CBOE EXECUTE SUCCESS℠

CBOE Research Circular #RS12-594

DATE: November 13, 2012

TO: Permit Holders

RE: **Masimo Corporation ("MASI")**
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: November 23, 2012

From: Scott Speer

Masimo Corporation ("MASI") has declared a special cash dividend of **$1.00** per share on its outstanding common stock. The special cash dividend has a record date of November 27, 2012 and a payable date of December 11, 2012. **The ex-distribution date will be on Friday, November 23, 2012.**

THE FOREGOING DISCUSSION IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE SPECIAL DIVIDEND, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE MASIMO CORPORATION NEWS RELEASE DATED NOVEMBER 1, 2012, FOR THE AUTHORITATIVE DESCRIPTION OF THE SPECIAL DIVIDEND AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustment for the Special Cash Dividend

Pursuant to Article VI, Section 11 and 11A of OCC's By-Laws, all outstanding MASI option series will be adjusted to reflect this special cash dividend as follows: **On Friday, November 23, 2012, each MASI series shall be adjusted by decreasing the strike price by $1.00, the amount of the cash dividend, rounded to the nearest 1/100th.** The option symbols for the adjusted contracts will remain the same. Premiums and strike-price amounts for the adjusted MASI options will continue to be calculated on the basis of a multiplier of 100, *i.e.*, for premium and strike-price extensions, 1 point of premium or strike price will equal $100. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Friday, November 23, 2012, trading in MASI series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*			
MASI	12.50	2012-12-22	C/P	=>	MASI	11.50	2012-12-22	C/P
MASI	15.00	2012-12-22	C/P	=>	MASI	14.00	2012-12-22	C/P
MASI	17.50	2012-12-22	C/P	=>	MASI	16.50	2012-12-22	C/P
MASI	20.00	2012-12-22	C/P	=>	MASI	19.00	2012-12-22	C/P
MASI	22.50	2012-12-22	C/P	=>	MASI	21.50	2012-12-22	C/P
MASI	25.00	2012-12-22	C/P	=>	MASI	24.00	2012-12-22	C/P
MASI	30.00	2012-12-22	C/P	=>	MASI	29.00	2012-12-22	C/P
MASI	35.00	2012-12-22	C/P	=>	MASI	34.00	2012-12-22	C/P
MASI	12.50	2013-03-16	C/P	=>	MASI	11.50	2013-03-16	C/P
MASI	15.00	2013-03-16	C/P	=>	MASI	14.00	2013-03-16	C/P

EXISTING SERIES					ADJUSTED SERIES*			
MASI	17.50	2013-03-16	C/P	=>	MASI	16.50	2013-03-16	C/P
MASI	20.00	2013-03-16	C/P	=>	MASI	19.00	2013-03-16	C/P
MASI	22.50	2013-03-16	C/P	=>	MASI	21.50	2013-03-16	C/P
MASI	25.00	2013-03-16	C/P	=>	MASI	24.00	2013-03-16	C/P
MASI	30.00	2013-03-16	C/P	=>	MASI	29.00	2013-03-16	C/P
MASI	35.00	2013-03-16	C/P	=>	MASI	34.00	2013-03-16	C/P
MASI	12.50	2013-06-22	C/P	=>	MASI	11.50	2013-06-22	C/P
MASI	15.00	2013-06-22	C/P	=>	MASI	14.00	2013-06-22	C/P
MASI	17.50	2013-06-22	C/P	=>	MASI	16.50	2013-06-22	C/P
MASI	20.00	2013-06-22	C/P	=>	MASI	19.00	2013-06-22	C/P
MASI	22.50	2013-06-22	C/P	=>	MASI	21.50	2013-06-22	C/P
MASI	25.00	2013-06-22	C/P	=>	MASI	24.00	2013-06-22	C/P
MASI	30.00	2013-06-22	C/P	=>	MASI	29.00	2013-06-22	C/P

*** Any additional MASI series that are added prior to the ex-date (*e.g.,* the January series) will also be adjusted in the manner described above.**

GTC Order Conversion

On Wednesday, November 21, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the MASI order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this cash distribution will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments