

## Cash Settlement

November 29, 2012

Exchange/Memo ID: 202911

ONN / OCC ID: 31682



## CERADYNE, INC - CASH SETTLEMENT/ACCELERATION OF EXPIRATIONS

### DESCRIPTION:

On November 27, 2012, Cyborg Acquisition Corporation, a wholly owned subsidiary of 3M Company (MMM), completed its tender offer for Ceradyne, Inc. (CRDN) Common Shares. The subsequent merger was completed on November 28, 2012. As a result, each existing CRDN Common Share will be converted into the right to receive \$35.00 net cash per share.

#### ACCELERATION OF EXPIRATIONS

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series. (See OCC Information Memo 23707) Additionally, the exercise by exception (ex by ex) threshold for expiring series will be \$.01 in all account types.

All series of Ceradyne, Inc. (CRDN) options whose expiration dates are after 12-22-2012 will have their expiration dates advanced to 12-22-2012. Expiration dates occurring before 12-22-2012 (e.g., Flex options) will remain unchanged.

Ceradyne, Inc. (CRDN) will utilize a \$.01 exercise threshold.

Option Symbols: CRDN

Existing Expiration: All months

New expiration date: 12-22-2012

Existing American-style Ceradyne, Inc. (CRDN) options remain exercisable at the option of the holder prior to their expiration. Exercised options will continue to settle in three business days.

### Pending Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below options will be adjusted as follows.

Adjustment Date:	<b>November 29, 2012</b>
Option Symbol:	CRDN remains CRDN
Underlying Security:	CRDN remains CRDN
Contract Multiplier:	1
Strike Divisor:	1
New Multiplier:	100
New Deliverable:	\$3,500.00 Cash (\$35.00 x 100)

#### GTC Order Cancellation:

On Thursday, November 29th, 2012, immediately after the BOX close, all resting orders for CRDN in the order book will be canceled by the BOX Market Operations Center.

**Additional Exchange Info:**

<b>Old Option Symbol</b>	<b>Old PutCall Code</b>	<b>Old Strike Price</b>	<b>Old Contract Date</b>	<b>New Option Symbol</b>	<b>New PutCall Code</b>	<b>New Strike Price</b>	<b>New Contract Date</b>
CRDN	C/P	12.50	12/22/2012	CRDN	C/P	12.50	12/22/2012

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Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
CRDN	C/P	15.00	12/22/2012	CRDN	C/P	15.00	12/22/2012
CRDN	C/P	17.50	12/22/2012	CRDN	C/P	17.50	12/22/2012
CRDN	C/P	20.00	12/22/2012	CRDN	C/P	20.00	12/22/2012
CRDN	C/P	22.50	12/22/2012	CRDN	C/P	22.50	12/22/2012
CRDN	C/P	25.00	12/22/2012	CRDN	C/P	25.00	12/22/2012
CRDN	C/P	27.50	12/22/2012	CRDN	C/P	27.50	12/22/2012
CRDN	C/P	30.00	12/22/2012	CRDN	C/P	30.00	12/22/2012
CRDN	C/P	32.50	12/22/2012	CRDN	C/P	32.50	12/22/2012
CRDN	C/P	35.00	12/22/2012	CRDN	C/P	35.00	12/22/2012
CRDN	C/P	37.50	12/22/2012	CRDN	C/P	37.50	12/22/2012
CRDN	C/P	40.00	12/22/2012	CRDN	C/P	40.00	12/22/2012
CRDN	C/P	42.50	12/22/2012	CRDN	C/P	42.50	12/22/2012
CRDN	C/P	45.00	12/22/2012	CRDN	C/P	45.00	12/22/2012
CRDN	C/P	47.50	12/22/2012	CRDN	C/P	47.50	12/22/2012
CRDN	C/P	50.00	12/22/2012	CRDN	C/P	50.00	12/22/2012
CRDN	C/P	25.00	01/19/2013	CRDN	C/P	25.00	01/19/2013
CRDN	C/P	27.50	01/19/2013	CRDN	C/P	27.50	01/19/2013
CRDN	C/P	30.00	01/19/2013	CRDN	C/P	30.00	01/19/2013
CRDN	C/P	32.50	01/19/2013	CRDN	C/P	32.50	01/19/2013
CRDN	C/P	35.00	01/19/2013	CRDN	C/P	35.00	01/19/2013
CRDN	C/P	37.50	01/19/2013	CRDN	C/P	37.50	01/19/2013
CRDN	C/P	40.00	01/19/2013	CRDN	C/P	40.00	01/19/2013
CRDN	C/P	42.50	01/19/2013	CRDN	C/P	42.50	01/19/2013
CRDN	C/P	45.00	01/19/2013	CRDN	C/P	45.00	01/19/2013
CRDN	C/P	12.50	03/16/2013	CRDN	C/P	12.50	03/16/2013
CRDN	C/P	15.00	03/16/2013	CRDN	C/P	15.00	03/16/2013
CRDN	C/P	17.50	03/16/2013	CRDN	C/P	17.50	03/16/2013
CRDN	C/P	20.00	03/16/2013	CRDN	C/P	20.00	03/16/2013
CRDN	C/P	22.50	03/16/2013	CRDN	C/P	22.50	03/16/2013
CRDN	C/P	25.00	03/16/2013	CRDN	C/P	25.00	03/16/2013
CRDN	C/P	27.50	03/16/2013	CRDN	C/P	27.50	03/16/2013
CRDN	C/P	30.00	03/16/2013	CRDN	C/P	30.00	03/16/2013
CRDN	C/P	32.50	03/16/2013	CRDN	C/P	32.50	03/16/2013
CRDN	C/P	35.00	03/16/2013	CRDN	C/P	35.00	03/16/2013
CRDN	C/P	37.50	03/16/2013	CRDN	C/P	37.50	03/16/2013
CRDN	C/P	40.00	03/16/2013	CRDN	C/P	40.00	03/16/2013
CRDN	C/P	42.50	03/16/2013	CRDN	C/P	42.50	03/16/2013
CRDN	C/P	45.00	03/16/2013	CRDN	C/P	45.00	03/16/2013
CRDN	C/P	47.50	03/16/2013	CRDN	C/P	47.50	03/16/2013
CRDN	C/P	50.00	03/16/2013	CRDN	C/P	50.00	03/16/2013
CRDN	C/P	25.00	06/22/2013	CRDN	C/P	25.00	06/22/2013
CRDN	C/P	27.50	06/22/2013	CRDN	C/P	27.50	06/22/2013
CRDN	C/P	30.00	06/22/2013	CRDN	C/P	30.00	06/22/2013
CRDN	C/P	32.50	06/22/2013	CRDN	C/P	32.50	06/22/2013
CRDN	C/P	35.00	06/22/2013	CRDN	C/P	35.00	06/22/2013

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
CRDN	C/P	37.50	06/22/2013	CRDN	C/P	37.50	06/22/2013
CRDN	C/P	40.00	06/22/2013	CRDN	C/P	40.00	06/22/2013
CRDN	C/P	42.50	06/22/2013	CRDN	C/P	42.50	06/22/2013
CRDN	C/P	45.00	06/22/2013	CRDN	C/P	45.00	06/22/2013

**Disclaimer:**

This Information Memo summarizes corporate events affecting listed options. No warranty of accuracy or completeness is given with respect to the summary. Option series information is based on series existing at OCC at the time this Memo was generated.

**Contact Information:**

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.