VARIAN MEDICAL SYSTEMS AGM Date: 2013-02-14

1.01 Re-elect R. Andrew Eckert **For**

1.02 Re-elect Mark R. Laret **For**

1.03 Elect Erich R. Reinhardt **For**

2 Approve Pay Structure **Oppose**
As a result of SEC legislation (Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act), the company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The detailed commentary on the disclosures made by the company are contained in the body of this report and the voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. Disclosure rating B: Balance rating D: It is noted that CEO pay increased 226.88% but earnings before tax went down slightly Contracts rating B: Based upon this rating Triodos opposes.

3 Appoint the auditors **For**

4 Shareholder proposal to Declassify the board **For**
Proponent: Pension Reserves Investment Management Trust Fund The proponent urges the board of directors to facilitate a declassification of the board. Such a change would enable shareholders to register their views on the performance of all directors at each annual meeting. Having directors stand for elections annually makes directors more accountable to shareholders, and could thereby contribute to improving performance and increasing firm value. According to data from FactSet Research Systems, the number of S&P 500 companies with classified boards declined by more than 60% since 2000, and the average percentage of votes cast in favor of shareholder proposals to declassify the boards of S&P 500 companies during 2010 and 2011 exceeded 7 5 % . The significant shareholder support for declassification proposals is consistent with empirical studies reporting that: Classified boards are associated with lower firm valuation (Bebchuk and Cohen, 2005; confirmed by Faleye (2007) and Frakes (2007)); Takeover targets with classified boards are associated with lower gains to shareholders (Bebchuk, Coates, and Subramanian, 2002); Firms with classified boards are more likely to be associated with value-decreasing acquisition decisions (Masulis, Wang, and Xie, 2007); and Classified boards are associated with lower sensitivity of compensation to performance and lower sensitivity of CEO turnover to firm performance (Faleye, 2007). Although one study (Bates, Becher and Lemmon, 2008) reports that classified boards are associated with higher takeover premiums, this study also reports that classified boards are associated with a lower likelihood of an acquisition and that classified boards are associated with lower firm valuation.
The Company responds that under the classified board structure, board members are elected to three-year terms, such that generally every year only one-third of the directors are considered for election or re-election. The Company has had this structure continuously for two decades. The Board of Directors believes that the classified board structure has served the Company and its shareholders well and continues to benefit shareholders. The use of a classified board is not supported as it can be used as an antitakeover device and could serve to entrench under-performing management. Shareholder concerns in relation to specific issues can more appropriately be raised in the context of individual directors’ responsibilities if all directors face election each year. It is considered that declassification will move the company towards best practice but that true accountability will not be achieved unless "plurality plus" voting is replaced with affirmative majority voting.