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SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN MATEO

PUBLIC SCHOOL TEACHERS' PENSION
AND RETIREMENT FUND OF
CHICAGO,

Plaintiff,

v.

GARY S. GUTHART, LONNIE M.
SMITH, ERIC H. HALVORSON, ALAN J.
LEVY, CRAIG H. BARRATT, AMAL M.
JOHNSON, MARK J. RUBASH, GEORGE
STALK, JR., MARSHALL L. MOHR,
SALVATORE J. BROGNA, AUGUSTO V.
CASTELLO, JEROME J. MCNAMARA,
MARK MELTZER, COLIN MORALES,
DAVID J. ROSA,

Defendants

-and-

INTUITIVE SURGICAL, INC.,

Nominal Party.

Case No. CIV-526930

~~PROPOSED~~ ORDER SETTING
SETTLEMENT HEARING AND
APPROVING NOTICE OF PROPOSED
DERIVATIVE SETTLEMENT

ENDORSED FILED
SAN MATEO COUNTY

AUG 09 2017

Clerk of the Superior Court
By PATRICE DEANG
DEPUTY CLERK

WHEREAS, the Settling Parties have made an application for an order: (i) setting a hearing to consider (a) approval of a settlement of the above-captioned shareholder action (the "State Action") in accordance with the Stipulation of Settlement dated August 8, 2017 (the "Settlement"); (b) dismissal of the State Action with prejudice, upon the terms and conditions set forth in the Settlement; and (c) an award of attorneys' fees and reimbursement of litigation expenses for Plaintiffs' Counsel; and (ii) approving the form and content of the Notice of Hearing and Proposed Derivative Settlement (the "Notice") and Summary Notice of Hearing and Proposed Derivative Settlement (the "Summary Notice"), attached to the Settlement as Exhibits B and C, respectively, for publication;

WHEREAS, the Court has read and considered the Settlement and the exhibits attached thereto;

1 WHEREAS, the Settlement appears to be the product of serious, informed, non-collusive
2 negotiations and falls within the range of reasonableness of a settlement that ultimately could be
3 granted approval by the Court; and

4 WHEREAS, the Settling Parties have consented to the entry of this Order;

5 NOW THEREFORE, IT IS HEREBY ORDERED that:

6 1. Except for the terms defined herein, the Court adopts and incorporates the
7 definitions in the Settlement for purposes of this Order.

8 2. Because the Court finds the terms of the Settlement to be within the range of
9 reasonableness of a settlement that ultimately could be granted approval by the Court, a hearing
10 (the "Settlement Hearing") will be held before the Court on October 20, 2017 at 9:00 a.m. in
11 Department 10, Courtroom 8D, located at 400 County Center Redwood City, CA 94063 to:

12 i) Determine whether the Settlement should be approved as fair, reasonable,
13 and adequate and in the best interests of Intuitive and all Intuitive Stockholders;

14 ii) Determine whether the State Action should be dismissed and with
15 prejudice;

16 iii) Determine whether Plaintiffs' Counsel's application for an award of
17 attorneys' fees and reimbursement of litigation expenses, in an amount of \$16,733,008.15, should
18 be granted; and

19 iv) Rule on such other matters as the Court may deem appropriate.

20 3. The Court reserves the right to adjourn the Settlement Hearing or any adjournment
21 thereof, including the consideration of the application for an award of attorneys' fees and
22 reimbursement of litigation expenses, without further notice of any kind other than oral
23 announcement at the Settlement Hearing or any adjournment thereof, and retains jurisdiction over
24 the State Action to consider all further applications arising out of or connected with the proposed
25 Settlement.

26 4. The Court reserves the right to approve the Settlement at or after the Settlement
27 Hearing with such modification(s) to the Settlement as may be consented to by the Settling
28 Parties and without further notice to Intuitive Stockholders.

1 5. Within seven (7) days of entry of this order, Intuitive shall cause the Notice, in the
2 form attached to the Stipulation of Settlement as Exhibit B, to be posted on its website for sixty
3 (60) days. Plaintiffs' Counsel shall cause the Order and Notice to be posted on their website for
4 thirty (30) days. Intuitive and Plaintiffs' Counsel shall jointly arrange for the Summary Notice, in
5 the form attached to the Stipulation of Settlement as Exhibit C, to be published one time (at
6 Intuitive's expense) in a financial publication with national circulation, such as *Investor's*
7 *Business Daily*.

8 6. The form and method of notice provided in the preceding paragraph is the best
9 notice practicable, constitutes due and sufficient notice of the Settlement Hearing to all persons
10 entitled to receive such a notice, and meets the requirements of all applicable law. Counsel for
11 Intuitive shall file with the Court an appropriate affidavit with respect to the preparation and
12 publication of the Notice and Summary Notice no later than twenty-eight (28) calendar days
13 before the Settlement Hearing.

14 7. All proceedings in the State Action, except for those activities and proceedings
15 relating to the Settlement, are hereby stayed and suspended until further order of this Court.

16 8. Plaintiffs shall serve and file their brief and supporting papers in support of the
17 application for an award of attorneys' fees and reimbursement of litigation expenses no later than
18 twenty-eight (28) calendar days before the Settlement Hearing.

19 9. Any current Intuitive Stockholders may object and/or appear and show cause, if
20 he, she, or it has any concern, why the Settlement should not be approved as fair, reasonable, and
21 adequate, why the Final Order and Judgment should not be entered thereon, or why the
22 application for an award of attorneys' fees and reimbursement of litigation expenses should not
23 be approved. If any current Intuitive Stockholders wants to submit any papers, briefs or other
24 documents objecting to the Settlement, not later than fourteen (14) calendar days prior to the
25 Settlement Hearing, the stockholder must file with the Clerk of the Court a written objection to
26 the Settlement setting forth: (i) the Intuitive Stockholder's name, legal address, and telephone
27 number; (ii) proof of ownership of Intuitive common stock by the Intuitive Stockholder, currently
28 and throughout the relevant period, including the number of shares of Intuitive common stock and

1 the date of purchase; (iii) a detailed statement of the Intuitive Stockholder's specific position with
2 respect to the matters to be heard at the Settlement Hearing, including a statement of each
3 objection being made; (iv) the grounds for each objection or the reasons for the Intuitive
4 Stockholder's desiring to appear and to be heard; (v) written notice of whether the Intuitive
5 Stockholder intends to appear at the Settlement Hearing; and (vi) copies of any papers the
6 Intuitive Stockholder intends to submit to the Court.

7 10. If any current Intuitive Stockholder files a written objection, such stockholder
8 must also simultaneously serve copies of such notice, proof, statement, and documentation,
9 together with copies of any other papers or briefs such stockholder files with the Court upon each
10 of the following:

11 Clerk of the Court

12 SUPERIOR COURT OF CALIFORNIA
13 400 County Center
14 Redwood City, CA 94063

15 Counsel for State Plaintiff

16 Richard A. Speirs, Esq.
17 COHEN MILSTEIN SELLERS & TOLL
18 88 Pine Street
19 New York, NY 10005

20 and

21 Mark C. Molumphy, Esq.
22 COTCHETT PITRE & MCCARTHY LLP
23 840 Malcolm Road, Suite 200
24 Burlingame, CA 94010

25 Counsel for Defendants

26 Michael D. Celio
27 KEKER, VAN NEST & PETERS, LLP
28 633 Battery Street
San Francisco, CA 94111

Counsel for Intuitive

Ismail Ramsey
RAMSEY & EHRLICH LLP
803 Hearst Avenue
Berkeley, CA 94710

1 11. The Settling Parties have the right, but are not required to, submit a response to
2 any objections to the Settlement not later than seven (7) calendar days prior to the Settlement
3 Hearing.

4 12. Any current Intuitive Stockholders who does not make his, her, or its objection in
5 the manner and within the time prescribed above shall be deemed to have waived the right to
6 object (including the right to appeal) and shall forever be barred, in this proceeding or in any
7 other proceeding, from raising such objection(s), but shall otherwise be bound by the Final Order
8 and Judgment to be entered and the releases to be given.

9 13. The Court may, for good cause, extend any of the deadlines set forth in this Order
10 without further notice to current Intuitive Stockholders.

11 IT IS SO ORDERED.

12
13 9 August 2017

14 Date

13 /s/ GERALD J. BUCHWALD

14 Hon. Gerald J. Buchwald