

Intuitive Surgical, Incorporated

CODE OF BUSINESS CONDUCT AND ETHICS

OVERVIEW

About the Code of Business Conduct and Ethics

Intuitive Surgical (“ISI”) is committed to the highest standards of business conduct. This requires that we conduct our business in accordance with all applicable laws and regulations as well as the highest ethical standards. ISI’s Code of Business Conduct and Ethics (referred to here as the “Code”) helps each of us to do this by providing a statement of the fundamental principles, policies and procedures that govern our business.

The Code applies to all directors, officers and employees of ISI. We refer to all persons covered by this Code as “employees.” As our business depends on the reputation of all of us for integrity and principled business conduct, the policies referenced in this Code go beyond the requirements of the law. Of course, the Code does not cover every situation that may arise, nor is it intended to be a comprehensive guide to all of the ISI’s employment and administrative policies. You should consult the references that appear throughout this document and the “Links to Related Policies” at the end of the Code for additional information.

Our Shared Responsibilities

Each of us is responsible for knowing and understanding the policies and guidelines contained in the following pages, and each of us must certify in writing, on a yearly basis, that we have read and understand these policies. If you have questions or ethical concerns, you should discuss them with your supervisor, the Vice President of Human Resources, the Chief Financial Officer, or the General Counsel. At all times, our conduct should reflect ISI’s values, demonstrate ethical leadership, and promote a work environment that upholds the ISI’s reputation for integrity, ethical conduct and trust.

RESPONSIBILITY TO OUR ORGANIZATION

Conflicts of Interest

Your decisions and actions during your employment with Intuitive should be based on the best interests of ISI, and not personal relationships or benefits. A “conflict of interest” exists when a person’s private interests interfere, or appear to interfere, with the interests of the ISI. You must avoid any private interest that may influence your ability to act in the interests of ISI or that may make it difficult for you to perform your work objectively. There are many types of conflicts of interest—the following are some common examples:

- Outside Employment. ISI strongly discourages outside employment, and prohibits outside employment by a business that competes with ISI or deprives it of any business.
- Financial Interests. No ISI employee may obtain improper benefits or favors because of his or her position with ISI. This is discussed in greater detail under “Entertainment, Gifts and Gratuities,” below. Further, no ISI employee may have a financial interest, either directly or through a family member, in a business enterprise if that interest affects the performance of the employee’s duties or conflicts with the interests of ISI.

- Corporate Opportunity. No ISI employee may use ISI property or information, or his or her position with ISI, to secure a personal business opportunity. If you discover a business opportunity through the use of ISI property, information, or through your position at ISI, you must first present the opportunity to ISI before pursuing the opportunity in your individual capacity.
- Service on Boards or Committees. No ISI employee may serve on a board of directors or trustees or on a committee of any entity whose interests could be expected to conflict with those of ISI. ISI employees must obtain approval from the CEO or General Counsel before accepting any such position.

A conflict of interest will sometimes develop accidentally and is not always easy to identify. If you feel you have a conflict, you must disclose it to your supervising vice president or the General Counsel; further, any potential conflicts must be identified in connection with your annual review of this Code. Finally, if you observe a situation that you believe to be a conflict, you must report that as well.

Entertainment, Gifts and Gratuities

When you make business decisions on behalf of the ISI, your decisions must be based on uncompromised, objective judgment. You must never accept gifts or other benefits if your business judgment or decisions could be affected. Unsolicited gifts and business courtesies, including meals and entertainment, are permissible if they are customary and commonly accepted business courtesies, are not excessive in value, and are given and accepted without an understanding that you are in any way obligated by your acceptance of the gift. If you are uncertain as to whether acceptance of such a gift is appropriate, you should ask your supervisor, supervising vice-president or the General Counsel.

When you provide a gift, entertainment or other accommodation in connection with ISI business, you must do so in a manner that is in good taste and without excessive expense. You may not furnish any gift that is of more than token value, goes beyond the common courtesies associated with accepted business practices, or that is contrary to applicable law and regulation. You may not give or offer to give gifts that could be viewed as an inducement to or a reward for any business decision. If you are uncertain as to whether such a gift is appropriate, you should ask your supervisor, supervising vice president, or General Counsel.

What is acceptable in the commercial business environment may be entirely unacceptable in dealings with the United States government. There are strict laws that govern providing gifts, including meals, entertainment, transportation and lodging, to government employees. You are prohibited from providing gifts or anything of value to government employees or their families in connection with ISI business without prior written approval from your supervising vice president or the General Counsel.

For information relating to gifts to foreign officials, see the section of this Code regarding Interacting with the Government.

Competition and Fair Dealing

At ISI, we seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. To lawfully compete in the marketplace, you must respect the rights of, and deal fairly with, ISI's customers, suppliers, business partners and competitors. You must not take unfair advantage of anyone through deception, misrepresentation, manipulation, coercion, or abuse of privileged information.

Most countries have laws designed to encourage and protect free and fair competition. These laws are broad and far-reaching, regulating ISI's relationships with its distributors, suppliers and customers, and addressing such areas as pricing practices, terms of sale, credit terms, promotional allowances, termination and many other practices. Should you have any questions or concerns respecting these types of issues, you should contact the General Counsel or the CFO.

ISI also has strict rules concerning sales agreements. All sales terms must be incorporated into the relevant sales contract or purchase order and approved by the Finance Department. Informal commitments to customers, including commitments contained in emails or oral communications, are considered side agreements and are strictly prohibited.

Protection and Proper Use of Company Assets

We each have a duty to protect ISI's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on ISI's profitability. You should be careful not to cause damage to ISI's property, and to protect such property from theft. When you leave ISI, all ISI property must be returned to the Company.

Financial Integrity

Accurate and reliable financial and business records are of critical importance in meeting ISI's financial, legal, and business obligations. You must complete all Company documents accurately, truthfully, and in a timely manner, including all travel and expense reports. The making of false or misleading entries, records, reports or documentation is strictly prohibited.

As a publicly traded company, we are required to disclose accurate and complete information regarding ISI and the results of its operations. It is ISI policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all documents that ISI files with, or submits to, the Securities and Exchange Commission and in all other public communications made by ISI.

Dishonest or inaccurate reporting can lead to civil or even criminal liability for you and ISI and can lead to a loss of public faith in the Company. Any employee who believes that a violation of law or a failure of compliance has occurred--or is occurring--has a duty to report such information to the General Counsel or to the Audit Committee of the Board of Directors.

Record Retention

In the course of its business, ISI produces and receives large numbers of records. Numerous laws require the retention of certain records for various periods of time. ISI is committed to compliance with all such laws. Under no circumstances should you selectively destroy ISI records or maintain such records outside Company premises or designated storage facilities.

Should you receive a subpoena or learn of a lawsuit or government investigation relating to documentation in your control, you should immediately contact the General Counsel. In such situations, you must preserve ALL records that may be responsive to the subpoena or relevant to the litigation or that may pertain to the investigation until you are advised otherwise by the Legal Department. You must also affirmatively preserve from destruction all relevant records that without intervention would automatically be destroyed or erased (such as e-mails and voicemail messages).

Confidential Information

In performing your duties you may learn facts about ISI's business, plans, or operations that are not known to the general public. Sensitive information such as customer data, the terms offered or prices charged to particular customers, marketing or strategic plans, product specifications and production techniques are examples of confidential information. During the performance of your responsibilities, you may also obtain information concerning possible transactions with other companies or receive confidential information concerning other companies, such as our customers, which ISI may be under an obligation to maintain as confidential.

You must maintain the confidentiality of information entrusted to you by ISI or its customers. This obligation extends to information relating to the patients of our customers as well. Each employee is required to execute the Employee Proprietary Information and Inventions Agreement and to abide by that Agreement. If, in doing business with persons not employed by ISI, you foresee that you may need to disclose confidential information, please contact the Legal Department to determine how to proceed. You should also immediately contact the General Counsel should you learn of a lawsuit or government investigation relating to the Company or its activities.

Your obligation to treat information as confidential does not end when you leave ISI. Upon the termination of your employment, you must return everything that belongs to ISI, including all materials containing ISI and customer confidential information. You must not disclose confidential information to a new employer or to others after ceasing to be an ISI employee.

Insider Trading

If you trade in ISI securities or the securities of any other company listed on a United States stock exchange, you are subject to United States securities laws. All employees are expected to comply fully with the insider trading and securities laws that govern such transactions. These laws provide substantial civil and criminal penalties for individuals who fail to comply.

Employees who possess or have access to material, non-public information gained through their work at ISI may not use that information to trade in ISI securities or the securities of another

company to which the information pertains. Further, employees may not engage in any other action to take advantage of, or pass on to others (*i.e.*, “tip”), material information before its release to the public at large until three days after that information has been publicly disclosed. These restrictions also apply to your family members, friends, or associates, and are in addition to your obligations with respect to nonpublic information generally, as discussed above.

Material nonpublic information includes any information that is not known to the general public and that a reasonable investor would consider important in a decision to buy, hold, or sell securities. Examples of such information include earnings or other financial results, new or lost contracts or products, sales results (including system sales and procedure volumes), important personnel changes, business plans, possible mergers, acquisitions, or joint ventures, important litigation developments, and important regulatory, judicial or legislative actions.

Employees who possess or have access to material inside information relating to quarterly or annual financial results are prohibited from trading in ISI securities during certain “blackout” periods. Additional restrictions on trading or speculating in ISI stock apply to certain officers and selected employees as determined by the CFO.

The law and Company policy do permit employees to trade in ISI securities regardless of their awareness of material nonpublic information if the transaction is made pursuant to a pre-arranged trading plan that was established in compliance with applicable law and was entered into when the person was not in possession of material nonpublic information. Any employee who wishes to enter into such a trading plan should contact the Finance Department

For additional information, please refer to ISI’s Insider Trading Policy posted on the ISI intranet at ISI At Work/Corporate Policies/Stocks.

Communications with the Media

Only specifically designated representatives of the Company may communicate with the media, securities analysts and investors about ISI. Unless you have been expressly authorized to make such communications, if you receive any inquiry about the Company from the media, a securities analyst or an investor, you should refer the inquiry to the CFO.

Intellectual Property

Protection of ISI’s intellectual property – including its patents, trade secrets, copyrights, trademarks, scientific and technical knowledge – is essential to maintaining our competitive advantage. The intellectual property you generate while doing your job contributes to ISI’s strength, and you have a duty to protect these valuable assets from misuse and unauthorized disclosure.

Similarly, it is ISI policy not to infringe upon the intellectual property rights of others. When using the name, trademarks, logos or printed materials of another company, including any such uses on the ISI website, you must do so properly and in accordance with applicable law.

Should you have any questions about ISI's intellectual property or that of another company, you should contact the Legal Department. With regard to the proper use of ISI trademarks, please review the Company's Trademark Policy posted on the Company Intranet at ISI At Work/Corporate Policies/Intellectual Property

Computer and Communication Resources

ISI's computer and communication resources, including computers, voicemail and e-mail, provide substantial benefits, but they also present significant security and liability risks. It is extremely important that you take all necessary measures to secure your computer and any computer or voicemail passwords.

It is also important to remember that when you use ISI's resources to send e-mail, voicemail or to access Internet services, you are acting as a representative of ISI. Any improper use of these resources may reflect poorly on ISI, damage its reputation, and expose both you and ISI to liability.

The computing resources used to provide computing and network connections are the property of ISI and are intended for use by employees to conduct ISI's business. ISI allows incidental personal use of such resources, such as sending and receiving personal email, provided the use is truly incidental and does not interfere with your work at ISI. All e-mail, voicemail and personal files stored on ISI's computers, including personal messages on the e-mail and voicemail systems, are ISI's property. You should, therefore, have no expectation of personal privacy in connection with these resources. ISI may, from time to time and at its sole discretion, review any files stored or transmitted on its computer and communication resources, including e-mail messages, for compliance with Company policy.

Your use of ISI's computer and communication resources must be consistent with all other Company policies, including those relating to harassment, privacy, copyright, trademark, trade secret and other intellectual property considerations. In particular, you may not use personal software on ISI computers unless that software is purchased, licensed and installed in accordance with ISI's policies regarding the Use of Software and the Acceptable Use of Information Systems Resources. These policies can be found on the Company Intranet at ISI At Work/Corporate Policies/IT/Rules.

RESPONSIBILITY TO OUR PEOPLE

Respecting One Another

The way we treat each other and our work environment affects the way we do our jobs. All employees want and deserve a work place where they are respected and appreciated, and everyone who works for ISI must contribute to the creation and maintenance of such an environment.

Employee Privacy

We respect the privacy and dignity of all individuals. While ISI collects and maintains personal information that relates to your employment, including medical and benefit information, special care is taken to limit access to such information to personnel with a need to know such information for a legitimate purpose. Employees who are responsible for maintaining personal information and those who are provided access to such information must not disclose private information in violation of applicable law or Company policy.

Equal Employment Opportunity and Nondiscrimination

ISI does not tolerate discrimination against any person on the basis of race, religion, creed, color, sex (including pregnancy, childbirth and related medical conditions), age (over 40), marital status, national origin, sexual orientation, citizenship status, Vietnam-era or disabled veteran status, medical condition, physical or mental disability or on any other basis prohibited by law in recruiting, hiring, placement, promotion, compensation, benefits or any other term or condition of employment.

You must treat all employees, customers, suppliers and others with respect and dignity.

Sexual and Other Forms of Harassment

ISI strictly prohibits any form of harassment in the workplace on the basis of a protected characteristic, such as race, religion, creed, color, sex (including pregnancy, childbirth and related medical conditions), age (over 40), marital status, national origin, sexual orientation, citizenship status, Vietnam-era or disabled veteran status, medical condition or physical or mental disability. ISI will promptly take appropriate action to prevent and discipline behavior that violates this policy.

Harassment can include verbal comments (including slurs, jokes, insults, or derogatory comments), visual conduct (including offensive cartoons, drawings, computer displays, or e-mails), and physical conduct (including unwelcome touching, physical threats, and blocking someone's way). Conduct may be considered harassment even when the harasser does not realize his or her conduct is perceived by others to be offensive.

Sexual harassment consists of unwelcome verbal, visual or physical conduct toward any person because of or based upon his or her gender when:

- Submission to such conduct is made either explicitly or implicitly a condition of that person's employment;
- Submission to or rejection of such conduct is used as the basis for an employment decision affecting him or her; or
- Such conduct interferes with that person's work performance or creates an intimidating, hostile or offensive work environment.

The following are examples of conduct that can constitute sexual harassment:

- Unwelcome sexual advances, propositions, gestures, flirtations, or leering;
- Unwelcome touching, pinching, impeding or blocking normal movement;
- Requests or demands for sexual favors in exchange for favorable treatment;
- Obscene or vulgar gestures, letters, pictures, or comments;
- Sexual jokes, sexually suggestive comments, comments about a person's body, sexual prowess or sexual deficiencies or comments about one's own or someone else's sex life;
- Sexually explicit e-mail or voicemail; and
- Conduct consistently targeted at only one gender, even if the content is not sexual.

If you feel you are being harassed you should immediately notify your supervisor or any other supervisor with whom you feel comfortable, or the Vice President of Human Resources. Every supervisor who witnesses any conduct that could be construed as harassment or who learns of any employee's concerns about harassment, whether in a formal complaint or informally, must immediately report the matter to the Vice President of Human Resources or the General Counsel.

All complaints will be investigated immediately. All such matters will be kept confidential to the extent possible. ISI will not tolerate retaliation against any employee for making a complaint or report regarding harassment or for participating in the investigation of such a complaint or report.

Any employee found to be responsible for harassment, or for retaliating against any individual for reporting a claim of harassment or cooperating in an investigation, will be subject to disciplinary action, up to and including immediate termination. For additional information, please review the Company's Harassment Prevention posted on the Company Intranet at ISI At Work/Human Resources/Policies/Harassment

Health and Safety in the Workplace

Providing a safe and healthful work environment is an important Company objective. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of alcohol or illegal drugs. The use of alcohol will not be tolerated in the workplace unless in connection with a Company-sponsored event. The use of illegal drugs in the workplace will not be tolerated under any circumstance.

INTERACTING WITH THE GOVERNMENT

Gifts to US Government Officials and Employees

The various branches of the United States government have laws restricting gifts, including meals, entertainment, transportation and lodging that may be provided to government officials and employees. You are prohibited from providing gifts, meals or anything of value to government officials or employees or members of their families without prior written approval from the General Counsel.

Gifts to Foreign Officials

The United States Foreign Corrupt Practices Act, together with the laws of many other countries and ISI policy, prohibit any ISI officer, employee or agent from giving or offering to give money or anything of value to a foreign official, a foreign political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage. It is strictly prohibited to make illegal payments to government officials of any country.

Trade Restrictions

A number of countries maintain controls on the destinations to which products or software may be exported. Some of the strictest export controls are maintained by the United States against countries that the United States government considers unfriendly or as supporting international terrorism. The United States regulations are complex and apply both to exports from the United States and to exports of products from other countries when those products contain United States-origin components or technology. Software created in the United States is subject to these regulations even if duplicated and packaged abroad. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States or access by foreign nationals to certain technology may constitute a controlled export.

Please contact the Legal Department for guidance on which countries are prohibited destinations for ISI products or whether a proposed technical presentation or the provision of controlled technology to foreign nationals may require a United States government license.

IMPLEMENTATION OF THE CODE

Responsibilities

We must all work to ensure prompt and consistent action against violations of the Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important to have an approach to new questions or problems. Here are several steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the situation.
- Discuss the situation with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, you may discuss the situation with either the Vice President of Human Resources or the General Counsel. If you prefer to submit your concerns in writing, address them to:

Intuitive Surgical, Incorporated
 Attn: General Counsel
 1266 Kifer Road
 Sunnyvale, CA 94086

- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the extent possible. ISI does not permit retaliation of any kind against employees for good faith reports of ethical violations.

Investigations of Suspected Violations

All reported violations of the Code will be promptly investigated and treated confidentially to the extent reasonably possible. Audits to monitor compliance will be conducted as commercially reasonable and necessary or as required by applicable law or regulation.

Discipline for Violations

ISI will use every reasonable effort to prevent conduct not in compliance with the Code and to halt any such conduct as soon as possible after its discovery. Subject to applicable law and agreements, ISI personnel who violate this Code and other Company policies and procedures may be subject to disciplinary action, up to and including discharge.

Waivers of the Code

The Company will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver. Waivers of the Code for directors and executive officers may be made only by the Board of Directors as a whole or the Audit Committee of the Board and must be promptly disclosed as required by law.

No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of our business. It does not change the nature of your employment relationship with ISI. ISI employees are employed at-will, except when covered by an express, written employment agreement. This means that you may choose to resign your employment at any time, for any reason or for no reason at all. Similarly, ISI may choose to terminate your employment at any time, for any legal reason or for no reason at all, but not for an unlawful reason.

Remember

Ultimate responsibility to ensure that we as a Company comply with the many laws, regulations and ethical standards affecting our business rests with each of us. You must become familiar with and conduct yourself strictly in compliance with those laws, regulations and standards and ISI's policies and guidelines pertaining to them.

ACKNOWLEDGMENT FORM

I have received and read the Intuitive Surgical Code of Business Conduct and Ethics, and I understand its contents. I agree to comply fully with the standards, policies and procedures contained in the Code and the Company's related policies and procedures. I understand I have an obligation to report to the Company's General Counsel any suspected violations of the Code that I am aware of. I acknowledge that the Code is a statement of policies for business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment.

At this point in time, I am aware of the following circumstances that may constitute "conflicts of interest" or potential "conflicts of interest" as defined in the Code (identify, or if none, state "none"):

Printed Name

Signature

Date