for Approval

Under Section 162(m), the federal income tax deductibility of compensation paid to our Chief Executive Officer and the next three most highly compensated executive officers (other than our Chief Financial Officer) may be limited to the extent that it exceeds \$1,000,000 in any one year. However, we may deduct compensation in excess of \$1,000,000 to the extent it qualifies as performance-based compensation under Section 162(m). The MIP is intended to allow us to pay incentive compensation that qualifies as performance-based compensation if all of the requirements of Section 162(m) are satisfied. Among other requirements, Section 162(m) requires that the material terms of plans that provide for incentive compensation, including the performance goals and maximum award amounts, be approved by our stockholders every five years. For purposes of this five-year approval requirement, the MIP was most recently approved and adopted by our stockholders at the 2009 Annual Meeting of Stockholders.

Description of the Management Incentive Plan

The following paragraphs provide a summary of the principal features of the MIP and its operation. The MIP is set forth in its entirety as [Appendix A](#) to this Proxy Statement. The following summary is qualified in its entirety by reference to [Appendix A](#).

Purpose of the Management Incentive Plan

The MIP is intended to motivate our key employees to increase stockholder value by (1) linking a portion of employees' cash compensation to our financial and operational performance, (2) providing rewards for improving financial and operational performance and (3) helping to attract and retain key employees.

Administration of the Management Incentive Plan

The Compensation Committee administers the MIP. The members of the Compensation Committee must qualify as outside directors under Section 162(m) for purposes of qualifying the MIP as performance-based compensation under that section. Subject to the terms of the MIP, the Compensation Committee has the sole discretion to determine the key employees who shall be granted awards, and the amounts, terms and conditions of each award. The Compensation Committee may delegate its authority to grant and administer awards to one or more officers or directors appointed by the Compensation Committee, but only with respect to awards that are not intended to qualify as performance-based compensation under Section 162(m).

Eligibility to Receive Awards

The Compensation Committee in its discretion determines eligibility for the MIP. In selecting participants for the MIP, the Compensation Committee chooses key employees of the Company and its affiliates who are likely to have a significant impact on our performance.

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Awards and Performance Goals

Under the MIP, the Compensation Committee establishes (1) the performance goals that must be achieved in order for the participant to actually be paid an award and (2) a formula or table for calculating a participant's award, depending upon how actual performance compares to the pre-established performance goals. A participant's award will increase or decrease as actual performance increases or decreases.

The Compensation Committee also determines the periods for measuring actual performance—the performance period—which may last as long as three fiscal years.

The Compensation Committee may set performance periods and performance goals that differ from participant to participant. For example, the Compensation Committee may choose performance goals based on either Company-wide or business unit results, as deemed appropriate in light of the participant's specific responsibilities. For purposes of qualifying awards as performance-based compensation under Section 162(m), the Compensation Committee will specify performance goals from the following list: EBIT, EBITDA, earnings per share, net income, operating cash flow, return on assets, return on equity, return on sales, revenue, stockholder return, orders or net orders, expenses, cost of goods sold, profit/loss or profit margin, working capital, operating income, cash flow, market share, return on equity, economic value add, stock price of our stock, price/earnings ratio, debt or debt-to-equity ratio, accounts receivable, cash, write-off, assets, liquidity, operations, intellectual property (e.g., patents), product development, regulatory activities, manufacturing, production or inventory, mergers, acquisitions or divestitures, financings, days sales outstanding, backlog, deferred revenue, and employee headcount. Under the MIP, certain performance goals are specifically defined. EBIT means the Company's or a business unit's income before reductions for interest and taxes. EBITDA means the Company's or a business unit's income before reductions for interest, taxes, depreciation and amortization. Earnings per share means the Company's or a business unit's net income, divided by a weighted average number of common shares outstanding and dilutive common equivalent shares deemed outstanding. Net income means the Company's or a business unit's income after taxes. Operating cash flow means the Company's or a business unit's sum of net income plus depreciation and amortization less capital expenditures plus certain specified changes in working capital. Return on assets means the percentage equal to the Company's or a business unit's EBIT (before incentive compensation), divided by the Company's or a business unit's, as applicable, average net assets. Return on equity means the percentage equal to the Company's net income, divided by average stockholders' equity. Return on sales means the percentage equal to the Company's or a business unit's EBIT (before incentive compensation), divided by the Company's or the business unit's, as applicable, revenue. Revenue means the Company's or a business unit's net sales. Net orders means the Company's or a business unit's net orders calculated for and reported in the Company's quarterly financial earnings press release. Stockholder return means the total return (change in share price plus reinvestment of any dividends) of a share.

For any performance period, no participant may receive an award of more than \$3,000,000. Also, the total of all awards for any performance period cannot exceed 8% of the Company's EBIT before incentive compensation for our most recently completed fiscal year. Awards that exceed this overall limit will be pro-rated so that the total does not exceed the limit.

Determination of Actual Awards

After the end of each performance period, a determination is made as to the extent to which the performance goals applicable to each participant were achieved or exceeded. The actual award (if any) for each participant is determined by applying the formula to the level of actual performance that was achieved. However, the Compensation Committee retains discretion to eliminate or reduce the actual award payable to any participant below that which otherwise would be payable under the applicable formula. Awards under the MIP generally are payable in cash or shares of our common stock no later than the 15th day of the third month following the end of the performance period during which the award was earned.

Table of Contents**Recoupment Policy**

The MIP provides that, in the event of a restatement of incorrect financial results, the Board will review the conduct of executive officers in relation to the restatement. If the Board determines that an executive officer has engaged in misconduct or other violations of the Company's code of ethics in connection with the restatement, the Board would, in its discretion, take appropriate action to remedy the misconduct, including, without limitation, seeking reimbursement of any portion of performance-based or incentive compensation paid or awarded to the executive under the MIP that is greater than would have been paid or awarded if calculated based on the restated financial results, to the extent not prohibited by governing law. Such action by the Board would be in addition to any other actions the Board or the Company may take under the Company's policies, as modified from time to time, or any actions imposed by law enforcement, regulators or other authorities.

Awards Under the Management Incentive Plan

Awards under the MIP are made at the discretion of the Compensation Committee and the actual payout amount of awards depends on performance. Accordingly, the future awards and payouts that will be made under the MIP are not yet determinable. The following table sets forth information concerning cash awards made for fiscal year 2013 under the MIP to the executive officers named in our Summary Compensation Table, our executive officers as a group and our non-executive officer employees as a group. This information is not indicative of awards that will be made in the future.

Name	Dollar Value
Dow R. Wilson President and Chief Executive Officer	\$ 792,446
Elisha W. Finney Executive Vice President, Finance and Chief Financial Officer	\$ 337,721
Kolleen T. Kennedy Senior Vice President and President, Oncology Systems	\$ 383,552
Robert H. Kluge Senior Vice President and President, Imaging Components Businesses	\$ 331,789
John W. Kuo Senior Vice President, General Counsel and Corporate Secretary	\$ 215,293
Executive Officers as a Group	\$ 2,177,490
Non-Executive Officer Employees as a Group	\$ 580,879

Amendment and Termination of the Management Incentive Plan

The Board may amend or terminate the MIP at any time and for any reason without stockholder approval. However, if the material terms of the MIP (within the meaning of Section 162(m)) are amended, stockholder approval would be required in order for compensation to qualify as performance-based compensation under Section 162(m). In addition, an amendment or termination of the MIP may not, without participant consent, alter or impair any rights or obligations under any target award previously granted to the participant.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE MANAGEMENT INCENTIVE PLAN.

Table of Contents**PROPOSAL FOUR****RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED****PUBLIC ACCOUNTING FIRM****Selection of the Accounting Firm**

The Audit Committee has appointed PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm to perform the audit of our financial statements for fiscal year 2014, and we are asking you and other stockholders to ratify this appointment. Since 1962, PwC or its predecessors has been our independent accounting firm, first as Lybrand, Ross Bros. & Montgomery from 1962 until 1972, then as Coopers & Lybrand from 1972 to 1997, and subsequently as PwC from 1998 to the present.

The Audit Committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm's performance. Additionally, the Audit Committee also noted that our PwC engagement audit partner is subject to regular rotation and the most recent rotation occurred in fiscal year 2013. As a matter of good corporate governance, the Board, upon recommendation of the Audit Committee, has determined to submit to stockholders for ratification the appointment of PwC. In the event that a majority of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on Proposal Four does not ratify this appointment of PwC, the Audit Committee will review its future appointment of PwC.

We expect that a representative of PwC will be present at the Annual Meeting and that representative will have an opportunity to make a statement if he or she desires and will be available to respond to appropriate questions.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee must pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally requested annually and any pre-approval is detailed as to the particular service, which must be classified in one of the four categories of services. The Audit Committee may also, on a case-by-case basis, pre-approve particular services that are not contained in the annual pre-approval request. In connection with this pre-approval policy, the Audit Committee also considers whether the categories of pre-approved services are consistent with the rules on accountant independence of the SEC.

Principal Accountant Fees and Services

The following is a summary of the fees billed or to be billed to us by PwC for professional services rendered for the fiscal years ended September 27, 2013 and September 28, 2012:

Fee Category	Fiscal Year 2013	Fiscal Year 2012
Audit Fees	\$ 3,843,365	\$ 3,446,259
Audit-Related Fees	218,874	346,821
Tax Fees	641,212	801,888
All Other Fees	22,740	27,400
Total Fees	\$ 4,726,191	\$ 4,622,368

Audit Fees. Consist of fees billed or to be billed for professional services rendered for the annual audit of our consolidated financial statements (as well as the related attestation report on the Company's internal control over financial reporting) and review of the interim consolidated financial statements included in Form 10-Q Quarterly Reports and services that PwC normally provides in connection with statutory and regulatory filings or engagements.

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Audit-Related Fees. Consist of fees billed or to be billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees. These services include consultations concerning financial accounting and reporting standards and accounting consultations in connection with acquisitions.

Tax Fees. Consist of fees billed or to be billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and international tax compliance, assistance with tax reporting requirements and audit compliance, tax planning, consulting and assistance on business restructuring and tax advice on mergers and acquisitions. Tax compliance fees were approximately \$492,003 and \$342,000 in fiscal years 2013 and 2012, respectively. All other tax fees were approximately \$149,000 and \$460,000 in fiscal years 2013 and 2012, respectively.

All Other Fees. Consist of fees for products and services other than the services reported above. All Other Fees for fiscal years 2013 and 2012 were primarily related to (1) the application of financial accounting and reporting standards to specific operational matters and (2) other attestations to ensure regulatory compliance.

The Audit Committee determined that PwC's provision of these services, and the fees that we paid for these services, are compatible with maintaining the independence of the independent registered public accounting firm. The Audit Committee pre-approved all services that PwC provided in fiscal years 2013 and 2012 in accordance with the pre-approval policy discussed above.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2014.

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PROPOSAL FIVE

APPROVAL OF AN AMENDMENT TO THE VARIAN MEDICAL SYSTEMS, INC. RESTATED

CERTIFICATE OF INCORPORATION TO ELIMINATE THE CLASSIFIED BOARD

Currently, our Restated Certificate of Incorporation, as amended (Certificate of Incorporation), divides the Board into three classes, with members of each class holding office for staggered three-year terms. We are asking you to adopt and approve an amendment to Article V of our Certificate of Incorporation to phase out the present three-year, staggered terms of our directors and instead provide for the annual election of directors beginning with our 2016 Annual Meeting of Stockholders, subject to the approval of Proposal Six to eliminate cumulative voting.

Background

Article V of our Certificate of Incorporation currently requires that our Board be divided into three classes. One class of directors, representing approximately one-third of our directors, stands for election for a three-year term at each annual meeting of stockholders.

A nonbinding stockholder proposal urging the Board to eliminate the classification of the Board was included in our Proxy Statement for the 2013 Annual Meeting of Stockholders and received favorable votes from approximately 56% of the outstanding shares of the Company's common stock. The Board and the Nominating Committee of the Board regularly consider and evaluate a broad range of corporate governance issues affecting the Company. A classified board may offer several advantages, including promoting stability, continuity and independence. Having experienced directors on the Board is important because of the unique demands of overseeing our company, due to the complexity of our products and the specialized industries and markets in which we operate. The directors also considered that many investors believe that a classified board structure reduces accountability of directors to stockholders because directors do not face an annual election. After weighing these and other considerations, and as a way of implementing the stockholder proposal presented at the 2013 Annual Meeting of Stockholders, the Board, at the recommendation of the Nominating Committee, has determined to ask stockholders to approve an amendment to the Certificate of Incorporation that eliminates our current classified Board structure.

We are requesting that the elimination of our classified board be effective for director terms commencing at the 2016 Annual Meeting of Stockholders. Consistent with the stockholder proposal, the unexpired term of any director elected prior to the effectiveness would not be affected. We believe that this effective date is in the best interests of the Company and its stockholders, because it will allow us to execute on our new CEO's long-term vision without the potential changes and risk of distraction that might come from Board declassification. Dow R. Wilson assumed the position of President and CEO in October 2012, just over one year ago. We have appointed three new independent directors to our Board in just over two years, and our Chairman's term expires and a new Chairman will be appointed as of the Annual Meeting. The Company has recently launched significant initiatives, and because of our lengthy business cycle it may take some time to realize the benefits of these initiatives. We believe that it is in the Company's best interests to allow this new team to focus and execute on our goals and set the Company's direction with the current board structure intact until our 2016 Annual Meeting of Stockholders. We respect the opinion of our stockholders, and we believe that the stockholders interests are better served by allowing the team time to prove their long-term vision.

Summary of Proposed Declassification Amendment

The elimination of the classified board would require an amendment to our Certificate of Incorporation. A copy of Article V of our Certificate of Incorporation showing the changes that would be implemented upon stockholder approval of this Proposal Five is attached as [Appendix B](#) to this Proxy Statement. The Board also intends to consider amendments to our By-Laws that would make the By-Laws consistent with the proposed amendment to eliminate the classified Board.

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A summary of the proposed declassification amendment (the Proposed Declassification Amendment) is included below and is qualified by the full text of the Proposed Declassification Amendment attached as Appendix B to this Proxy Statement.

If the Proposed Declassification Amendment and the elimination of cumulative voting in Proposal Six are both approved by our stockholders, Article V of our Certificate of Incorporation would provide that directors be elected for one-year terms beginning with the 2016 Annual Meeting of Stockholders. This proposal, if approved, would not affect the unexpired term of any director elected prior to the 2016 Annual Meeting of Stockholders, such that:

Directors elected at the Annual Meeting will be elected for a three-year term ending in 2017, will serve out their term in full and they or their successors will stand for election at the 2017 Annual Meeting of Stockholders, and subsequent annual meetings, for a one-year term.

Directors elected at the 2013 Annual Meeting of Stockholders will serve out their current term in full and they or their successors will stand for election at the 2016 Annual Meeting of Stockholders, and subsequent annual meetings, for a one-year term.

Directors elected at the 2012 Annual Meeting of Stockholders will serve out their current term in full and they or their successors will stand for election at the 2015 Annual Meeting of Stockholders for a three-year term and will serve out their three-year term in full until the 2018 Annual Meeting of Stockholders. They or their successors will then stand for election at the 2018 Annual Meeting of Stockholders, and subsequent annual meetings, for a one-year term.

Beginning with our 2018 Annual Meeting of Stockholders, and at each annual meeting thereafter, our entire Board would stand for election for a one-year term, and there would no longer be any designation by classes.

Required Vote

The Proposed Declassification Amendment requires the approval of the majority of our outstanding shares of common stock entitled to vote thereon. The Proposed Declassification Amendment is conditioned upon stockholder approval of the elimination of cumulative voting amendment in Proposal Six below. If stockholders approve the Proposed Declassification Amendment but do not approve the elimination of cumulative voting amendment, the Proposed Declassification Amendment will not be implemented.

If approved, the Proposed Declassification Amendment would become effective upon the filing of the Articles of Amendment with the Secretary of State of the State of Delaware, which we would do promptly after the Annual Meeting.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO DECLASSIFY THE BOARD.

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PROPOSAL SIX

APPROVAL OF AN AMENDMENT TO THE VARIAN MEDICAL SYSTEMS, INC.

RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE CUMULATIVE VOTING

Our Certificate of Incorporation provides that when electing directors, stockholders may exercise cumulative voting rights. Less than five percent of S&P 500 companies allow for cumulative voting. Under cumulative voting, each holder of common stock is entitled to that number of votes equal to the number of directors being elected, including vacancies, for each share held. Each stockholder may give one candidate, who has been nominated prior to voting, all the votes such stockholder is entitled to cast or may distribute such votes among as many candidates as such stockholder chooses. Cumulative voting is problematic because it may allow a minority stockholder disproportionate and inequitable influence to advance its own special interests in director elections to the detriment, and contrary to the desires, of a majority or even plurality of the stockholders. This concern is especially magnified when combined with a declassified board. Therefore, we are asking you to adopt and approve an amendment to Article V of our Certificate of Incorporation to eliminate cumulative voting rights commencing with our 2016 Annual Meeting of Stockholders, subject to the approval of Proposal Five to eliminate our classified board.

Background

In reviewing our classified board structure, the Board and Nominating Committee also reviewed our Certificate of Incorporation provision on cumulative voting. Our Certificate of Incorporation permits stockholders to exercise cumulative voting rights when electing directors. As explained above, each holder of common stock is entitled to that number of votes equal to the number of directors being elected, including vacancies, for each share held. Each stockholder may give one candidate, who has been nominated prior to voting, all the votes such stockholder is entitled to cast or may distribute such votes among as many such candidates as such stockholder chooses.

According to a recent survey, fewer than five percent of S&P 500 companies have cumulative voting. Cumulative voting with a non-classified board structure can allow a hostile bidder or minority stockholder to exert influence in the election of directors that is very disproportionate to such stockholder's actual stock ownership percentage. We believe this level of influence is inequitable and potentially detrimental to the interests of the vast majority of our stockholders. With a classified board structure, cumulative voting can encourage entities interested in bidding for the Company to negotiate with the Board, thereby enhancing the Board's ability to protect the interests of stockholders, because it generally would be more difficult to gain control of the Board as part of a hostile transaction when fewer directors in a classified board are being elected. However, if our classified board is eliminated, substantially less stock would be required to elect representatives to, and gain control of, the Board, and a minority stockholder would therefore be able to disproportionately influence the composition of the Board, potentially harming the interests of stockholders.

For example, if there is a contested election with a declassified board of directors where all directors are elected annually, all 10 director positions would be up for election at a single annual meeting. With plurality voting and cumulative voting, if there are 11 nominees for these 10 positions, a minority stockholder (or group of stockholders) owning as little as 9.2% of the Company's outstanding shares would be able to elect a director by cumulating votes for a single candidate, even if stockholders owning 90.8% of the Company did not support that nominee and cast all of their votes to elect the 10 other nominees. The minority stockholder (or group of stockholders) could hold even less than 9.2% (and this could be substantially less) and still elect a director to the extent other stockholders withheld votes from the 10 other nominees, which is a predictable circumstance in public company director elections.

Our Nominating Committee and Board believe that eliminating cumulative voting in conjunction with declassifying the Board will best ensure that stockholder interests in director elections are fairly and equitably represented consistent with actual stock ownership percentages. The Board believes that, in the absence of a

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classified board, each director should only be elected if the director represents the interest of all stockholders, rather than the interest of a minority stockholder or special constituency, and therefore only if the director receives a plurality of the votes cast. Accordingly, the Board, after review and deliberation, determined that, in the absence of a classified board, eliminating cumulative voting of directors is in the best interests of the Company and its stockholders.

The elimination of cumulative voting would require an amendment to our Certificate of Incorporation.

Summary of Proposed Amendment to Eliminate Cumulative Voting

If the proposal to eliminate cumulative voting (the Elimination of Cumulative Voting Amendment) and the Proposed Declassification Amendment in Proposal Five are both approved, the third paragraph of Article V of our Certificate of Incorporation will be deleted and a new sentence will be added indicating that cumulative voting will not be permitted in elections of directors, commencing with the 2016 Annual Meeting of Stockholders. A copy of Article V of our Certificate of Incorporation showing the changes that would be implemented upon stockholder approval of this Proposal Six is attached as Appendix C to this Proxy Statement.

Required Vote

The Elimination of Cumulative Voting Amendment requires the approval of the majority of our outstanding shares of common stock entitled to vote thereon. The Elimination of Cumulative Voting Amendment is conditioned upon stockholder approval of the Proposed Declassification Amendment. If stockholders approve the Elimination of Cumulative Voting Amendment but do not approve the Proposed Declassification Amendment, the Elimination of Cumulative Voting Amendment will not be implemented.

If approved, the Elimination of Cumulative Voting Amendment would become effective upon the filing of the Articles of Amendment with the Secretary of State of the State of Delaware, which we would do promptly after the Annual Meeting.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE CUMULATIVE VOTING.

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AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors (the Audit Committee) consists of the six directors whose names appear below. Each member of the Audit Committee meets the definition of independent director and otherwise qualifies to be a member of the Audit Committee under the New York Stock Exchange listing requirements.

The Audit Committee's general role is to assist the Board in monitoring the Company's financial reporting process and related matters. Its specific responsibilities are set forth in its charter. The Audit Committee reviews its charter at least annually, and did so in the November 2013 Audit Committee meeting.

As required by the charter, the Audit Committee reviewed the Company's financial statements for fiscal year 2013 and met with management, as well as with representatives of PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, to discuss the financial statements. The Audit Committee also discussed with members of PricewaterhouseCoopers LLP the matters required to be discussed by the Statement on Auditing Standards 61, *Communication with Audit Committees*, as amended (AICPA, *Professional Standards*, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

In addition, the Audit Committee received the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP's communications with the Audit Committee concerning independence and discussed with members of PricewaterhouseCoopers LLP its independence from management and the Company.

Based on these discussions, the financial statement review and other matters it deemed relevant, the Audit Committee recommended to the Board that the Company's audited financial statements for fiscal year 2013 be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 27, 2013.

Furthermore, in connection with the standards for independence promulgated by the Securities and Exchange Commission, the Audit Committee reviewed the services provided by PricewaterhouseCoopers LLP, the fees the Company paid for these services, and whether the provision of the services is compatible with maintaining the independence of the independent registered public accounting firm. The Audit Committee deemed that the provision of the services is compatible with maintaining that independence.

The Audit Committee has selected PricewaterhouseCoopers LLP to be the Company's independent registered public accounting firm for fiscal year 2014. In doing so, the Audit Committee considered the results from its review of PricewaterhouseCoopers LLP's independence, including (a) all relationships between PricewaterhouseCoopers LLP and the Company and any disclosed relationships or services that may impact their objectivity and independence, (b) PricewaterhouseCoopers LLP's performance