



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 31, 2025

Andrea L. Reed
Sidley Austin LLP

Re: Intuitive Surgical, Inc. (the "Company")
Incoming Letter dated December 22, 2025

Dear Andrea L. Reed:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by John Chevedden for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Company represents that it has a reasonable basis to exclude the Proposal. Based solely on that representation, we will not object if the Company excludes the Proposal from its proxy materials.

Copies of all of the correspondence on which this response is based will be made available on our website.

Sincerely,

Division of Corporation Finance
Office of Chief Counsel

cc: John Chevedden



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December 22, 2025

Via Online Submission Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street N.E.
Washington, DC 20549

Re: Intuitive Surgical, Inc. – Stockholder Proposal Submitted by John Chevedden

Ladies and Gentlemen:

This letter is submitted on behalf of Intuitive Surgical, Inc. (the “Company”), pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to notify the staff (the “Staff”) of the Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude from its proxy materials for its 2026 Annual Meeting of Stockholders (the “2026 Annual Meeting” and such materials, the “2026 Proxy Materials”) a stockholder proposal and statement in support thereof (collectively, the “Proposal”) submitted by John Chevedden (the “Proponent”).

The Company intends to omit the Proposal from its 2026 Proxy Materials pursuant to Rule 14a-8(i)(10) on the basis that the Company has substantially implemented the Proposal, as more fully explained below. The Company represents without qualification that it has a reasonable basis to exclude the Proposal based on the provisions of Rule 14a-8, prior published Staff guidance and/or judicial decisions.

Pursuant to Rule 14a-8(j) of the Exchange Act, the Company is submitting this letter, together with the Proposal and related attachments, to the Commission electronically, with copies of this letter and the attachments provided concurrently to the Proponent. This submission is occurring no later than 80 calendar days before the Company intends to file its definitive 2026 Proxy Materials with the Commission.

Rule 14a-8(k) and *Staff Legal Bulletin No. 14D* (Nov. 7, 2008) (“SLB 14D”) provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that

correspondence should be furnished concurrently to the undersigned pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal sets forth the following resolution to be voted on by the Company's stockholders at the 2026 Annual Meeting:

RESOLVED: *Shareholders request that the Board seek shareholder approval of any senior manager's new or renewed pay package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus. This proposal only applies to the Named Executive Officers. This provision shall at least be included in the Governess [sic] Guidelines of the Company or similar document.*

The Proposal elaborates on what types of post-employment payments would be covered by the policy requested. A full copy of the Proposal and statement in support thereof is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

The Proposal may be properly excluded from the 2026 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

A. Background of Rule 14a-8(i)(10)

Rule 14a-8(i)(10) permits a company to exclude a stockholder proposal from its proxy materials if the company has "substantially implemented" the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." *Exchange Act Release No. 34-12598* (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and concurred with the exclusion of a proposal only when proposals were "'fully' effected" by the company. *See Exchange Act Release No. 34-19135* (Oct. 14, 1982). By 1983, however, the Commission recognized that the "previous formalistic application of [the rule] defeated its purpose" because proponents were successfully avoiding exclusion by submitting proposals that differed from existing company policy in minor respects. *Exchange Act Release No. 34-20091*, at § II.E.6. (Aug. 16, 1983) (the "1983 Release"). Therefore, in the 1983 Release, the Commission adopted a revised interpretation of the rule to permit the omission of proposals that had been "substantially implemented," and the Commission later codified this revised interpretation in *Exchange Act Release No. 34-40018*, at n.30 (May 21, 1998).

Accordingly, the actions requested by a proposal need not be “fully effected” by the company to be excluded; rather, to be excluded, they need only have been “substantially implemented” by the company. *See* 1983 Release. Thus, when a company can demonstrate that it has already taken actions to address the underlying concerns and essential objectives of a stockholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded as moot.

The Staff has consistently found that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices, and procedures compare favorably with the guidelines of the proposal.” *See Texaco, Inc.* (Mar. 28, 1991). *See also, e.g., Best Buy Co., Inc.* (Apr. 22, 2022); *The Allstate Corp.* (Mar. 15, 2019); *Johnson & Johnson* (Feb. 6, 2019); *United Cont’l Holdings, Inc.* (Apr. 13, 2018); *eBay Inc.* (Mar. 29, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); and *Wal-Mart Stores, Inc.* (Mar. 16, 2017). The Staff has permitted exclusion of a proposal under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied the “essential objective” of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. *See, e.g., Salesforce.com, Inc.* (Apr. 20, 2021)*; *Apple Inc.* (Dec. 17, 2020)*; *Wal-Mart Stores, Inc.* (Mar. 25, 2015); and *Exelon Corp.* (Feb. 26, 2010).

B. The Company’s Executive Officer Cash Severance Policy Substantially Implements the Proposal

The Company’s Executive Officer Cash Severance Policy, which was adopted by the Compensation Committee (the “Committee”) of the Company’s Board of Directors on December 16, 2025 (the “Severance Policy”), attached hereto as Exhibit B, substantially implements the Proposal. In key part, the Severance Policy provides:

Intuitive Surgical, Inc. (the “Company”) will not enter into or adopt any new employment agreement or severance agreement with any Executive Officer (as defined under the Securities Exchange Act of 1934, as amended) of the Company or establish any new severance plan or policy covering any such Executive Officer that provides for cash severance payments in connection with the termination of such Executive Officer’s employment exceeding 2.99 times the sum of such Executive Officer’s base salary plus target annual bonus award opportunity under the Company’s annual bonus plan, without seeking stockholder ratification of such agreement, plan, arrangement, or policy.

For the avoidance of doubt, the Severance Policy includes details on what types of payments are not included as “cash severance payments.” The Company intends to amend its Corporate Governance Guidelines to include a reference to the Severance Policy.

Recently, the Staff allowed *Expeditors International of Washington, Inc.* (Mar. 15, 2024) (“Expeditors”) to exclude a similar proposal requesting stockholder approval of pay packages that provide for severance payments with an estimated value exceeding 2.99 times the sum of the

executive's base salary plus target short-term bonus. In Expeditors, the company adopted a policy that was structured nearly exactly as the proponent requested. Although the Company's Severance Policy does not include every element requested by the Proponent, it does meet the essential objective of the Proposal, thereby meeting the standard to exclude the Proposal from the 2026 Proxy Materials as substantially implemented pursuant to Rule 14a-8(i)(10). At its core, the Proposal is intended to enhance stockholder oversight and control over executive compensation practices, particularly with respect to potentially excessive severance payments, while still permitting higher payments if explicitly approved by stockholders. The Company's Severance Policy satisfies that essential objective, requiring that stockholders ratify cash severance payments in connection with the termination of any Executive Officer's employment exceeding 2.99 times the sum of such Executive Officer's base salary plus target annual bonus award opportunity under the Company's annual bonus plan.

The Company also acknowledges that the Staff did not concur with exclusion of a similar proposal in *Bank of America* (Mar. 1, 2023) ("BofA"). In the BofA proposal, the proponent was very focused on the acceleration of equity payments in the event of a change of control, as evidenced by the supporting statement in the BofA proposal and as discussed at length in the BofA no-action letter. As stated in the BofA no-action letter, "[t]he Supporting Statement indicates that the purpose of the Proposal is to prevent management from 'seeking a business combination simply to trigger a management golden parachute windfall' and to protect against 'lavish management termination pay'."

With regard to the current Proposal, the Proponent's supporting statement does not discuss similar concerns or mention the acceleration of equity awards at all. Instead, the supporting statement focuses on the Proponent's concerns regarding specific components of the Company's operations and strategy. The fact that the supporting statement of the Proposal is more focused on the Proponent's observations regarding the Company's operations and strategy further strengthens the Company's view that the Committee's adoption of the Severance Policy meets the essential objective of the Proposal by providing enhanced stockholder oversight of executive pay while also tailoring the policy in a way that would not unduly restrict the Company's ability to compete for top talent in the operation of its business, thereby preserving its potential for top performance.

If the Severance Policy were to include all forms of compensation embedded in the requested policy as set forth in the Proposal, including equity compensation, the Proposal would unduly restrict the flexibility of the Committee by discouraging the use of "at risk" long-term incentive equity awards, which are a key element of the Company's executive compensation program. The Company's executive compensation program is thoughtfully designed by the Committee to link pay to performance.

It is widespread market practice, particularly for highly sought-after executives, that employment or severance pay agreements provide for at least partial vesting of equity awards upon certain types of termination events, such as in connection with a change in control. Consistent with market practices, the Company believes some reassurance of accelerated vesting of these equity awards in certain, limited termination circumstances is critical in attracting and

U.S. Securities and Exchange Commission
Division of Corporation Finance
December 22, 2025

retaining senior executives over the long term. More information on the Company's policies is available under the heading "Potential Payments Upon Termination or Change in Control" in the Company's definitive proxy statement filed with the Securities and Exchange Commission on March 14, 2025.

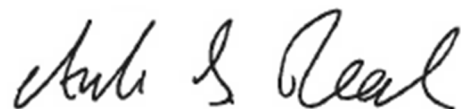
If the Severance Policy were to include the value of accelerated vesting of long-term equity awards, it would effectively eliminate an important retention tool and result in a weakened alignment between the interests of the Company's executives and those of the Company's stockholders in a change-in-control transaction and create increased risk to the Company's stockholders. Such a policy could also have an adverse impact on the Company's ability to retain executive talent, as it would put the Company at a competitive disadvantage against other companies that do not face similar restrictions or uncertainty regarding their ability to offer termination protection.

CONCLUSION

The Severance Policy addresses the Proposal's essential objective, despite the differences in types of compensation covered and other minor differences from the language of the suggested policy set forth in the Proposal, and as such, the Company has already substantially implemented the Proposal.

We would be happy to provide you with any additional information and answer any questions that you have regarding this subject. If you have any questions regarding this request or desire additional information, please contact the undersigned by phone at (312) 853-7881 or by email at andrea.reed@sidley.com.

Very truly yours,



Andrea L. Reed

Attachments

cc: Gary H. Loeb, Executive Vice President, Chief Legal and Compliance Officer, Intuitive Surgical, Inc.
John Chevedden

Exhibit A

Copy of the Proposal

Proposal 4 – Shareholder Approval Requirement for Excessive Golden Parachutes

Shareholders request that the Board seek shareholder approval of any senior manager’s new or renewed pay package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive’s base salary plus target short-term bonus. This proposal only applies to the Named Executive Officers. This provision shall at least be included in the Governness Guidelines of the Company or similar document.

“Severance or termination payments” include cash, equity or other pay that is paid out or vests due to a senior executive’s termination for any reason. Payments include those provided under employment agreements, severance plans, and change-in-control clauses in long-term equity plans, but not life insurance, pension benefits, or deferred compensation earned and vested prior to termination.

“Estimated total value” includes: lump-sum payments; payments offsetting tax liabilities, perquisites or benefits not vested under a plan generally available to management employees, post-employment consulting fees or office expense and equity awards if vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

This proposal received 44% shareholder support at the 2025 Intuitive Surgical annual meeting. This 44% support likely represented more than 50% support from shareholders who have access to independent proxy voting advice.

This proposal topic also received between 51% and 65% support at:

FedEx (FDX)

Spirit AeroSystems (SPR)

Alaska Air (ALK)

AbbVie (ABBV)

Fiserv (FISV)

It is especially important for shareholder oversight of executive pay when there are areas of concern regarding Intuitive Surgical performance:

Intuitive Surgical faced investor concerns about financial pressure on hospital customers (partially due to Medicaid cuts), which could slow the adoption of new da Vinci systems. ISRG also noted ongoing budgetary constraints and pricing pressure in international markets like China and parts of Europe.

Tariffs were cited as a significant headwind, expected to have a material negative impact on gross margins in 2025. The final impact remained uncertain, adding to shareholder nervousness.

Concerns emerged regarding the potential use of third-party reprocessed instruments with Intuitive's systems, which could take a bite out of ISRG’s instruments and accessories sales, a major revenue stream.

ISRG issued multiple Class 2 device recalls related to specific system components, including potentially defective capacitors on circuit boards, incorrectly manufactured power supply units, and defective arm controller joint boards, which could lead to vision loss or system errors during surgery.

Please vote yes:

Shareholder Approval Requirement for Excessive Golden Parachutes – Proposal 4

[The above line – *Is* for publication.]

Exhibit B

Executive Officer Cash Severance Policy

Intuitive Surgical, Inc.

Executive Officer Cash Severance Policy

Intuitive Surgical, Inc. (the “**Company**”) will not enter into or adopt any new employment agreement or severance agreement with any Executive Officer (as defined under the Securities Exchange Act of 1934, as amended) of the Company or establish any new severance plan or policy covering any such Executive Officer that provides for cash severance payments in connection with the termination of such Executive Officer’s employment exceeding 2.99 times the sum of such Executive Officer’s base salary plus target annual bonus award opportunity under the Company’s annual bonus plan, without seeking stockholder ratification of such agreement, plan, arrangement, or policy.

For the avoidance of doubt, cash severance payments for purposes of this policy do not include: (a) the payment, settlement, vesting, or acceleration of long-term cash- or equity-based awards, including any payment in exchange for the surrender of long-term cash- or equity-based awards; (b) the settlement of a legal obligation, such as an indemnification payment required pursuant to the Company’s bylaws or payment to settle pending or threatened litigation; (c) the payment or provision of health and welfare plan coverage and other similar employee benefits; (d) the payment of deferred compensation, retirement benefits under the Company’s retirement plans, or other vested employee benefits provided under any benefit agreement, plan, or policy; (e) perquisites and other non-cash benefits generally available to other similarly-situated employees; (f) accrued but unpaid base salary or vacation pay through the termination date and any earned but unpaid bonus for any completed performance period; (g) reimbursement for any expenses incurred prior to an Executive Officer’s termination date; (h) amounts paid for bona-fide consulting services the Executive Officer has agreed to provide after his or her termination, provided that such fees are deemed to be reasonable and market competitive and such services are deemed to be in the best interests of the Company, as determined by the Compensation Committee; or (i) any payment in respect of the Executive Officer’s pro-rated bonus for the year of termination, whether such bonus is calculated based on target or actual performance.

The Company, by duly adopted resolution of the Board of Directors, shall have the sole right to alter, amend, or terminate this policy in whole or in part at any time.

JOHN CHEVEDDEN

December 28, 2025

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

1 Rule 14a-8 Proposal
Intuitive Surgical, Inc. (ISRG)
Golden Parachute Vote
December 22, 2025 No Action Request
960751

Ladies and Gentlemen:

ISRG incorrectly claims it has implemented this proposal by adopting a policy that is so far kept secret from ISRG shareholders unless they read no action files. And ISRG has given no date for incorporating its policy in the governing documents of ISRG.

The ISRG letter said, “More information on the Company’s policies is available under the heading “Potential Payments Upon Termination or Change in Control” in the Company’s definitive proxy statement filed with the Securities and Exchange Commission on March 14, 2025.” This information should be included in the ISRG policy.

Sincerely,



John Chevedden

cc: Cory Balliet

[ISRG: Rule 14a-8 Proposal, November 8, 2025]

[This line and any line above it – *Not* for publication.]

Proposal 4 – Shareholder Approval Requirement for Excessive Golden Parachutes

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Please vote yes:

Shareholder Approval Requirement for Excessive Golden Parachutes – Proposal 4

[The above line – *Is* for publication.]