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11 [Additional counsel appear on signature page.]

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF ORANGE

14 In re CERADYNE, INC. SHAREHOLDER)
15 LITIGATION) Lead Case No. 30-2012-00604001-CU-BT-CXC
(Consolidated with
) Case No. 30-2012-00604931-CU-SL-CXC)

16 This Document Relates To:)
17) CLASS ACTION

18 ALL ACTIONS.) Assigned to: Judge Thierry P. Colaw

19 [~~PROPOSED~~] ORDER GRANTING
20 PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT AND PROVIDING
FOR NOTICE

21 DEPT: CX105
22 DATE ACTION FILED: 10/09/12

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[~~PROPOSED~~] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CIVIL COMPLIANCE LITIGATION CENTER

NOV 17 2017

DAVID H. YAMASAKI, Clerk of the Court

BY _____, DEPUTY

1 WHEREAS, the parties to the above-entitled action (the “Action”), plaintiffs Parmanand Kumar,
2 Adam Golovoy and City of Hialeah Employees’ Retirement System (collectively, the “Plaintiffs”) and
3 defendants Ceradyne, Inc. (“Ceradyne”), Joel P. Moskowitz, Richard A. Kertson, Richard A. Alliegro,
4 Frank Edelstein, Siegfried Müssig and Milton L. Lohr (collectively, the “Defendants”), entered into a
5 Stipulation of Settlement dated June 14, 2017 and the Notice of Amendments to the Stipulation of
6 Settlement dated June 14, 2017 (together, the “Stipulation” or “Settlement”),¹ which is subject to review
7 by this Court and which, together with the Exhibits thereto, sets forth the terms and conditions for the
8 Settlement of the claims in the Action; and the Court having read and considered the Stipulation and the
9 accompanying documents; and the Parties having consented to the entry of this Order;

10 IT IS HEREBY ORDERED that:

11 1. Pursuant to §382 of the California Code of Civil Procedure, the Court preliminarily
12 certifies, for purposes of effectuating the Settlement only, a Class of all record and beneficial owners of
13 Ceradyne common stock who received consideration for their shares in the sale of Ceradyne to 3M
14 Company at the price of \$35.00 per share, pursuant to either the Tender Offer or the second step
15 Merger. Excluded from the Class are the Defendants, their estates, Defendants’ respective successors,
16 heirs and assigns, Defendants’ immediate family members, and any company, trust, or other entity in
17 which a Defendant owned, or beneficially controlled or held, as of November 27, 2012, a fifty percent
18 or more interest. Also excluded from the Class is any Person who exercised their appraisal rights under
19 Section 262 of the General Corporation Law of the State of Delaware or who validly requests exclusion
20 from the Class.

21 2. With respect to the Class, and solely for purposes of effectuating settlement, this Court
22 finds and concludes that: (a) the members of the Class are so numerous that joinder of all Class
23 Members in the Action is impracticable; (b) there are questions of law and fact common to the Class
24 which predominate over any individual questions; (c) the claims of the Plaintiffs are typical of the
25 claims of the Class; (d) Plaintiffs and their counsel have fairly and adequately represented and protected

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27 ¹ All capitalized terms herein have the same meanings as defined in the Stipulation, unless otherwise
28 stated.

1 the interests of all the Class Members; and (e) a class action is superior to other methods for the fair and
2 efficient adjudication of the matter.

3 3. The Court preliminarily finds and concludes that the Settlement as set forth in the
4 Stipulation results from arm's-length settlement negotiations, including mediation under the direction of
5 an experienced mediator, Jill Sperber, Esq., and is sufficiently fair, reasonable, and adequate to warrant
6 providing notice of the Settlement to the Class. As a result, the Court preliminarily approves the
7 Settlement and adopts the terms of the Stipulation for the purpose of this Order Granting Preliminary
8 Approval of Class Action Settlement and Providing for Notice (the "Order").

9 4. A hearing (the "Settlement Hearing") shall be held before the Court on 4 MAY,
10 2018, at 10:30, in Department CX105 of the Superior Court of the State of California, County of
11 Orange, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701 to determine:

12 (a) whether the Settlement should be approved by the Court as fair, reasonable, and
13 adequate;

14 (b) whether the Judgment attached as Exhibit B to the Stipulation should be entered
15 in all material respects;

16 (c) whether the proposed plan of distribution should be approved; and

17 (d) whether the Court should approve the award of Class Counsel's attorneys' fees
18 and expenses (*i.e.*, the "Fee and Expense Application"), and service awards of up to \$5,000 each for
19 Plaintiffs, for their time, effort and service in representing the Class in this Action.

20 5. Any moving papers filed in support of the final approval of the Settlement, the plan of
21 distribution, the Fee and Expense Application, or Plaintiff service awards shall be filed at least fourteen
22 days (14) calendar days prior to the deadline for objections in ¶13. All reply papers shall be filed at
23 least seven (7) calendar days prior to the Settlement Hearing.

24 6. The Court may adjourn or continue the Settlement Hearing or any part thereof, without
25 further notice of any kind to the Class.

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1 their discretion, accept for processing late submitted claims so long as the distribution of the Net
2 Settlement Fund to Settlement Payment Recipients is not materially delayed.

3 (c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction
4 of the Court with respect to the claim submitted.

5 12. All Class Members shall be bound by all determinations, releases and judgments in this
6 Action, whether favorable or unfavorable, and regardless of whether such Persons seek or obtain by any
7 means, including by submitting a Proof of Claim, any distribution from the Settlement Fund or Net
8 Settlement Fund, unless they request exclusion from the Class in a timely and proper manner, as
9 hereinafter provided. A Class Member wishing to make such request shall, no later than ninety (90)
10 calendar days after the Notice Date, mail a request for exclusion in written form by First-Class Mail
11 postmarked to the address designated in the Notice. Such request for exclusion shall indicate the name,
12 address and telephone number of the Person seeking exclusion, that the Person requests to be excluded
13 from the Class, and must be signed by such Person. Such Persons requesting exclusion are also
14 requested to state the number of shares of Ceradyne common stock they received consideration for in
15 the sale of Ceradyne to 3M Company at the price of \$35.00 per share. The request for exclusion shall
16 not be effective unless it is made in writing within the time stated above, and the exclusion is accepted
17 by the Court. Class Members requesting exclusion from the Class shall not be entitled to receive any
18 payment out of the Net Settlement Fund as described in the Stipulation and Notice. Upon receiving any
19 request for exclusion, Class Counsel or the Claims Administrator shall promptly, and in no case later
20 than fifteen (15) calendar days prior to the Settlement Hearing, notify Defendants' counsel of such
21 request for exclusion and provide copies of such request for exclusion and any documentation
22 accompanying it by email.

23 13. The Court will consider objections to the Settlement, the plan of distribution, the
24 payment to Plaintiffs for their representation of the Class, and/or the Fee and Expense Application. Any
25 person wanting to object may do so in writing or appear at the Settlement Hearing. If a person wishes
26 to appear at the Settlement Hearing to object, no written objection is necessary. However, written
27 objections and any supporting papers, accompanied by proof of Class membership, shall be filed with

1 the Clerk of the Court, Superior Court of the State of California, County of Orange, Civil Complex
2 Center, 751 West Santa Ana Blvd., Santa Ana, CA 92701, and copies of all such papers served such
3 that they are received no later than ninety (90) calendar days after the Notice Date, upon the following:
4 Jeffrey D. Light, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego,
5 CA 92101, on behalf of the Plaintiffs and the Class. Persons who object in writing to the Settlement,
6 the plan of distribution, the Fee and Expense Application and/or the request for payment to Plaintiffs for
7 representing the Class and desire to present evidence at the Settlement Hearing must include in their
8 written objections copies of any exhibits they intend to introduce into evidence at the Settlement
9 Hearing. If an objector hires an attorney to represent him, her, or it for the purposes of making an
10 objection, the attorney must both effect service of a notice of appearance on counsel listed above and
11 file it with the Court by no later than ninety (90) calendar days after the Notice Date. A Class Member
12 who files a written objection does not have to appear at the Settlement Hearing for the Court to consider
13 his, her or its objection. Any member of the Class who does not make his, her, or its objection in the
14 manner provided shall be deemed to have waived such objection and shall be foreclosed from making
15 any objection to the fairness or adequacy of the Settlement set forth in the Stipulation, to the plan of
16 distribution, and to the award of attorneys' fees and expenses to Class Counsel and Plaintiffs for their
17 representation of the Class, unless the Court orders otherwise.

18 14. The passage of title and ownership of the Settlement Fund to the Escrow Agent in
19 accordance with the terms and obligations of the Stipulation is approved. No Person that is not a Class
20 Member or counsel to the Plaintiffs shall have any right to any portion of, or in the distribution of, the
21 Settlement Fund unless otherwise ordered by the Court or otherwise provided in the Stipulation.

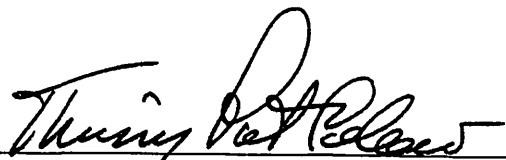
22 15. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*
23 *legis*, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be
24 distributed pursuant to the Stipulation and/or further order(s) of the Court.

25 16. Neither the Released Defendant Parties nor their counsel shall have any responsibility for
26 the plan of distribution or any application for attorneys' fees and expenses submitted by Class Counsel,
27 or the service awards requested by Plaintiffs.

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IT IS SO ORDERED.

DATED: 17 November
2017


HONORABLE THIERRY P. COLAW
JUDGE OF THE SUPERIOR COURT

Submitted by:

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& DOWD LLP
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