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18 UNITED STATES DISTRICT COURT
19 SOUTHERN DISTRICT OF CALIFORNIA

20 NORMAN WILHOITE and JUDITH
21 WILHOITE, derivatively on behalf of
22 TUSIMPLE HOLDINGS, INC.,

23 Plaintiffs,

24 vs.

25 XIAODI HOU, MO CHEN, CHENG
26 LU, GUOWEI "CHARLES" CHAO,
27 and HYDRON, INC.,

28 Defendants,

- and -

TUSIMPLE HOLDINGS, INC.,

Nominal Defendant.

Case No. 23cv2333 BEN (MSB)

STIPULATION OF SETTLEMENT

1 This Stipulation of Settlement, dated December 18, 2024 (the “Stipulation”)
2 sets forth the terms and conditions of the settlement of the stockholder derivative
3 actions captioned *Wilhoite, et al. v. Hou, et al.*, Case No. 3:23-cv-02333-BEN-MSB
4 (the “California Action”), pending in the United States District Court for the
5 Southern District of California (the “California Court” or the “Court”), and the
6 consolidated action captioned *In re TuSimple Holdings, Inc. Stockholder Litigation*,
7 C.A. No. 2022-1095-PAF (the “Delaware Action,” and together with the California
8 Action, the “Actions”) pending in the Court of Chancery of the State of Delaware
9 (the “Delaware Court”).

10 The settling parties from the California Action are: the California Plaintiffs,
11 derivatively on behalf of TuSimple and the Settling California Defendants. The
12 settling parties from the Delaware Action are: the Delaware Plaintiffs, derivatively
13 on behalf of TuSimple and the Settling Delaware Defendants. The Stipulation is
14 made and entered by and among Plaintiffs, Settling Defendants, and the SLC, acting
15 for and on behalf of TuSimple, and Plaintiffs, Settling Defendants, and the SLC are
16 collectively referred to herein as the “Settling Parties.”

17 The Stipulation is intended to fully, finally, and forever resolve, discharge,
18 and settle the Actions and the Released Claims (defined below), subject to the
19 approval of the Court and the terms and conditions set forth in this Stipulation.

20 **I. THE ACTIONS**

21 **A. The California Action**

22 **1. The TRO and PI Proceedings in the California Court**

23 The California Plaintiffs commenced the California Action on December 22,
24 2023, alleging, among other things, that the California Defendants caused TuSimple
25 to transfer its trade secrets to Hydron, a company under Chen’s control, without
26 proper consideration. The California Plaintiffs asserted three claims derivatively on
27 behalf of TuSimple: (1) violations of the Defend Trade Secrets Act of 2016, 18
28 U.S.C. § 1836 *et seq.*; (2) violations of the California Uniform Trade Secrets Act,

1 Cal. Civ. Code § 3426.1 *et seq.*; and (3) civil conspiracy. On January 5, 2024, the
2 California Plaintiffs moved for a temporary restraining order (“TRO”) and expedited
3 discovery on the basis that, absent injunctive relief, the California Defendants could
4 continue expatriating TuSimple’s trade secrets to Hydron and to China.

5 The Court heard oral argument on the TRO motion on January 22, 2024 and
6 subsequently entered a TRO and discovery order that, among other things, restricted
7 the flow of TuSimple’s U.S.-based trade secrets to Hydron and TuSimple’s China-
8 based business and limited the use of TuSimple’s U.S.-based assets. The Court
9 determined that the California Plaintiffs raised “serious questions regarding the
10 merits” of their claims. After further briefing, the Court modified the TRO on
11 February 2, 2024, based on TuSimple’s input.

12 The TRO and discovery order also allowed the California Plaintiffs to obtain
13 discovery in support of their anticipated motion for preliminary injunction (“PI”).
14 The TRO required TuSimple to produce, by February 6, 2024, “documents in their
15 possession, custody or control” sufficient to “show the location of TuSimple’s trade
16 secrets” and “identify any proprietary information and/or intellectual property
17 belonging to TuSimple that has been disclosed or transferred to Hydron.”

18 TuSimple moved to dismiss the California Complaint (defined below) on
19 January 16, 2024 based on: (1) the forum-selection clause for derivative litigation in
20 TuSimple’s Certificate of Incorporation designating Delaware as the exclusive
21 forum; (2) the California Plaintiffs’ alleged failure to plead demand futility under
22 Rule 23.1; and (3) the California Plaintiffs’ alleged failure to state a claim for trade-
23 secret misappropriation and conspiracy. The Court convened a hearing on February
24 12, 2024, concerning TuSimple’s motion to dismiss. Although the Court stated its
25 tentative inclination to “deny the motion to dismiss without prejudice ... on all three
26 grounds,” the Court has not ruled on TuSimple’s motion to dismiss, which remains
27 pending.

1 On February 9, 2024, the California Plaintiffs moved to direct TuSimple to
2 comply with the discovery order and produce responsive documents in the
3 possession of TuSimple’s wholly-owned Chinese subsidiaries. On March 7, United
4 States Magistrate Judge Berg granted Plaintiffs’ motion to compel. TuSimple
5 moved to set aside Magistrate Judge Berg’s order on March 15, which motion
6 remains pending.

7 On February 9, 2024, the California Plaintiffs moved for a PI. The Court
8 heard argument on the motion on March 12. After hearing arguments, the Court
9 continued the PI hearing to allow the California Plaintiffs to conduct further
10 discovery. The Court issued an order on March 13, extending the TRO through
11 April 8, “[b]ased on the strength of the circumstantial evidence and the need for a
12 fully developed record consistent with the goals of expedited discovery[.]” The
13 Court separately granted the California Plaintiffs leave to depose Defendant Chen
14 (TuSimple’s co-founder, former Executive Chairman and CEO, and current director)
15 and others.

16 To allow sufficient time to conduct further discovery, on March 28, 2024, the
17 California Plaintiffs moved to extend the TRO, which motion TuSimple opposed.
18 On March 29, the Court granted the motion and extended the TRO to April 29. On
19 April 17, the California Plaintiffs moved again to extend the TRO, which motion
20 TuSimple opposed. The Court granted the California Plaintiffs’ motion on April 22
21 and extended the TRO to May 13.

22 After additional briefing and hearings on discovery issues, in April 2024, the
23 California Plaintiffs deposed Chen, Lu (TuSimple CEO from June 2020 to March
24 2022, and from November 2022 to the present), as well as former interim TuSimple
25 CEO Ersin Yumer. TuSimple also produced documents to the California Plaintiffs.

26 On May 3, 2024, the California Plaintiffs submitted supplemental briefing on
27 their PI motion. On May 8, the California Defendants responded to the California
28 Plaintiffs’ supplemental brief. Upon receipt of the parties’ supplemental briefing

1 and evidence, on May 9, the Court *sua sponte* extended the TRO to June 10 and set
2 the PI hearing for the same day. The PI motion remains pending.

3 **2. The Proceedings in the Ninth Circuit**

4 On March 15, 2024, TuSimple sought interlocutory review in the United
5 States Court of Appeals for the Ninth Circuit of the March 13, 2024 order extending
6 the TRO, as well as the TRO-related rulings. On March 18, TuSimple sought an
7 emergency stay of the TRO and related discovery pending appeal. The California
8 Plaintiffs opposed TuSimple’s emergency motion and sought dismissal for want of
9 appellate jurisdiction. On March 26, the Ninth Circuit denied TuSimple’s
10 emergency motion for a stay and denied the California Plaintiffs’ request for
11 dismissal “without prejudice to renewing the arguments in the answering brief.”

12 TuSimple subsequently appealed the orders extending the TRO dated March
13 29, 2024, April 22, 2024, and May 9, 2024. TuSimple’s appeals were consolidated
14 and proceeded to merits briefing on an expedited basis. TuSimple filed its opening
15 brief on April 15. The California Plaintiffs filed their answering brief on May 20.
16 TuSimple filed its reply brief on June 10. The California Plaintiffs filed a
17 supplemental brief on June 25.

18 **3. The Status of Proceedings**

19 Between April and June 2024, Lu, Chen, and Hou moved to dismiss the
20 California Complaint (defined below). Those motions remain pending. On May 20,
21 Hydron answered the California Complaint.

22 In April 2024, while TuSimple’s appeals were proceeding in the Ninth Circuit,
23 the California Plaintiffs and TuSimple submitted competing briefs to the Court (in
24 response to the Court’s request) regarding the scope of the Court’s jurisdiction
25 during the pendency of TuSimple’s appeals. Based on this briefing, on June 5, 2024,
26 the Court extended the TRO to September 15, 2024, and stayed all proceedings
27 pending resolution of TuSimple’s appeals. The extended TRO expired on
28 September 15, 2024.

1 On July 10, 2024, the Ninth Circuit issued an order granting TuSimple’s
2 unopposed motion to stay in light of the Settlement and staying all appellate
3 proceedings until October 8, 2024. On October 16, 2024, the Ninth Circuit ordered
4 the California Plaintiffs and TuSimple to submit supplemental briefing by December
5 16, 2024 regarding the Ninth Circuit’s jurisdiction to hear TuSimple’s appeals given
6 the expiration of the injunction on September 15, 2024.

7 **B. The Delaware Action**

8 The lawsuits that constitute the Delaware Action were commenced between
9 November 28, 2022 and March 6, 2023, with the operative complaint in the
10 Delaware Action filed on July 24, 2023 and alleging, among other things, that the
11 Delaware Defendants caused TuSimple to transfer its trade secrets to Hydron
12 without proper consideration, and that Chen and Hou orchestrated a purge that
13 removed all directors other than Hou from TuSimple’s board of directors and
14 reinstated Chen and Lu as directors. The Delaware Plaintiffs asserted six claims
15 derivatively on behalf of TuSimple: (1) breach of fiduciary duty by Chen and Hou
16 for transfer of TuSimple’s intellectual property to Hydron; (2) breach of fiduciary
17 duty by Chen and Hou for removing the directors of TuSimple other than Hou; (3)
18 unjust enrichment against Chen and Hou; (4) breach of fiduciary duty by certain of
19 the Delaware Defendants who were members of the audit committee of TuSimple’s
20 board of directors; (5) an aiding and abetting claim against Hydron; and (6) an unjust
21 enrichment claim against Hydron. Prior to filing the operative complaint in the
22 Delaware Action, the Delaware Plaintiffs obtained 551 pages of internal, non-public
23 documents from TuSimple pursuant to 8 *Del. C.* § 220 relating to the claims alleged.

24 On March 13, 2023, TuSimple’s board of directors formed a special litigation
25 committee (the “SLC”) to assess and determine whether the pursuit of derivative
26 claims in the Delaware Action would be in the Company’s best interests.

27 On August 18, 2023, the Delaware Court entered an agreed Stay Order, which
28 stayed the Delaware Action until February 9, 2024 to permit the SLC to conduct its

1 investigation. In exchange for the Delaware Plaintiffs agreeing to stay the Action,
2 the SLC agreed to provide—and did provide—the Delaware Plaintiffs with periodic
3 updates regarding the status of its investigation, as well as copies of its enabling
4 resolutions. Delaware Plaintiffs met with the SLC on January 19, 2024 and March
5 10, 2024 to discuss the status of the investigation and provide the Delaware
6 Plaintiffs’ input and suggestions for the investigation.

7 Between August 2023 and April 2024, the SLC directed its counsel to conduct
8 an investigation of the matters forming the basis of the Delaware Action. This
9 included interviews with the named Defendants in the Action and other Company
10 personnel, review and analysis of numerous documents, and engagement of experts
11 to assist the SLC with its review.

12 On February 5, 2024, the Court entered an agreed Order extending the Stay
13 Order until April 9, 2024, and on April 10, 2024, the Court entered an Order
14 extending the Stay Order until June 4, 2024.

15 **C. The Mediation**

16 In April 2024, Plaintiffs and Defendants commenced a mediation process
17 under the supervision of the Hon. Layn R. Phillips (Ret.) of Phillips ADR Enterprises
18 (“Judge Phillips”). On May 2, 2024, Plaintiffs, Defendants, the SLC, and their
19 respective counsel participated in an all-day in-person mediation session before
20 Judge Phillips in New York City. The mediation session was preceded by the
21 submission of mediation statements. In advance of the mediation session, TuSimple
22 provided the Delaware Plaintiffs with nearly 5,000 pages of documents produced in
23 connection with the California Action, including copies of the transcripts of
24 depositions taken in the California Action. Following the mediation session, the
25 parties engaged in further settlement negotiations mediated by Judge Phillips.

26 On July 3, 2024, Judge Phillips issued a mediator’s proposal. On July 8, the
27 Settling Parties accepted Judge Phillips’s proposal to settle the California Action and
28 the Delaware Action in exchange for a cash payment of \$42.5 million for the benefit

1 of TuSimple, subject to the negotiation of the terms of a Stipulation of Settlement
2 and approval by the Court. The Settling Parties' agreement-in-principle to settle the
3 Actions was memorialized in a Settlement Term Sheet executed on September 19,
4 2024 (the "Term Sheet").

5 This Stipulation (together with the Exhibits hereto) reflects the final and
6 binding agreement among the parties.

7 **II. SETTLING DEFENDANTS' DENIALS OF WRONGDOING AND**
8 **LIABILITY**

9 Throughout the course of the Actions and in this Stipulation, Settling
10 Defendants expressly have denied, and continue to deny, any and all of the claims
11 alleged in the respective Actions, including any and all allegations of fault,
12 negligence, liability, wrongdoing, or damages whatsoever. Without limiting the
13 foregoing in any way, Settling Defendants expressly have denied, and continue to
14 deny, each and all of the claims and contentions alleged by Plaintiffs in the respective
15 Actions, including claims that they have committed any breach of fiduciary duty or
16 wrongdoing. Settling Defendants in the respective Actions expressly have denied,
17 and continue to deny, that they have committed any wrongdoing or violations of law
18 or statutory duty as alleged in any complaint in the Actions or that could have been
19 alleged in the Actions, and Settling Defendants maintain that their conduct was at
20 all times proper and in compliance with applicable provisions of law. Settling
21 Defendants in the respective Actions also expressly have denied, and continue to deny,
22 that any Settling Defendant breached their fiduciary duties, was unjustly enriched,
23 misappropriated trade secrets, or engaged in any conspiracy in connection with the
24 sharing of any information belonging to TuSimple with Hydron or the reconstituting
25 of TuSimple's Board of Directors in November 2022; that the California Action was
26 brought in the appropriate forum; that demand on the TuSimple's Board of Directors
27 was excused for the filing of the California Action; or that the Court had any legal
28 basis or authority to enter a TRO or injunction of any kind. Settling Defendants

1 maintain that they have meritorious defenses to all claims alleged in the respective
2 Actions.

3 As set forth below, neither the Settlement nor any of the terms of this
4 Stipulation shall be construed or deemed to be evidence of or constitute an
5 admission, concession, or finding of any fault, negligence, liability, wrongdoing, or
6 damage whatsoever, or any infirmity in the defenses that Settling Defendants have,
7 or could have, asserted. Settling Defendants and the SLC are entering into this
8 Stipulation solely to eliminate the burden, expense, and uncertainty of further
9 litigation given the protracted period in which proceedings necessary to defend the
10 Actions through trial and any appeals might otherwise occur. Settling Defendants
11 and the SLC have determined that it is desirable and beneficial to them that the
12 Actions be settled in the manner and upon the terms and conditions set forth in this
13 Stipulation.

14 **III. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

15 Plaintiffs and Plaintiffs' Lead Counsel believe that the claims asserted in their
16 respective Actions have merit and that the evidence developed to date supports the
17 claims asserted therein. However, Plaintiffs and Plaintiffs' Lead Counsel recognize
18 and acknowledge the expense and length of continued proceedings necessary to
19 prosecute their respective Actions past motions to dismiss, through discovery,
20 summary judgment and trial, as well as through appeals. Plaintiffs and Plaintiffs'
21 Lead Counsel also have taken into account the uncertain outcome and the risks of any
22 litigation, especially in a complex action such as the Actions, as well as the difficulties
23 and delays inherent in the Actions, including potential limitations on discovery in
24 China. Plaintiffs and Plaintiffs' Lead Counsel also are mindful of the inherent
25 problems of proof under, and possible defenses to, the breaches of fiduciary duty and
26 violations of law asserted in the Actions. Plaintiffs and Plaintiffs' Lead Counsel
27 believe that the Settlement set forth in this Stipulation confers substantial benefits
28 upon the Company. Based on their own investigation and evaluation, Plaintiffs and

1 Plaintiffs’ Lead Counsel have determined that the Settlement set forth in this
2 Stipulation is in the best interests of Plaintiffs, the Company, and its stockholders.

3 **IV. TERMS OF THE STIPULATION AND AGREEMENT OF**
4 **SETTLEMENT**

5 NOW, THEREFORE, without any concession by Plaintiffs that the Actions
6 lack merit, and without any concession by Settling Defendants of any liability,
7 wrongdoing, fault, damages, or lack of merit in the defenses asserted, IT IS
8 HEREBY STIPULATED AND AGREED by and among Plaintiffs (on behalf of
9 themselves and derivatively on behalf of TuSimple), the SLC (acting on behalf of
10 TuSimple), and Settling Defendants, by and through their respective counsel, that,
11 subject to the approval of the Court pursuant to Rule 23.1 of the Federal Rules of
12 Civil Procedure, in consideration of the benefits flowing to the Settling Parties from
13 the Settlement, the Actions and the Released Claims shall be finally, fully, and
14 forever compromised, settled, and released, and the Actions shall be dismissed with
15 prejudice upon and subject to the terms and conditions of this Stipulation, as follows:

16 **1. Definitions**

17 As used in this Stipulation, the following terms, when capitalized, have the
18 meanings specified below:

19 1.1 “Business Day” means any day except Saturday or Sunday or any legal
20 holiday, as defined in Rule 6(a)(6) of the Federal Rules of Civil Procedure.

21 1.2 “California Plaintiffs’ Lead Counsel” means Bernstein Litowitz Berger
22 & Grossmann LLP and Bottini & Bottini, Inc.

23 1.3 “California Plaintiffs” means Plaintiffs Norman Wilhoite and Judith
24 Wilhoite.

25 1.4 “California Defendants” means Defendants Guowei “Charles” Chao,
26 Cheng Lu (“Lu”), Mo Chen (“Chen”), Xiaodi Hou (“Hou”), Hydron, Inc.
27 (“Hydron”), and Nominal Defendant TuSimple.
28

1 1.5 “Claims” means claims and causes of action of every nature and
2 description, whether known claims or Unknown Claims, whether arising under state,
3 federal, common, or foreign law.

4 1.6 “Defendants” means the California Defendants and Delaware
5 Defendants, collectively.

6 1.7 “Defendants’ Counsel” means Wilmer Cutler Pickering Hale and Dorr
7 LLP; Procopio, Cory, Hargreaves & Savitch, LLP; Hogan Lovells LLP; Fitzgerald
8 Knaier LLP; Goodwin Procter LLP; Cooley LLP; Glenn Agre Bergman & Fuentes
9 LLP; King & Spalding LLP; and Gibson Dunn & Crutcher LLP.

10 1.8 “Delaware Plaintiffs” means Plaintiffs Jason Nusbaum and Richard A.
11 Green.

12 1.9 “Delaware Defendants” means Defendants Chen, Hou, Brad Buss,
13 Karen Francis, Reed Werner, Hydron, and Nominal Defendant TuSimple.

14 1.10 “Delaware Plaintiffs’ Lead Counsel” means Block & Leviton LLP and
15 Grant & Eisenhofer, P.A.

16 1.11 “Effective Date,” or the date upon which this Settlement becomes
17 “Effective,” means the first date by which all of the events and conditions specified
18 in ¶6.1 of the Stipulation have been met and have occurred or have been waived.

19 1.12 “Escrow Account” means an interest-bearing account established and
20 maintained at Citibank, N.A. The Escrow Account shall be managed by the Escrow
21 Agent, subject to the Court’s supervisory authority, for the benefit of Plaintiffs,
22 Plaintiffs’ Counsel, and the Company, in accordance with the terms of this
23 Stipulation, the Escrow Agreement, and any order of the Court.

24 1.13 “Escrow Agent” means Citibank, N.A. and its successor(s).

25 1.14 “Escrow Agreement” means the agreement between the Escrow Agent
26 and Plaintiffs’ Lead Counsel.

27 1.15 “Fee and Expense Application” means an omnibus application before
28 this Court, on behalf of all Plaintiffs’ Counsel, for a Fee and Expense Award.

1 1.16 “Fee and Expense Award” means an award of attorneys’ fees and
2 expenses to be paid to Plaintiffs’ Counsel from the Settlement Fund.

3 1.17 “Final” means, with respect to any order or Judgment of the Court, that
4 such order or Judgment represents a final and binding determination of all issues
5 within its scope and has not been reversed, vacated, or modified in any way and is
6 no longer subject to appellate review, either because of disposition on appeal and
7 conclusion of the appellate process or because of passage, without action, of time
8 for seeking appellate review. Without limitation, an order or Judgment becomes
9 Final when either: (a) the time in which the applicable rules permit an appeal of the
10 Judgment or any other court order has expired without the filing of any appeal; or
11 (b) an appeal has been filed and either (i) the court of appeals or Supreme Court has
12 either affirmed the order or Judgment or dismissed that appeal and the time for any
13 reconsideration or further appellate review has expired; or (ii) a higher court has
14 granted further appellate review and that court has either affirmed the underlying
15 order or Judgment or affirmed the court of appeals’ decision affirming the Judgment
16 or dismissing the appeal. For purposes of this paragraph, an “appeal” shall include
17 any motion for reconsideration or petition for a writ of certiorari or other writ that
18 may be filed in connection with approval or disapproval of this Settlement. Any
19 appeal or proceeding seeking subsequent judicial review pertaining solely to an
20 order issued with respect to attorneys’ fees, costs, or expenses (the “Excluded
21 Order”), shall not in any way delay, affect, or preclude the time set forth above for
22 the Judgment to become Final, or otherwise preclude the Judgment from becoming
23 Final.

24 1.18 “Hou Related Parties” means Hou and/or any of his immediate family
25 members, or any of their partners, partnerships, trustees, trusts, or any entity in which
26 any of them have a controlling or beneficial interest, or any of the agents, principals,
27 successors, predecessors, heirs, assigns, or assignees of the foregoing.

1 1.19 “Hou Unreleased Claims” means any and all Claims against any of the
2 Hou Related Parties arising from or related to the actual or alleged use, transfer, or
3 sharing (“Transfer”) of Information including the claims asserted in TuSimple
4 Holdings, Inc. v. Bot Auto TX Inc., Case No. 24-BC11A-0007 (Bus. Ct. Tx.), other
5 than Claims arising out of or related to the actual or alleged Transfer of Information
6 by Hou to Hydron and any person or entity acting on its behalf.

7 1.20 “Information” means all information developed, obtained, controlled or
8 owned at any time by TuSimple, regardless of whether proprietary, including that
9 referred to in paragraphs 38 and 41 of the California Complaint.

10 1.21 “Judgment” means the Final Judgment and Order of Dismissal with
11 Prejudice to be rendered by the Court, substantially in the form attached hereto as
12 Exhibit B, as well as any form of final judgment that may be entered by the Court in
13 a form other than the form attached hereto as Exhibit B and where none of the
14 Settling Parties elects to terminate this Settlement by reason of such variance,
15 consistent with the terms of this Stipulation.

16 1.22 “Plaintiffs’ Lead Counsel” means, collectively, California Plaintiffs’
17 Lead Counsel and Delaware Plaintiffs’ Lead Counsel.

18 1.23 “Plaintiffs’ Counsel” means Plaintiffs’ Lead Counsel and any other
19 counsel to Plaintiffs in either the California Action or Delaware Action.

20 1.24 “Net Settlement Fund” means the Settlement Fund less: (i) any Court-
21 awarded attorneys’ fees and expenses paid or payable to Plaintiffs’ Counsel or any
22 reserve to account for any potential future awards to Plaintiffs’ Counsel; and (ii) any
23 required Taxes and Tax Expenses.

24 1.25 “Notice Expenses” means all costs and expenses related to providing
25 notice of the Settlement to TuSimple stockholders.

26 1.26 “Person(s)” means an individual, corporation (including all divisions
27 and subsidiaries), partnership, limited partnership, limited liability partnership,
28 limited liability corporation, limited liability company, professional corporation,

1 joint venture, fund, association, joint stock company, estate, legal representative,
2 trust, unincorporated association, government or any political subdivision or agency
3 thereof, and any business or legal entity, and all of their respective spouses, heirs,
4 beneficiaries, trustees, transferees, executors, administrators, predecessors,
5 successors, representatives, or assignees.

6 1.27 “Plaintiffs” means the California Plaintiffs and Delaware Plaintiffs,
7 collectively.

8 1.28 “Postcard Notice” means the notice, as approved by the Court and as
9 described in ¶3.1 of this Stipulation and in the Preliminary Approval Order,
10 substantially in the form attached hereto as Exhibit A-3, which is to be emailed or
11 mailed to all record and beneficial holders of TuSimple common stock known to
12 TuSimple as of October 28, 2024, the record date for the Company’s 2024 annual
13 shareholder meeting, informing them of the Settlement contemplated by this
14 Stipulation.

15 1.29 “Preliminary Approval Order” means an order entered by the Court,
16 substantially in the form of Exhibit A attached hereto, granting, inter alia: (i) the
17 preliminary approval of the Settlement set forth in this Stipulation; and (ii) approval
18 for the mailing or emailing of the Postcard Notice; posting of the Notice of Pendency
19 and Proposed Settlement of Derivative Actions (the “Notice”), substantially in the
20 form of Exhibit A-1 attached hereto, and this Stipulation on the “Investor Relations”
21 section of the Company’s website, <https://ir.tusimple.com/overview/default.aspx>;
22 and publication of a Summary Notice of Pendency and Proposed Settlement of
23 Derivative Actions (the “Summary Notice”), substantially in the form of Exhibit A-
24 2 attached hereto, on two separate occasions in the national edition of The Wall
25 Street Journal and on one occasion via the PR Newswire.

26 1.30 “Released Claims” means, collectively, the Released Defendants
27 Claims and the Released Plaintiffs Claims.

28

1 1.31 “Released Defendants Claims” means any and all Claims that arise out
2 of or relate in any way to the institution, prosecution, or settlement of the California
3 Action or the Delaware Action, except for claims relating to the enforcement of the
4 Settlement.

5 1.32 “Released Defendants Persons” means Defendants, any other
6 individual named as a defendant in any complaint filed in the Delaware Action or
7 the California Action, the Company, and any entity in which the Company has a
8 controlling interest, as well as their respective current and former parents, affiliates,
9 subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees,
10 partnerships, partners, committees, joint ventures, trustees, trusts, employees,
11 immediate family members, heirs, insurers and reinsurers (in their capacities as
12 such), consultants, experts, and attorneys (in their capacities as such).

13 1.33 “Released Plaintiffs Claims” means any and all Claims that (i) the
14 California Plaintiffs (x) asserted in the Verified Shareholder Derivative Complaint
15 dated December 22, 2023 (the “California Complaint”) or (y) could have asserted
16 derivatively on behalf of the Company in the California Complaint or in any other
17 forum that are based on, arise out of, or relate to the allegations or circumstances set
18 forth in the California Complaint, except for claims relating to the enforcement of
19 the Settlement; or (ii) that the Delaware Plaintiffs (x) asserted in any of the
20 complaints filed in the Delaware Action, including the Verified Amended Derivative
21 Complaint dated July 24, 2023 (the “Consolidated Delaware Complaint”) and the
22 Verified Derivative Complaints filed on November 28, 2022, December 15, 2022,
23 and March 6, 2023 (the “Predecessor Delaware Complaint”), or (y) could have
24 asserted derivatively on behalf of the Company in the Consolidated Delaware
25 Complaint or in any other forum that are based on, arise out of, or relate to the
26 allegations or circumstances set forth in the Consolidated Delaware Complaint or
27 Predecessor Delaware Complaints, except for claims relating to the enforcement of
28 the Settlement. For the avoidance of doubt, the Released Plaintiffs Claims do not

1 cover, include, or release (i) any and all direct Claims of any current or former
2 stockholder of TuSimple, including without limitation any claims asserted under the
3 federal securities laws, including without limitation the claims asserted in Dicker, et
4 al. v TuSimple Holdings, Inc., et al., Case No. 3:22-cv-01300-BEN-MSB (S.D.
5 Cal.); (ii) Hou Unreleased Claims; and (iii) any and all direct or derivative Claims
6 arising out of or relating to actions taken by directors and officers of TuSimple after
7 December 23, 2023, that do not relate to or arise from, in whole or in part, the safety
8 of TuSimple’s technology or the Transfer of Information by Released Defendants
9 Persons with Hydron and any person or entity acting on its behalf.

10 1.34 “Released Plaintiffs Persons” means California Plaintiffs and the
11 Delaware Plaintiffs, and any entity in which the California Plaintiffs or the Delaware
12 Plaintiffs has a controlling interest, as well as their respective current and former
13 parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors,
14 assigns, assignees, partnerships, partners, committees, joint ventures, trustees, trusts,
15 employees, immediate family members, heirs, insurers and reinsurers (in their
16 capacities as such), consultants, experts, and attorneys (in their capacities as such).

17 1.35 “Releasing Defendants Persons” means the Company, the SLC, and
18 Settling Defendants.

19 1.36 “Releasing Plaintiffs Persons” means Plaintiffs, the Company, the SLC,
20 and the Company’s current stockholders.

21 1.37 “Service Awards” means a proposed award for each of the Plaintiffs in
22 recognition of the benefits they have helped to create for TuSimple and its
23 stockholders by initiating, prosecuting, and settling the Actions.

24 1.38 “Settlement” means the resolution of the Actions in accordance with
25 the terms and provisions of this Stipulation.

26 1.39 “Settlement Amount” means Forty-Two Million Five Hundred
27 Thousand U.S. Dollars (U.S. \$42,500,000), which shall be paid to the Escrow
28 Account pursuant to ¶2.2 of this Stipulation. With the exception of Notice Costs, no

1 further payment on behalf of Defendants shall be made in respect of any costs,
2 expenses, or fees of any kind whatsoever associated with the Settlement, including
3 in respect of any attorneys' fees and expenses to Plaintiffs' Counsel and Service
4 Awards to Plaintiffs (as allowed by the Court).

5 1.40 "Settlement Fund" means the Settlement Amount plus any interest
6 earned on the Settlement Amount after payment into the Escrow Account.

7 1.41 "Settlement Hearing" means the hearing set by the Court under Rule
8 23.1 of the Federal Rules of Civil Procedure to consider final approval of the
9 Settlement.

10 1.42 "Settling California Defendants" means the California Defendants,
11 excluding Hou.

12 1.43 "Settling Defendants" means the Settling Delaware Defendants and the
13 Settling California Defendants.

14 1.44 "Settling Delaware Defendants" means the Delaware Defendants,
15 excluding Hou.

16 1.45 "SLC" means the Special Litigation Committee formed by the Board
17 of Directors of Nominal Defendant TuSimple.

18 1.46 "SLC Counsel" means Debevoise & Plimpton, LLP.

19 1.47 "Tax" or "Taxes" mean any and all taxes, fees, levies, duties, tariffs,
20 imposts, and other charges of any kind (together with any and all interest, penalties,
21 additions to tax and additional amounts imposed with respect thereto) imposed by
22 any governmental authority, including, but not limited to, any local, state, and
23 federal taxes on the Settlement Fund.

24 1.48 "Tax Expenses" means any and all expenses and costs incurred in
25 connection with the operation and implementation of ¶2.12 hereof, including,
26 without limitation, expenses and costs incurred by Plaintiffs' Lead Counsel in
27 connection with determining the amount of, and paying, any taxes owed by the
28 Settlement Fund, expenses and costs of tax attorneys and accountants, and mailing

1 and distribution costs and expenses relating to filing (or failing to file) the returns
2 described in ¶2.12 hereof.

3 1.49 “TuSimple” or the “Company” means TuSimple Holdings, Inc.

4 1.50 “TuSimple’s Counsel” means the law firm of Wilmer Cutler Pickering
5 Hale and Dorr LLP.

6 1.51 “Unknown Claims” means (a) any and all Released Claims which any
7 of the Releasing Plaintiffs Person do not know or suspect to exist in his, her, or its
8 favor at the time of the release of the Released Defendants Persons, which, if known
9 by him, her, or it, might have affected his, her, or its settlement with and release of
10 the Released Defendants Person, or might have affected his, her, or its decision(s)
11 with respect to the Settlement, including, but not limited to, whether or not to object
12 to this Settlement; and (b) any and all Released Defendants Claims that any of the
13 Releasing Defendants Persons do not know or suspect to exist in his, her, or its favor
14 at the time of the release of the Released Plaintiffs Persons, which, if known by him,
15 her, it, or them might have affected his, her, its, or their settlement and release of the
16 Released Plaintiffs Persons. With respect to (a) any and all Released Plaintiffs
17 Claims against the Released Defendants Persons, and (b) any and all Released
18 Defendants Claims against the Released Plaintiffs Persons, the Settling Parties
19 stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly
20 waive, and each of the Releasing Plaintiffs Parties and Releasing Defendants Parties
21 shall be deemed to have, and by operation of the Judgment shall have expressly
22 waived, the provisions, rights, and benefits of California Civil Code §1542, which
23 provides:

24 A general release does not extend to claims that the creditor or releasing
25 party does not know or suspect to exist in his or her favor at the time of
26 executing the release and that, if known by him or her, would have
materially affected his or her settlement with the debtor or released
party.

27 The Settling Parties shall expressly waive, and each of the Releasing Plaintiffs
28 Persons and Releasing Defendants Persons shall be deemed to have, and by

1 operation of the Judgment shall have, expressly waived any and all provisions,
2 rights, and benefits conferred by any law of any state or territory of the United States,
3 or principle of common law, which is similar, comparable, or equivalent to
4 California Civil Code §1542. The Releasing Plaintiffs Persons and Releasing
5 Defendants Persons acknowledge that they may hereafter discover facts, legal
6 theories, or authorities in addition to or different from those which he, she, it, or their
7 counsel now knows or believes to be true with respect to the subject matter of the
8 Released Plaintiffs Claims or Released Defendants Claims, but (a) the Releasing
9 Plaintiffs Persons shall expressly fully, finally, and forever waive, compromise,
10 settle, discharge, extinguish, and release, and each of the Releasing Plaintiffs
11 Persons shall be deemed to have waived, compromised, settled, discharged,
12 extinguished, and released, and upon the Effective Date, and by operation of the
13 Judgment shall have waived, compromised, settled, discharged, extinguished, and
14 released, fully, finally, and forever, any and all Released Plaintiffs Claims against
15 the Released Defendants Persons, known or unknown, suspected or unsuspected,
16 contingent or non-contingent, accrued or unaccrued, whether or not concealed or
17 hidden, which now exist, or heretofore have existed, or may hereafter exist, upon
18 any theory of law or equity now existing or coming into existence in the future,
19 without regard to the subsequent discovery or existence of such different or
20 additional facts, legal theories, or authorities, and (b) the Releasing Defendants
21 Persons shall expressly fully, finally, and forever waive, compromise, settle,
22 discharge, extinguish, and release, and each of the Releasing Defendants Persons
23 shall be deemed to have waived, compromised, settled, discharged, extinguished,
24 and released, and upon the Effective Date, and by operation of the Judgment shall
25 have waived, compromised, settled, discharged, extinguished, and released, fully,
26 finally, and forever, any and all Released Defendants Claims against the Released
27 Plaintiffs Persons, known or unknown, suspected or unsuspected, contingent or non-
28 contingent, accrued or unaccrued, whether or not concealed or hidden, which now

1 exist, or heretofore have existed, or may hereafter exist, upon any theory of law or
2 equity now existing or coming into existence in the future, without regard to the
3 subsequent discovery or existence of such different or additional facts, legal theories,
4 or authorities. The Settling Parties acknowledge, and the Releasing Plaintiffs Person
5 and Releasing Defendants Persons shall be deemed by operation of the Judgment to
6 have acknowledged, that the foregoing waiver was separately bargained for and is
7 an essential element of the Settlement of which this release is a part.

8 **2. The Settlement**

9 2.1 The obligations incurred pursuant to the Stipulation are: (a) subject to
10 approval by the California Court and subject to the Judgment, reflecting such
11 approval, becoming Final; and (b) in full and final disposition of the Actions, and
12 any and all Released Plaintiffs Claims and Released Defendants Claims upon and
13 subject to the terms and conditions set forth herein. The Settlement is not
14 conditioned upon approval of any settlement of any companion suits, including, but
15 not limited to, *Dicker, et al. v TuSimple Holdings, Inc., et al.*, Case No. 3:22-cv-
16 01300-BEN-MSB (S.D. Cal.).

17 **a. The Settlement Amount**

18 2.2 In full and final settlement of the claims asserted in the Actions and in
19 consideration of the releases specified in ¶¶4.1-4.2 hereof, within 20 Business Days
20 of the later of the California Court's entering the Preliminary Approval Order or
21 Defendants' Counsel's receipt of complete payment details for the Escrow Account,
22 including (i) wire information, (ii) W-9, (iii) contact information for person
23 confirming wire, and (iv) address information for receipt of check by overnight mail,
24 Settling Defendants shall cause to be paid the Settlement Amount into the Escrow
25 Account, subject to refund if the Settlement is terminated or cancelled pursuant to
26 this Stipulation.

27 2.3 Other than Settling Defendants' obligation to pay or cause to be paid
28 the Settlement Amount into the Escrow Account as set forth in ¶2.2 hereof and to

1 pay or cause to be paid any and all Notice Costs as forth in ¶3.2 hereof, the Released
2 Defendants Persons shall have no role in, responsibility for, interest in, or liability
3 whatsoever with respect to: (i) the management or investment of the Settlement
4 Fund; (ii) any loss suffered by, or fluctuation in value of, the Settlement Fund; or
5 (iii) the payment or withholding of any Taxes incurred in connection with the
6 taxation of the Settlement Fund or the filing of any federal, state, or local returns.

7 2.4 Other than Settling Defendants’ obligation to pay or cause to be paid
8 the Settlement Amount into the Escrow Account as set forth in ¶2.2 hereof and to
9 pay or cause to be paid any and all Notice Costs as forth in ¶3.2 hereof, the Released
10 Defendants Persons shall have no obligation to make any other payments pursuant
11 to the Stipulation, including without limitation, payment of attorneys’ fees and
12 expenses awarded by the Court.

13 2.5 Within 20 Business Days of the occurrence of the Effective Date,
14 Plaintiffs’ Lead Counsel shall transfer to TuSimple the Net Settlement Fund, *i.e.*, the
15 Settlement Fund less: (i) any Court-awarded attorneys’ fees and expenses paid or
16 payable to Plaintiffs’ Counsel and any reserve to account for any potential future
17 awards to Plaintiffs’ Counsel; and (ii) any required Taxes and Tax Expenses.

18 **b. Governance**

19 2.6 Settling Defendants and TuSimple acknowledge that the California and
20 Delaware Actions played a substantial role in the amendment of the Amended and
21 Restated Cooperation Agreement, dated April 3, 2024, by and among TuSimple and
22 Chen, whereby, among other things, Mr. Chen, including through his family
23 members and affiliates, directly or indirectly, agrees not to “solicit, initiate, discuss,
24 negotiate, enter into or effectuate, directly or indirectly, any related party transaction
25 between the Company or any of its subsidiaries and Hydron, Inc. or any of its
26 subsidiaries, or . . . cause any funds of the Company or any of its subsidiaries to be
27 used for or to advance the business of Hydron, Inc. or its subsidiaries,” for a period
28 of two years from January 16, 2024.

1 **c. Nondisclosure Agreement Reaffirmation**

2 2.7 TuSimple and Hydron affirm that they are parties to the Mutual
3 Confidentiality and Nondisclosure Agreement (the “Nondisclosure Agreement”),
4 entered into effective as of June 21, 2022, and that the Nondisclosure Agreement
5 continues to remain binding on TuSimple and Hydron.

6 **d. The Escrow Agent**

7 2.8 The Escrow Agent shall invest the Settlement Amount deposited
8 pursuant to ¶2.2 hereof in United States Agency or Treasury Securities or other
9 instruments backed by the Full Faith & Credit of the United States Government or
10 an Agency thereof, or fully insured by the United States Government or an Agency
11 thereof, or in money funds holding only instruments backed by the Full Faith &
12 Credit of the United States Government or an Agency thereof, and shall reinvest the
13 proceeds of these instruments as they mature in similar instruments at their then-
14 current market rates, except that any residual cash balances up to the amount that is
15 insured by the FDIC may be deposited in any account that is fully insured by the
16 FDIC. Additionally, if short-term placement of the funds is necessary, all or any
17 portion of the funds held by the Escrow Agent may be deposited in any account that
18 is fully insured by the FDIC or backed by the full faith and credit of the United States
19 bearing a rate of return reasonably comparable to United States Agency or Treasury
20 Securities. All costs and risks related to the investment of the Settlement Fund in
21 accordance with the investment guidelines set forth in this paragraph shall be borne
22 by the Settlement Fund, and the Released Defendants Persons shall have no role in,
23 responsibility for, interest in, or liability whatsoever with respect to investment
24 decisions or the actions of the Escrow Agent, or any transactions executed by the
25 Escrow Agent.

26 2.9 The Escrow Agent shall not disburse the Settlement Fund except as
27 provided in this Stipulation, the Escrow Agreement, by an order of the Court, or with
28 the prior written agreement of Defendants’ Counsel.

1 2.10 Subject to further order(s) and directions as may be made by the Court,
2 or as provided in this Stipulation, the Escrow Agent is authorized to execute such
3 transactions as are consistent with the terms of this Stipulation and the Escrow
4 Agreement. The Released Defendants Persons shall have no role in, responsibility
5 for, interest in, or liability whatsoever with respect to the actions of the Escrow
6 Agent, or any transaction executed by the Escrow Agent.

7 2.11 All funds held by the Escrow Agent shall be deemed and considered to
8 be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the
9 Court, until such time as such funds shall be distributed pursuant to this Stipulation
10 or further order(s) of the Court.

11 **e. Taxes**

12 2.12 The Settling Parties agree as follows:

13 (a) The Settlement Fund is intended to be, and shall be
14 treated as being at all times, as a “qualified settlement fund” within the meaning of
15 Treas. Reg. §1.468B-1, and the regulations promulgated thereunder. The
16 Settlement Fund shall be established pursuant to an order of the Court approving
17 the establishment of the Settlement Fund (in accordance with Treas. Reg. §1.468B-
18 1(e)(1)), and the Settlement Fund shall remain subject to the subject matter
19 jurisdiction of the Court throughout the Settlement Fund’s existence, all in
20 accordance with Treas. Reg. §1.468B-1(c)(1). Upon written request, Settling
21 Defendants will provide Plaintiffs’ Lead Counsel the statement described in
22 Treasury Regulation § 1.468B-3(e). Plaintiffs’ Lead Counsel, as administrators of
23 the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3),
24 shall timely make such elections as are necessary or advisable to carry out the
25 provisions of this ¶2.12, including the “relation-back election” (as defined in Treas.
26 Reg. §1.468B-1(i)(2)(ii)) back to the earliest permitted date. Such elections shall
27 be made in compliance with the procedures and requirements contained in such
28 regulations, and copies thereof, together with proof of copies thereof, together with

1 proof of filing by Plaintiffs’ Lead Counsel (and any other related documentation or
2 information reasonably requested), shall be provided to the Released Defendants
3 Persons. It shall be the responsibility of Plaintiffs’ Lead Counsel to timely and
4 properly prepare and deliver the necessary documentation for signature by all
5 necessary parties, and thereafter to cause the appropriate filing to occur.

6 (b) For the purpose of §1.468B of the Internal Revenue Code
7 of 1986, as amended, and the regulations promulgated thereunder, the
8 “administrator” (as defined in Treas. Reg. §1.468B-2(k)(3)) shall be Plaintiffs’
9 Lead Counsel. Plaintiffs’ Lead Counsel shall timely and properly file all
10 informational and other federal, state, or local tax returns necessary or advisable
11 with respect to the earnings on the Settlement Fund (including, without limitation,
12 the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the
13 elections described in ¶2.12(a) hereof) shall be consistent with this ¶2.12 and in all
14 events shall reflect that all Taxes (including any estimated Taxes, interest, or
15 penalties) on the income earned by the Settlement Fund shall be paid out of the
16 Settlement Fund as provided in ¶2.12(c) hereof.

17 (c) All Taxes and Tax Expenses shall be paid out of the
18 Settlement Fund; in all events, the Released Defendants Persons and their counsel
19 shall have no liability, obligation, or responsibility whatsoever for the Taxes or the
20 Tax Expenses. The Settlement Fund shall indemnify and hold each of the Released
21 Defendants Persons and their counsel harmless for Taxes and Tax Expenses
22 (including, without limitation, Taxes payable by reason of any such
23 indemnification). Further, Taxes and Tax Expenses shall be timely paid by
24 Plaintiffs’ Lead Counsel out of the Settlement Fund without prior order from the
25 Court; neither the Released Defendants Persons nor their counsel are responsible nor
26 shall they have any liability, obligation, or responsibility for any Taxes or Tax
27 Expenses. Settling Defendants agree to cooperate with Plaintiffs’ Lead Counsel and
28

1 their tax attorneys and accountants to the extent reasonably necessary to carry out the
2 provisions of this ¶2.12.

3 **f. Termination of Settlement**

4 2.13 In the event that this Stipulation is not approved or the Settlement is not
5 approved, or is terminated, canceled, or the Effective Date otherwise fails to occur
6 for any reason, including, without limitation, in the event the Judgment is reversed
7 or vacated or altered following any appeal taken therefrom, or is successfully
8 collaterally attacked prior to the payment of the Net Settlement Fund to the
9 Company, the Settlement Fund less Taxes or Tax Expenses paid, incurred, or due
10 and owing pursuant to ¶2.12 hereof in connection with the Settlement provided for
11 herein, shall be refunded pursuant to written instructions from TuSimple’s Counsel
12 in accordance with ¶7.4 hereof.

13 **3. Preliminary Approval Order and Settlement Hearing**

14 3.1 Promptly after execution of this Stipulation, California Plaintiffs’ Lead
15 Counsel shall submit this Stipulation together with its Exhibits to the Court and shall
16 apply for entry of the Preliminary Approval Order, substantially in the form of
17 Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the
18 Settlement set forth in this Stipulation pursuant to Federal Rule of Civil Procedure
19 23.1 and approval for mailing or emailing the Postcard Notice, substantially in the
20 form of Exhibit A-3 attached hereto; publication of the Summary Notice,
21 substantially in the form of Exhibit A-2 attached hereto, on two separate occasions
22 in the national edition of *The Wall Street Journal* and on one occasion via the PR
23 Newswire; and posting of the Notice, substantially in the form of Exhibit A-1
24 attached hereto, and this Stipulation on the “Investor Relations” section of the
25 Company’s website, <https://ir.tusimple.com/overview/default.aspx>. The Postcard
26 Notice shall direct TuSimple stockholders to the “Investor Relations” section of the
27 Company’s website, <https://ir.tusimple.com/overview/default.aspx>, to access the
28 Notice.

1 3.2 The Company shall be responsible for providing notice of the
2 Settlement, regardless of the form or manner of notice ordered by the Court. The
3 Company shall assume all administrative responsibility for and will pay any and all
4 Notice Costs, regardless of whether the Court approves the Settlement or the
5 Effective Date fails to occur. Neither Plaintiffs nor their counsel shall be responsible
6 for any Notice Costs, nor shall any Notice Costs be paid from the Settlement Fund.

7 3.3 California Plaintiffs' Lead Counsel shall request the Court hold the
8 Settlement Hearing and approve the Settlement as set forth herein. At or after the
9 Settlement Hearing, California Plaintiffs' Lead Counsel also will request that the
10 Court approve the Fee and Expense Application. The Settlement is expressly
11 conditioned upon, among other things, the entry of a Judgment, substantially in the
12 form attached hereto as Exhibit B.

13 **4. Releases**

14 4.1 Upon the Effective Date, as defined in ¶1.10 hereof, the Releasing
15 Plaintiffs Persons shall be deemed to have, and by operation of the Judgment shall
16 have, irrevocably and unconditionally, fully, finally, and forever waived, released,
17 relinquished, discharged, and dismissed with prejudice each and every one of the
18 Released Plaintiffs Claims against each and every one of the Released Defendants
19 Persons and shall forever and permanently be barred and enjoined from filing,
20 commencing, instituting, prosecuting, continuing, asserting, intervening in,
21 maintaining, or enforcing any action or other proceeding in any forum (including, but
22 not limited to, any foreign, federal, state or local court of law or equity, arbitration
23 tribunal, or administrative forum), asserting any of the Released Plaintiffs Claims
24 against any and all of the Released Defendants Persons.

25 4.2 Upon the Effective Date, the Releasing Defendants Persons shall be
26 deemed to have, and by operation of the Judgment shall have, irrevocably and
27 unconditionally, fully, finally, and forever waived, released, relinquished,
28 discharged, and dismissed with prejudice each and every one of the Released

1 Defendants Claims against each and every one of the Released Plaintiffs Persons and
2 shall forever and permanently be barred and enjoined from filing, commencing,
3 instituting, prosecuting, continuing, asserting, intervening in, maintaining, or
4 enforcing any action or other proceeding in any forum (including, but not limited to,
5 any foreign, federal, state or local court of law or equity, arbitration tribunal, or
6 administrative forum), asserting any of the Released Defendants Claims against any
7 and all of the Released Plaintiffs Persons.

8 **5. Plaintiffs' Counsel's Attorneys' Fees and Expenses**

9 5.1 Settling Defendants, the Company, and the SLC acknowledge that
10 Plaintiffs' Counsel are entitled to an award of attorneys' fees and expenses in
11 recognition of the benefits provided to TuSimple and its stockholders as a result of
12 the initiation, prosecution, pendency, and settlement of the Actions. California
13 Plaintiffs' Lead Counsel intend to submit the Fee and Expense Application. The Fee
14 and Expense Application may include a petition for Service Awards. Any Service
15 Awards approved by the Court shall be funded from the portion of the Fee and
16 Expense Award distributed to Plaintiffs' Counsel. The Settling Parties have not
17 discussed the amount of such potential Fee and Expense Award, and Settling
18 Defendants reserve all rights to challenge the Fee and Expense Application.

19 5.2 The amount of attorneys' fees and expenses awarded by the Court is
20 within the sole discretion of the Court. Any Fee and Expense Award shall be paid
21 to Plaintiffs' Lead Counsel from the Settlement Fund, as ordered, immediately after
22 the Court executes the Judgment and an order awarding such fees and expenses,
23 notwithstanding the existence of any timely filed objections thereto or to the
24 Settlement, or potential for appeal therefrom, or collateral attack on the Settlement
25 or any part thereof. Plaintiffs' Lead Counsel shall thereafter be solely responsible
26 for allocating the attorneys' fees among Plaintiffs' Counsel.

27 5.3 In the event that the Effective Date does not occur, or the Judgment or
28 the order making the Fee and Expense Award is reversed or modified, or this

1 Stipulation is canceled or terminated for any other reason, and such reversal,
2 modification, cancellation, or termination becomes Final and not subject to review,
3 and in the event that the Fee and Expense Award has been paid to any extent, then
4 Plaintiffs' Lead Counsel, including their partners and stockholders, and such other
5 Plaintiffs' Counsel, including their law firms, partners, and stockholders, and
6 Plaintiffs who have received any portion of the Fee and Expense Award shall, within
7 ten (10) Business Days from receiving notice from Settling Defendants' Counsel or
8 from a court of appropriate jurisdiction reversing or modifying the Judgment or Fee
9 and Expense Award, refund to the Settlement Fund all such fees and expenses
10 previously paid to them from the Settlement Fund plus interest thereon at the same
11 rate as earned by the Settlement Fund in an amount consistent with such reversal,
12 modification, cancellation, or termination.

13 5.4 The procedure for and the allowance or disallowance by the Court of
14 any applications by any Plaintiffs' Counsel for a Fee and Expense Award to be paid
15 out of the Settlement Fund is not part of the Settlement set forth in this Stipulation,
16 and is to be considered by the Court separately from the Court's consideration of the
17 fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation,
18 and shall have no effect on the terms of the Stipulation or on the validity or
19 enforceability of this Settlement. The approval of the Settlement, and it becoming
20 Final, shall not be contingent on the award of attorneys' fees and expenses, any
21 award to Plaintiffs' Counsel or Plaintiffs, nor any appeals from such awards. Any
22 order or proceeding relating to the Fee and Expense Application, or any appeal from
23 any order relating thereto or reversal or modification thereof, shall not operate to
24 terminate or cancel this Stipulation, or affect or delay the finality of the Judgment
25 approving this Stipulation and the Settlement set forth therein, or any other orders
26 entered pursuant to the Stipulation.

27 5.5 Any Fee and Expense Award awarded by the Court shall be paid solely
28 from the Settlement Fund. With the sole exception of (i) Settling Defendants'

1 obligation to cause the Settlement Amount to be paid into the Escrow Account as
2 provided for in ¶2.2 hereof and (ii) Settling Defendants' obligation to pay any and
3 all Notice Costs as provided for in ¶3.2 hereof, the Released Defendants Persons
4 shall have no role in, responsibility for, and no obligation or liability whatsoever
5 with respect to, any payment of attorneys' fees and expenses (including Taxes) to
6 Plaintiffs' Counsel, or any other counsel or Person who receives payment from the
7 Settlement Fund.

8 5.6 The Released Defendants Persons shall have no role in, responsibility
9 for, and no obligation or liability whatsoever with respect to, the allocation among
10 Plaintiffs' Counsel and any other Person who may assert some claim thereto, of any
11 Fee and Expense Award that the Court may make in the California Action.

12 **6. Conditions of Settlement, Effect of Disapproval,**
13 **Cancellation, or Termination**

14 6.1 The Effective Date of the Settlement shall be conditioned on the
15 occurrence of all of the following events:

16 (a) the Court has entered the Preliminary Approval Order, or an
17 order substantially in the form of Exhibit A attached hereto, directing notice to of
18 the Settlement, as required by ¶3.1 hereof;

19 (b) the Settlement Amount has been deposited into the Escrow
20 Account;

21 (c) the Court has entered the Judgment, or a judgment substantially
22 in the form of Exhibit B attached hereto;

23 (d) the Actions have been dismissed with prejudice; and

24 (e) the Judgment and all orders of the Court, other than the Excluded
25 Order, have become Final, as defined in ¶1.16 hereof.

26 6.2 Upon the Effective Date, any and all remaining interest or right of the
27 Settling Defendants in or to the Settlement Fund, if any, shall be absolutely and
28 forever extinguished. If the conditions specified in ¶6.1 hereof are not met, then the

1 Settlement shall be canceled and terminated subject to ¶¶6.4-6.7 hereof unless the
2 Settling Parties mutually agree in writing to proceed with the Settlement. For
3 avoidance of doubt, no order of the Court or modification or reversal on appeal of
4 any order of the Court concerning the amount of any Fee and Expense Award shall
5 operate to terminate or cancel this Stipulation or constitute grounds for cancellation
6 or termination of the Stipulation.

7 6.3 Unless otherwise ordered by the Court, in the event this Stipulation is
8 not approved or this Stipulation or the Settlement is terminated or canceled, or the
9 Effective Date otherwise fails to occur for any reason, including, without limitation,
10 in the event the Judgment is reversed or vacated or altered following any appeal
11 taken therefrom, or if prior to the payment of the Net Settlement Fund to the
12 Company, the Judgment is successfully collaterally attacked, within five (5)
13 Business Days after written notification of such event is sent by Defendants' Counsel
14 or Plaintiffs' Lead Counsel to the Escrow Agent, the Settlement Fund (including
15 accrued interest), less Taxes and Tax Expenses, shall be refunded pursuant to written
16 instructions from Defendants' Counsel. The Escrow Agent or its designee shall
17 apply for any tax refund owed on the Settlement Amount and pay the proceeds, after
18 deduction of any fees or expenses incurred in connection with such application(s)
19 for refund to the entities that paid to the Escrow Account on behalf of Settling
20 Defendants. Such payments shall be pursuant to written instructions from
21 Defendants' Counsel.

22 6.4 Plaintiffs and Settling Defendants shall have the right to terminate the
23 Settlement and this Stipulation by providing written notice of their election to do so
24 ("Termination Notice") to all other parties hereto within thirty (30) calendar days of:
25 (a) the Court's denial of preliminary approval of the Settlement and subsequent
26 denial of preliminary approval after resubmission of documents addressing the
27 Court's concerns; (b) the Court's refusal to approve this Stipulation in any material
28 respect; (c) the Court's refusal to enter the Judgment in any material respect; (d) the

1 entry of an order by the Court refusing to dismiss the California Action with
2 prejudice or an order by the Court of Chancery refusing to dismiss the Delaware
3 Action with prejudice; (e) the date upon which the Judgment is reversed or vacated
4 or altered in any material respect following any appeal taken therefrom, or is
5 successfully collaterally attacked in any material respect; or (f) the failure of the
6 Effective Date to occur for any reason. For avoidance of doubt, no order of the Court
7 or modification or reversal on appeal of any order of the Court concerning the
8 amount of any Fee and Expense Award by the Court to Plaintiffs' Counsel or Service
9 Award to Plaintiffs shall operate to terminate or cancel this Stipulation or constitute
10 grounds for cancellation or termination of the Stipulation.

11 6.5 In the event that this Stipulation is not approved or this Stipulation or
12 the Settlement is terminated, canceled, or the Effective Date otherwise fails to occur
13 for any reason, the Settling Parties shall not forfeit or waive any factual or legal
14 defense or contention in the Actions and shall be restored to their respective positions
15 in the Actions as of immediately prior to the execution of the Term Sheet. In such
16 event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.51,
17 2.8-2.11, 2.12-2.13, 5.3, 6.3-6.6, 7.1, and 8.7 hereof, shall have no further force and
18 effect with respect to the Settling Parties and shall not be used in the Actions or in
19 any other proceeding for any purpose, and any judgment or order entered by the Court
20 in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro*
21 *tunc*. No order of the Court or modification or reversal on appeal of any order of the
22 Court concerning the Plan of Allocation or any Fee and Expense Award shall operate
23 to terminate or cancel this Stipulation or constitute grounds for cancellation or
24 termination of this Stipulation.

25 6.6 If the Effective Date does not occur, or if this Stipulation is terminated
26 pursuant to its terms, neither Plaintiffs nor Plaintiffs' Counsel shall have any obligation
27 to repay any amounts disbursed pursuant to ¶2.12 hereof. In addition, any amounts
28 already incurred pursuant to ¶2.12 hereof at the time of such termination or cancellation

1 but which have not been paid, shall be paid by Plaintiffs' Lead Counsel in accordance
2 with the terms of this Stipulation prior to the balance being refunded in accordance
3 with ¶¶2.13 and 6.4 hereof.

4 **7. No Admission of Wrongdoing**

5 7.1 Neither the Settlement, the Term Sheet, this Stipulation (whether or not
6 consummated), including the Exhibits hereto, the negotiations leading to the
7 execution of the Term Sheet, this Stipulation, and the Settlement, nor any
8 proceedings, communications, drafts, documents, or agreements taken pursuant to
9 or in connection with the Term Sheet, this Stipulation, or approval of the Settlement
10 (including any arguments proffered in connection therewith):

11 (a) shall be offered or received against or to the prejudice of any
12 Released Defendants Persons as evidence of or construed as or deemed to be
13 evidence of any presumption, concession, finding, or admission by any Released
14 Defendants Persons of the truth of any allegations by Plaintiffs or the validity of any
15 claim that has been or could have been asserted in the Actions, or the deficiency of
16 any defense that has been or could have been asserted in the Actions or in any other
17 litigation, including, but not limited to, litigation of the Released Plaintiffs Claims,
18 or of any liability, damages, negligence, fault, omission, or wrongdoing of any kind
19 of any of the Released Defendants Persons or in any way referred to for any other
20 reason as against any of the Released Defendants Persons, in any civil, criminal, or
21 administrative action or proceeding, other than such proceedings as may be
22 necessary to effectuate the provisions of this Stipulation;

23 (b) shall be offered or received against or to the prejudice of the
24 Released Plaintiffs Persons as evidence that Plaintiffs' claims in any way lack merit
25 or the validity of any affirmative defense that has been or could have been asserted
26 in the Actions, including, but not limited to, litigation of the Released Plaintiffs
27 Claims;

1 (c) shall be offered or received against or to the prejudice of any
2 Released Defendants Persons as evidence of a presumption, concession, or
3 admission of any fault, misrepresentation, scheme, or omission with respect to any
4 statement or written document approved or made by any Released Defendants
5 Persons, or against the Released Plaintiffs Persons as evidence of any infirmity in
6 the claims of Plaintiffs;

7 (d) shall be offered or received against or to the prejudice of any
8 Released Defendants Persons as evidence of a presumption, concession, or
9 admission of any liability, damages, negligence, fault, omission, or wrongdoing, or
10 shall be in any way referred to for any other reason as against any of the parties to
11 this Stipulation, in any other civil, criminal, or administrative action or proceeding
12 in any court, administrative agency, or other tribunal; provided, however, that if
13 this Stipulation is approved by the Court, Settling Defendants and the Released
14 Defendants Persons may refer to it to effectuate the release granted them hereunder;
15 or

16 (e) shall be construed against the Released Defendants Persons or
17 the Released Plaintiffs Persons as evidence of a presumption, concession, or
18 admission that the consideration to be given hereunder represents the amount which
19 could be or would have been recovered after trial or in any proceeding other than
20 this Settlement.

21 **8. Miscellaneous Provisions**

22 8.1 The Settling Parties: (a) acknowledge that it is their intent to
23 consummate this Settlement; and (b) agree to cooperate to the extent reasonably
24 necessary to effectuate and implement all terms and conditions of this Stipulation
25 and to exercise their best efforts to accomplish the foregoing terms and conditions
26 of this Stipulation.

27 8.2 The Settling Parties intend this Settlement to be a final and complete
28 resolution of all disputes between them with respect to the Actions. The Settlement

1 compromises all claims that were or are contested and shall not be deemed an
2 admission by any Settling Party as to the merits of any claim or defense. The Settling
3 Parties agree that the Settlement Amount and the other terms of the Settlement were
4 negotiated in good faith by the Settling Parties, and reflect a settlement that was
5 reached voluntarily after consultation with competent legal counsel. The Settling
6 Parties reserve their right to rebut, in a manner that such Party determines to be
7 appropriate, any contention made in any public forum that the Actions were brought
8 or defended in bad faith or without a reasonable basis.

9 8.3 Plaintiffs and Plaintiffs' Counsel, and the attorneys and staff assisting
10 them in the Actions, agree that: (a) they will not intentionally assist or cooperate
11 with any Person in the pursuit of private legal actions related to the subject matter of
12 the Actions against the Released Defendants Persons; and (b) they will not
13 intentionally assist or cooperate with any non-governmental Person seeking to
14 publicly disparage the Released Defendants Persons with respect to any matter
15 relating to the subject matter or the resolution of the Actions. Settling Defendants,
16 Defendants' Counsel, and the attorneys and staff assisting them in the Actions agree
17 that they will not publicly disparage any Plaintiff or Plaintiffs' Counsel with respect
18 to any matter relating to the subject matter or resolution of the Actions. The Settling
19 Parties reserve their right to rebut any contention made in any public forum regarding
20 the Actions, including that the Actions were brought or defended in bad faith or
21 without a reasonable basis.

22 8.4 Settling Defendants and the Released Defendants Persons may file this
23 Stipulation and the Judgment in any other action that may be brought against them
24 in order to support injunctive relief, or a defense or counterclaim based on principles
25 of *res judicata*, collateral estoppel, release, statute of limitations, statute of repose,
26 good faith settlement, judgment bar or reduction, or any theory of claim preclusion
27 or issue preclusion or similar defense or counterclaim, or to effectuate any liability
28 protection under any applicable insurance policy. The Settling Parties may file this

1 Stipulation and the Judgment in any action that may be brought to enforce the terms
2 of this Stipulation and the Judgment. All Settling Parties submit to the jurisdiction
3 of the Court for purposes of implementing and enforcing the Settlement.

4 8.5 Settling Defendants warrant that, as to the payments made or to be made
5 on behalf of them, at the time of entering into this Stipulation and at the time of such
6 payment they, or to the best of their knowledge any persons or entities contributing
7 to the payment of the Settlement Amount, were not insolvent, nor will the payment
8 required to be made by or on behalf of them render them insolvent, within the
9 meaning of and for the purposes of the United States Bankruptcy Code, including
10 §§ 101 and 547 thereof. This representation is made by each of the Settling
11 Defendants and not by their counsel.

12 8.6 In the event of the entry of a final order of a court of competent
13 jurisdiction determining the transfer of money to the Escrow Account or any portion
14 thereof by or on behalf of Settling Defendants to be a preference, voidable transfer,
15 fraudulent transfer or similar transaction and any portion thereof is required to be
16 returned, and such amount is not promptly deposited into the Escrow Account by
17 others, then, at the election of Plaintiffs, the Settling Parties shall jointly move the
18 Court to vacate and set aside the releases provided under the Settlement and the
19 Judgment entered in favor of the Released Defendants Persons and Released
20 Plaintiffs Persons pursuant to this Stipulation, in which event the releases and
21 Judgment shall be null and void, and the Settling Parties shall be restored to their
22 respective positions in the Action as provided in ¶6.5 hereof.

23 8.7 All agreements made and orders entered during the course of the
24 Actions relating to the confidentiality of information shall survive this Stipulation.

25 8.8 All of the Exhibits to this Stipulation are material and integral parts
26 hereof and are fully incorporated herein by this reference.

27
28

1 8.9 This Stipulation, along with its Exhibits, may be amended or modified
2 only by a written instrument signed by or on behalf of all Settling Parties or their
3 respective successors-in-interest.

4 8.10 This Stipulation and the Exhibits attached hereto constitute the entire
5 agreement among the Settling Parties as to the subject matter hereof and supersede
6 any prior or contemporaneous written or oral agreements or understandings between
7 the Settling Parties. No representations, warranties, or inducements have been made
8 to any party concerning this Stipulation or its Exhibits, other than the
9 representations, warranties, and covenants contained and memorialized in such
10 documents.

11 8.11 Except as otherwise provided herein, each party shall bear his, her, or
12 its own fees and costs.

13 8.12 Each counsel or other Person executing this Stipulation, its Exhibits, or
14 any related Settlement document, on behalf of any party hereto hereby warrants that
15 such Person has the full authority to do so, and that they have the authority to take
16 appropriate action required or permitted to be taken pursuant to the Stipulation to
17 effectuate its terms, without requiring additional consent, approval, or authorization
18 of any other Person, board, entity, tribunal, or other regulatory or governmental
19 authority.

20 8.13 This Stipulation may be executed in one or more counterparts. All
21 executed counterparts and each of them shall be deemed to be one and the same
22 instrument. A complete set of executed counterparts shall be filed with the Court.
23 Signatures sent by facsimile or pdf via e-mail shall be deemed originals.

24 8.14 All notices, requests, demands, claims, and other communications
25 hereunder shall be in writing and shall be deemed duly given (i) when delivered
26 personally to the recipient, (ii) one (1) Business Day after being sent to the recipient
27 by reputable overnight courier service (charges prepaid), or (iii) when delivered to
28 the recipient's email address of record as set forth below:

1 *If to Plaintiffs or to Plaintiffs' Lead Counsel:*
2 **Norman Wilhoite and Judith Wilhoite:**

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4 Albert Y. Chang

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5 achang@bottinilaw.com

6 BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

7 Jeroen van Kwawegen

8 jeroen@blbglaw.com

9 *If to Settling Defendants or Defendants' Counsel:*

10 **Brad Buss and Karen Francis:**

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12 Peter Starr

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14 **Reed Werner:**

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24 **Guowei "Charles" Chao:**

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26 **Hydron, Inc.:**

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28 Lyn Agre

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1 ***If to TuSimple or TuSimple’s Counsel:***

2 WILMER CUTLER PICKERING HALE & DORR LLP

3 Robert Kingsley Smith

4 robert.smith@wilmerhale.com

5 8.15 Plaintiffs represent and warrant that none of Plaintiffs’ claims or causes
6 of action referred to in the Actions or this Stipulation has been assigned,
7 encumbered, or in any manner transferred in whole or in part.

8 8.16 This Stipulation shall be binding upon, and inure to the benefit of, the
9 successors, heirs, and assigns of the Settling Parties.

10 8.17 The Court shall retain jurisdiction with respect to implementation and
11 enforcement of the terms of this Stipulation, and all Settling Parties submit to the
12 jurisdiction of the Court for purposes of implementing and enforcing the Settlement
13 embodied in this Stipulation and matters related to the Settlement.

14 8.18 Any waiver of any of the terms of this Stipulation must be in writing,
15 signed by the party against whom the waiver is sought to be enforced. The waiver
16 by one Settling Party of any breach of this Stipulation by any other party shall not
17 be deemed a waiver by any other Settling Party or a waiver of any other prior or
18 subsequent breach of this Stipulation.

19 8.19 Pending approval of the Court of this Stipulation and its Exhibits, all
20 proceedings in the Actions shall be stayed, except as may be necessary to implement
21 the Settlement or comply with the terms of the Stipulation or other agreement of the
22 Settling Parties. Plaintiffs shall be barred and enjoined from commencing or
23 prosecuting any of the Released Plaintiffs Claims against any of the Released
24 Defendants Persons in any action or proceeding in any court or tribunal.

25 8.20 This Stipulation and its Exhibits shall be considered to have been
26 negotiated, executed and delivered, and to be wholly performed, in the State of
27 California and the rights and obligations of the parties to the Stipulation shall be
28 construed and enforced in accordance with, and governed by, the internal,

1 substantive laws of the State of California without giving effect to its choice-of-law
2 principles, except to the extent that federal law requires that federal law govern.

3 8.21 The headings herein are used for the purpose of convenience only and
4 are not meant to have legal effect.

5 8.22 This Stipulation shall not be construed more strictly against one party
6 than another merely by virtue of the fact that it, or any part of it, may have been
7 prepared by counsel for one of the Settling Parties, it being recognized that it is the
8 result of arm's-length negotiations between the Settling Parties and the Settling
9 Parties have contributed substantially and materially to the preparation of this
10 Stipulation.

11 8.23 Nothing in the Stipulation, or the negotiations relating thereto, is
12 intended to or shall be deemed to constitute a waiver of any applicable privilege or
13 immunity, including, without limitation, attorney-client privilege, joint defense
14 privilege, or work product protection.

15 8.24 Unless otherwise provided, the Settling Parties may agree to reasonable
16 extensions of time to carry out any of the provisions of this Stipulation without
17 further order of the Court.

18 IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to
19 be executed, by their duly authorized attorneys, dated December 18, 2024.

20
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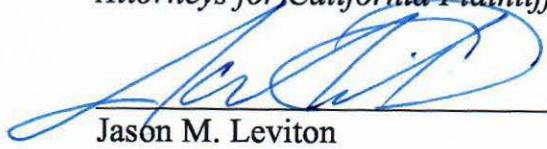
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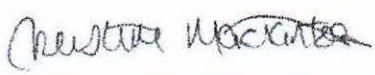
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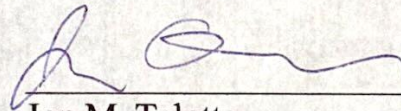
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Exhibit A

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Attorneys for Plaintiffs
Norman Wilhoite and Judith Wilhoite

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

NORMAN WILHOITE and JUDITH
WILHOITE, derivatively on behalf of
TUSIMPLE HOLDINGS, INC.,
Plaintiffs,

vs.

XIAODI HOU, MO CHEN, CHENG
LU, GUOWEI "CHARLES" CHAO,
and HYDRON, INC.,
Defendants,

- and -

TUSIMPLE HOLDINGS, INC.,
Nominal Defendant.

Case No. 23cv2333 BEN (MSB)

**ORDER PRELIMINARILY
APPROVING SETTLEMENT AND
PROVIDING FOR NOTICE**

1 WHEREAS, a consolidated stockholder derivative action is pending in this
2 Court entitled *Wilhoite, et al. v. Hou, et al.*, Case No. 3:23-cv-02333-BEN-MSB
3 (the “California Action”);

4 WHEREAS, (a) plaintiffs in the California Action: Norman Wilhoite and
5 Judith Wilhoite (the “California Plaintiffs”), derivatively on behalf of TuSimple
6 Holdings, Inc. (“TuSimple” or the “Company”); (b) settling defendants in the
7 California Action: Guowei “Charles” Chao, Cheng Lu, Mo Chen, and Hydron, Inc.
8 (“Hydron”) and Nominal Defendant TuSimple (collectively, the “Settling
9 California Defendants”); (c) plaintiffs in the consolidated stockholder derivative
10 action pending in the Court of Chancery of the State of Delaware (the “Delaware
11 Court”), captioned as *In re TuSimple Holdings, Inc. Stockholder Litigation*, C.A.
12 No. 2022-1095-PAF (the “Delaware Action” and, together with the California
13 Action, the “Actions”): Jason Nusbaum and Richard A. Green (collectively, the
14 “Delaware Plaintiffs” and, together with the California Plaintiffs, “Plaintiffs”);
15 (d) settling defendants in the Delaware Action: Mo Chen, Brad Buss, Karen
16 Francis, Reed Werner, and Hydron and Nominal Defendant TuSimple
17 (collectively, the “Settling Delaware Defendants” and, together with the Settling
18 California Defendants, “Settling Defendants”); and (e) the Special Litigation
19 Committee (the “SLC”) of the Board of Directors of TuSimple, acting for and on
20 behalf of TuSimple (Plaintiffs, Settling Defendants, and the SLC, together, the
21 “Settling Parties”), have reached a proposed settlement on the terms and conditions
22 set forth in the Stipulation of Settlement dated December 18, 2024 (the
23 “Stipulation”) subject to the approval of this Court (the “Settlement”).

24 WHEREAS, the Court has read and considered: (a) the California Plaintiffs’
25 motion for preliminary approval of the Settlement and authorization to send notice
26 of the Settlement to TuSimple stockholders, and the papers filed and arguments
27 made in connection therewith; and (b) the Stipulation and the exhibits attached
28

1 thereto; and

2 WHEREAS, unless otherwise defined herein, all capitalized words
3 contained herein shall have the same meanings as they have in the Stipulation;

4 NOW THEREFORE, IT IS HEREBY ORDERED:

5 1. **Preliminary Approval of the Settlement** – The Court hereby
6 preliminarily approves the Settlement, as embodied in the Stipulation, subject to
7 further consideration at the Settlement Fairness Hearing to be held as described
8 below.

9 2. **Settlement Fairness Hearing** – The Court will hold a hearing (the
10 “Settlement Fairness Hearing”) on _____, 2025 at __:___.m. at the
11 United States District Court for the Southern District of California, Courtroom 5A
12 of the Edward J. Schwartz United States Courthouse, 221 West Broadway, San
13 Diego, CA 92101, for the following purposes: (a) to determine whether the
14 California Plaintiffs and California Plaintiffs’ Lead Counsel have adequately
15 represented the interests of TuSimple and its stockholders; (b) to determine
16 whether the proposed Settlement on the terms and conditions provided for in the
17 Stipulation is fair, reasonable, and adequate to TuSimple and its stockholders, and
18 should be approved by the Court; (c) to determine whether the Judgment,
19 substantially in the form attached as Exhibit B to the Stipulation, should be entered
20 dismissing the California Action with prejudice; (d) to determine whether the
21 application by Plaintiffs’ Lead Counsel for an award of attorneys’ fees and
22 expenses, including any award payments (“Service Awards”) to the Plaintiffs (the
23 “Fee and Expense Application”), should be approved; and (e) to consider any other
24 matters that may properly be brought before the Court in connection with the
25 Settlement.

26 3. The Court reserves the right to adjourn the Settlement Fairness
27 Hearing or to hold the Settlement Fairness Hearing or any adjournment thereof

1 telephonically or by Zoom, including the consideration of the Fee and Expense
2 Application, without further notice of any kind other than oral announcement at the
3 Settlement Fairness Hearing or any adjournment thereof. The Court further
4 reserves the right to approve the Stipulation and the Settlement, at or after the
5 Settlement Fairness Hearing, with such modifications as may be consented to by
6 the Settling Parties and without further notice to TuSimple stockholders. The
7 Court may, for good cause, extend any of the deadlines set forth in this Order
8 without further notice to TuSimple stockholders.

9 4. **Manner of Giving Notice** – Notice of the Settlement and the
10 Settlement Fairness Hearing shall be given by TuSimple as follows:

11 (a) no later than three (3) Business Days following the date of entry
12 of this Order (the “Notice Date”), TuSimple shall cause a copy of the
13 Postcard Notice, substantially in the form attached hereto as Exhibit 3, to be
14 emailed or mailed by First-Class Mail (where email addresses are not
15 available) to all record and beneficial holders of TuSimple common stock
16 known to TuSimple as of October 28, 2024, the record date for the
17 Company’s 2024 annual shareholder meeting;

18 (b) no later than the Notice Date, TuSimple shall post a copy of the
19 Notice of Pendency and Proposed Settlement of Derivative Actions (the
20 “Notice”), substantially in the form attached hereto as Exhibit 1, and the
21 Stipulation on the “Investor Relations” section of the Company’s website,
22 <https://ir.tusimple.com/overview/default.aspx>, and such documents shall
23 remain posted to that website through the Effective Date of the Settlement;

24 (c) not later than ten (10) Business Days after the Notice Date,
25 TuSimple shall cause the Summary Notice of Pendency and Proposed
26 Settlement of Derivative Actions (the “Summary Notice”), substantially in
27 the form attached hereto as Exhibit 2, on two separate occasions in the
28

1 national edition of *The Wall Street Journal* and on one occasion over the PR
2 Newswire; and

3 (d) not later than thirty-five (35) calendar days prior to the
4 Settlement Fairness Hearing, TuSimple's Counsel shall serve on California
5 Plaintiffs' Lead Counsel and file with the Court proof, by affidavit or
6 declaration, of compliance with paragraphs 4(a)-(c) above.

7 5. **Approval of Form and Content of Notice** – The Court (a) approves,
8 as to form and content, the Notice, the Summary Notice, and the Postcard Notice,
9 attached hereto as Exhibits 1, 2, and 3, respectively, and (b) finds that the mailing
10 or emailing of the Postcard Notice and publishing of the Notice and the Summary
11 Notice in the manner and form set forth in paragraph 4 of this Order:
12 (i) constitutes notice that is reasonably calculated, under the circumstances, to
13 apprise TuSimple stockholders of the pendency of the Actions, of the effect of the
14 proposed Settlement (including the releases to be provided thereunder), of the Fee
15 and Expense Application, of their right to object to the Settlement and/or the Fee
16 and Expense Application, and of their right to appear at the Settlement Fairness
17 Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and
18 entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the
19 requirements of Rule 23.1 of the Federal Rules of Civil Procedure, the United
20 States Constitution (including the Due Process Clause), and all other applicable
21 law and rules. The date and time of the Settlement Fairness Hearing shall be
22 included in the Postcard Notice, Notice, and Summary Notice before those notices
23 are distributed or published.

24 6. **Appearance and Objections at Settlement Fairness Hearing** – Any
25 TuSimple stockholder who or which continues to hold shares of TuSimple
26 common stock as of the date of the Settlement Fairness Hearing, may enter an
27 appearance in the California Action at his, her, or its own expense, individually or
28

1 through counsel of his, her, or its own choice, by filing a notice of appearance with
2 the Clerk of the Court no later than twenty-one (21) calendar days prior to the
3 Settlement Fairness Hearing. Copies of any notices of appearance must also be
4 served (by hand, first class mail, or express service) on California Plaintiffs' Lead
5 Counsel and TuSimple's Counsel, at the addresses set forth in paragraph 7 below,
6 such that it is received no later than twenty-one (21) calendar days prior to the
7 Settlement Fairness Hearing, or as the Court may otherwise direct. Any TuSimple
8 stockholder who or which does not enter an appearance will be represented by
9 California Plaintiffs' Lead Counsel and shall be deemed to have waived and
10 forfeited any and all rights he, she, or it may otherwise have to appear separately at
11 the Settlement Fairness Hearing. TuSimple's Counsel shall promptly forward any
12 notices of appearance received to counsel for each of the other Defendants.

13 7. Any TuSimple stockholder who or which continues to hold shares of
14 TuSimple common stock as of the date of the Settlement Fairness Hearing may file
15 a written objection to the proposed Settlement and/or the Fee and Expense
16 Application with the Clerk of the Court in accordance with the requirements set
17 forth in paragraph 8 below, and may appear and show cause, if he, she, or it has
18 any cause, why the proposed Settlement and/or the Fee and Expense Application
19 should not be approved; *provided, however*, that, unless otherwise directed by the
20 Court for good cause shown, no such person or entity shall be heard or entitled to
21 contest the approval of the terms and conditions of the proposed Settlement and/or
22 the Fee and Expense Application, unless that person or entity has filed a written
23 objection with the Clerk of the Court and served (by hand, first class mail, or
24 express service) copies of such objection on California Plaintiffs' Lead Counsel
25 and TuSimple's Counsel at the addresses set forth below, such that they are
26 received no later than twenty-one (21) calendar days prior to the Settlement
27
28

1 Fairness Hearing. TuSimple’s Counsel shall promptly forward any objections
2 received to counsel for each of the other Defendants.

3 **California Plaintiffs’ Lead Counsel:**

4 Jeroen van Kwawegen
5 Bernstein Litowitz Berger & Grossmann LLP
6 1251 Avenue of the Americas
7 New York, NY 10020

8 Francis A. Bottini, Jr.
9 Albert Y. Chang
10 Bottini & Bottini, Inc.
11 7817 Ivanhoe Avenue, Suite 102
12 La Jolla, CA 92037

13 **TuSimple’s Counsel:**

14 Robert Kingsley Smith
15 Wilmer Cutler Pickering Hale and Dorr LLP
16 60 State Street
17 Boston, MA 02109

18 8. Any objections, filings, and other submissions must: (a) state the
19 name, address, and telephone number of the objector and, if represented by
20 counsel, the name, address, and telephone number of his, her, or its counsel; (b) be
21 signed by the objector; (c) state that the objection is being filed with respect to
22 “*Wilhoite, et al. v. Hou, et al.*, Case No. 3:23-cv-02333-BEN-MSB (S.D. Cal.)”;
23 (d) contain a specific, written statement of the objection(s) and the specific
24 reason(s) for the objection(s), including any legal and evidentiary support the
25 objector wishes to bring to the Court’s attention, and if the objector has indicated
26 that he, she, or it intends to appear at the Settlement Fairness Hearing, the identity
27 of any witnesses the objector may call to testify and any exhibits the objector
28 intends to introduce into evidence at the hearing; and (e) include (i) documentation
sufficient to prove the date on which the objector acquired shares of TuSimple

1 common stock, (ii) documentation sufficient to prove that the objector continues to
2 hold shares of TuSimple common stock as of the date of filing of the objection,
3 and (iii) a statement that the objector will continue to hold shares of TuSimple
4 common stock as of the date of the Settlement Fairness Hearing. Documentation
5 establishing ownership of TuSimple common stock must consist of copies of an
6 official brokerage account statement, a screen shot of an official brokerage
7 account, or an authorized statement from the objector's broker containing the
8 information found in an account statement. The Settling Parties are authorized to
9 request from any objector additional information or documentation sufficient to
10 prove his, her, or its holdings of TuSimple common stock.

11 9. Unless the Court orders otherwise, any person or entity who or which
12 does not make his, her, or its objection in the manner provided herein shall: (a) be
13 deemed to have waived and forfeited his, her, or its right to object, including any
14 right of appeal, to any aspect of the proposed Settlement or the Fee and Expense
15 Application; (b) be forever barred and foreclosed from objecting to the fairness,
16 reasonableness, or adequacy of the Settlement, the Judgment to be entered
17 approving the Settlement, or the attorneys' fees and expenses requested or awarded
18 including any Service Awards to the Plaintiffs; and (c) be deemed to have waived
19 and forever barred and foreclosed from being heard, in this or any other
20 proceeding, including on any appeal, with respect to any matters concerning the
21 Settlement or the requested or awarded attorneys' fees and expenses, including any
22 Service Awards to the Plaintiffs.

23 10. **Stay and Temporary Injunction** – Until otherwise ordered by the
24 Court, the Court stays all proceedings in the California Action other than
25 proceedings necessary to carry out or enforce the terms and conditions of the
26 Stipulation. Pending final determination of whether the Settlement should be
27 approved, the Court (a) bars and enjoins the commencement or prosecution of any
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1 action asserting any Released Plaintiffs Claims against any of the Released
2 Defendants Persons; and (b) bars and enjoins the commencement or prosecution of
3 any action asserting any Released Plaintiffs Claims against any of the Released
4 Defendants Persons.

5 11. **Notice Costs** – TuSimple shall assume all administrative
6 responsibility for and shall pay any and all Notice Costs, regardless of whether the
7 Court approves the Settlement or the Effective Date fails to occur. Neither
8 Plaintiffs nor their counsel shall be responsible for any Notice Costs nor shall any
9 Notice Costs be paid from the Settlement Fund.

10 12. **Settlement Fund** – The contents of the Settlement Fund held in the
11 Escrow Account by Citibank, N.A. (which the Court approves as the escrow agent
12 for the Settlement Fund) shall be deemed and considered to be *in custodia legis* of
13 the Court, and shall remain subject to the jurisdiction of the Court, until such time
14 as they shall be paid out of the Escrow Account pursuant to the terms of the
15 Stipulation and/or further order(s) of the Court.

16 13. **Taxes** – California Plaintiffs’ Lead Counsel are authorized and
17 directed to prepare any tax returns and any other tax reporting form for or in
18 respect to the Settlement Fund held in the Escrow Account, to pay from the
19 Settlement Fund held in the Escrow Account any Taxes owed with respect to the
20 Settlement Fund, and to otherwise perform all obligations with respect to Taxes
21 and any reporting or filings in respect thereof without further order of the Court in
22 a manner consistent with the provisions of the Stipulation.

23 14. **Use of this Order** – Neither this Order, the Settlement, the Term
24 Sheet, the Stipulation (whether or not consummated), including the Exhibits
25 thereto; the negotiations leading to the execution of the Term Sheet, the
26 Stipulation, or the Settlement; nor any proceedings, communications, drafts,
27 documents, or agreements taken pursuant to or in connection with the Term Sheet,
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1 the Stipulation, and/or approval of the Settlement (including any arguments
2 proffered in connection therewith): (a) shall be offered or received against or to the
3 prejudice of any Released Defendants Persons as evidence of or construed as or
4 deemed to be evidence of any presumption, concession, finding, or admission by
5 any Released Defendants Persons of the truth of any allegations by Plaintiffs or the
6 validity of any claim that has been or could have been asserted in the Actions, or the
7 deficiency of any defense that has been or could have been asserted in the Actions or
8 in any other litigation, including, but not limited to, litigation of the Released
9 Plaintiffs Claims, or of any liability, damages, negligence, fault, omission, or
10 wrongdoing of any kind of any of the Released Defendants Persons or in any way
11 referred to for any other reason as against any of the Released Defendants Persons,
12 in any civil, criminal, or administrative action or proceeding, other than such
13 proceedings as may be necessary to effectuate the provisions of the Stipulation;
14 (b) shall be offered or received against or to the prejudice of the Released Plaintiffs
15 Persons as evidence that Plaintiffs' claims in any way lack merit or the validity of
16 any affirmative defense that has been or could have been asserted in the Actions,
17 including, but not limited to, litigation of the Released Plaintiffs Claims; (c) shall
18 be offered or received against or to the prejudice of any Released Defendants
19 Persons as evidence of a presumption, concession, or admission of any fault,
20 misrepresentation, scheme, or omission with respect to any statement or written
21 document approved or made by any Released Defendants Persons, or against the
22 Released Plaintiffs Persons as evidence of any infirmity in the claims of Plaintiffs;
23 (d) shall be offered or received against or to the prejudice of any Released
24 Defendants Persons as evidence of a presumption, concession, or admission of any
25 liability, damages, negligence, fault, omission, or wrongdoing, or in any way
26 referred to for any other reason as against any of the parties to the Stipulation, in
27 any other civil, criminal, or administrative action or proceeding in any court,
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1 administrative agency, or other tribunal; provided, however, that if the Stipulation
2 is approved by the Court, Defendants and the Released Defendants Persons may
3 refer to it to effectuate the release granted them under the Stipulation; or (e) shall
4 be construed against the Released Defendants Persons or the Released Plaintiffs
5 Persons as evidence of a presumption, concession, or admission that the
6 consideration to be given under the Stipulation represents the amount which could
7 be or would have been recovered after trial or in any proceeding other than the
8 Settlement.

9 15. **Termination of Settlement** – If the Settlement is terminated as
10 provided in the Stipulation, the Settlement is not approved, or the Effective Date of
11 the Settlement otherwise fails to occur, this Order shall be vacated, rendered null
12 and void, and be of no further force and effect, except as otherwise provided by the
13 Stipulation, and this Order shall be without prejudice to the rights of the Settling
14 Parties or any TuSimple stockholders, and the parties to the Actions shall be
15 restored to their respective positions in the Actions as of immediately prior to the
16 execution of the Term Sheet on September 19, 2024.

17 16. **Supporting Papers** – California Plaintiffs’ Lead Counsel shall file
18 and serve the opening papers in support of the proposed Settlement and the Fee
19 and Expense Application no later than thirty-five (35) calendar days prior to the
20 Settlement Fairness Hearing; and reply papers, if any, shall be filed and served no
21 later than seven (7) calendar days prior to the Settlement Fairness Hearing.

22 17. The Court retains jurisdiction to consider all further applications
23 arising out of or connected with the proposed Settlement.
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1 SO ORDERED this _____ day of _____, 2024.

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5 _____
6 The Honorable Roger T. Benitez
7 United States District Judge
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EXHIBIT A-1

1 BOTTINI & BOTTINI, INC.
2 Francis A. Bottini, Jr. (SBN 175783)
3 Albert Y. Chang (SBN 296065)
4 Aaron P. Arnzen (SBN 218272)
5 7817 Ivanhoe Avenue, Suite 102
6 La Jolla, California 92037
7 Telephone: (858) 914-2001
8 Facsimile: (858) 914-2002

9 BERNSTEIN LITOWITZ BERGER &
10 GROSSMANN LLP
11 Gregory V. Varallo (*pro hac vice*)
12 500 Delaware Avenue, Suite 901
13 Wilmington, Delaware 19801
14 Telephone: (302) 364-3600

15 *Attorneys for Plaintiffs*
16 *Norman Wilhoite and Judith Wilhoite*

17 UNITED STATES DISTRICT COURT
18 SOUTHERN DISTRICT OF CALIFORNIA

19 NORMAN WILHOITE and JUDITH
20 WILHOITE, derivatively on behalf of
21 TUSIMPLE HOLDINGS, INC.,

22 Plaintiffs,

23 vs.

24 XIAODI HOU, MO CHEN, CHENG
25 LU, GUOWEI "CHARLES" CHAO,
26 and HYDRON, INC.,

27 Defendants,

28 - and -

TUSIMPLE HOLDINGS, INC.,
Nominal Defendant.

Case No. 23cv2333 BEN (MSB)

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF
DERIVATIVE ACTIONS**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

TO: ALL PERSONS OR ENTITIES WHO OR WHICH HOLD SHARES OF
TUSIMPLE HOLDINGS, INC. ("TUSIMPLE" OR THE "COMPANY")
COMMON STOCK.

1 The purpose of this Notice is to inform you of: (i) the pendency of the
2 stockholder derivative action captioned *Wilhoite, et al. v. Hou, et al.*, Case No. 3:23-
3 cv-02333-BEN-MSB, pending in the United States District Court for the Southern
4 District of California (the “California Court”), and the stockholder derivative action
5 captioned *In re TuSimple Holdings, Inc. Stockholder Litigation*, C.A. No. 2022-
6 1095-PAF (the “Delaware Action” and, together with the California Action, the
7 “Actions”) pending in the Court of Chancery of the State of Delaware (the
8 “Delaware Court”); (ii) a proposed settlement of the Actions (the “Settlement”),
9 subject to approval of the California Court, as provided in the Stipulation of
10 Settlement dated as of December 18, 2024 (the “Stipulation”); (iii) the hearing that
11 the California Court will hold on [____], 2025, at []:[] []m. to
12 determine whether to approve the proposed Settlement and to consider the
13 application by California Plaintiffs’ Lead Counsel, on behalf of all Plaintiffs’
14 Counsel, for an award of attorneys’ fees and litigation expenses, including any
15 application for an incentive award to each of the Plaintiffs (the “Fee and Expense
16 Application”); and (iv) TuSimple stockholders’ rights with respect to the proposed
17 Settlement and the Fee and Expense Application.¹

13 **PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**
14 **YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED**
15 **SETTLEMENT OF THIS ACTION.**

16 The Stipulation was entered into as of December 18, 2024, between and
17 among (i) plaintiffs in the California Action: Norman Wilhoite and Judith Wilhoite
18 (the “California Plaintiffs”), derivatively on behalf of TuSimple; (b) settling
19 defendants in the California Action: Guowei “Charles” Chao, Cheng Lu, Mo Chen,
20 and Hydron, Inc. (“Hydron”) and Nominal Defendant TuSimple (collectively, the
21 “Settling California Defendants”); (c) plaintiffs in the Delaware Action: Jason
22 Nusbaum and Richard A. Green (collectively, the “Delaware Plaintiffs” and,
23 together with the California Plaintiffs, “Plaintiffs”); (d) settling defendants in the
24 Delaware Action: Mo Chen, Brad Buss, Karen Francis, Reed Werner, and Hydron
25 and Nominal Defendant TuSimple (collectively, the “Settling Delaware Defendants”
26 and, together with the Settling California Defendants, “Settling Defendants”); and
27 (e) the Special Litigation Committee (the “SLC”) of the Board of Directors of
28 TuSimple, acting for and on behalf of TuSimple (Plaintiffs, Settling Defendants, and
the SLC, together, the “Settling Parties”), subject to the approval of the California
Court pursuant to Rule 23.1 of the Federal Rules of Civil Procedure.

¹ All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation, which is available at the “Investor Relations” section of the Company’s website, <https://ir.tusimple.com/overview/default.aspx>.

1 As described on page [] below, the Settlement provides for a cash payment
2 of \$42,500,000, which, after any deductions for attorneys’ fees and expenses for
3 Plaintiffs’ Counsel (including any incentive awards to Plaintiffs) and any applicable
4 taxes and tax expenses, will be paid to the Company. Additionally, pursuant to the
5 Settlement (i) Settling Defendants and TuSimple acknowledge that the Actions
6 played a substantial role in the amendment of the Amended and Restated
7 Cooperation Agreement, dated April 3, 2024, by and among TuSimple and Mo Chen
8 and (ii) TuSimple and Hydron affirm that they are parties to the Mutual
9 Confidentiality and Nondisclosure Agreement that continues to remain binding on
10 TuSimple and Hydron.

11 Because the Actions were brought as derivative actions, which means that the
12 Actions were brought by Plaintiffs on behalf of, and for the benefit of, TuSimple,
13 the cash recovery from the Settlement will go to the Company. Individual TuSimple
14 stockholders will not receive any direct payment from the Settlement.

15 **PLEASE NOTE: THERE IS NO PROOF OF CLAIM FORM FOR**
16 **STOCKHOLDERS TO SUBMIT IN CONNECTION WITH THIS**
17 **SETTLEMENT, AND STOCKHOLDERS ARE NOT REQUIRED TO TAKE**
18 **ANY ACTION IN RESPONSE TO THIS NOTICE.**

19 **WHAT IS THE PURPOSE OF THIS NOTICE?**

20 1. The purpose of this Notice is to explain the Actions, the terms of the
21 proposed Settlement, and how the proposed Settlement affects TuSimple
22 stockholders’ legal rights.

23 2. In a derivative action, one or more persons or entities who are current
24 stockholders of a corporation sue on behalf of, and for the benefit of, the corporation,
25 seeking to enforce the corporation’s legal rights. In this case, Plaintiffs have filed
26 suit against Defendants on behalf of, and for the benefit of, TuSimple.

27 3. The California Court has scheduled a hearing to consider the fairness,
28 reasonableness, and adequacy of the Settlement and the Fee and Expense
Application (the “Settlement Fairness Hearing”). See page [] below for details
about the Settlement Fairness Hearing, including the location, date, and time of the
hearing.

WHAT ARE THESE CASES ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE ACTIONS AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE SETTLING PARTIES AND DOES NOT CONSTITUTE FINDINGS OF THE CALIFORNIA COURT OR THE DELAWARE COURT. IT SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURTS AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE SETTLING PARTIES OR THE FAIRNESS OR ADEQUACY OF THE PROPOSED SETTLEMENT.

A. The California Action

The TRO and PI Proceedings in the California Court

4. The California Plaintiffs commenced the California Action on December 22, 2023, alleging, among other things, that the California Defendants caused TuSimple to transfer its trade secrets to Hydron, a company under Chen’s control, without proper consideration. The California Plaintiffs asserted three claims derivatively on behalf of TuSimple: (1) violations of the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1836 *et seq.*; (2) violations of the California Uniform Trade Secrets Act, Cal. Civ. Code § 3426.1 *et seq.*; and (3) civil conspiracy. On January 5, 2024, the California Plaintiffs moved for a temporary restraining order (“TRO”) and expedited discovery on the basis that, absent injunctive relief, the California Defendants could continue expatriating TuSimple’s trade secrets to Hydron and to China.

5. The Court heard oral argument on the TRO motion on January 22, 2024 and subsequently entered a TRO and discovery order that, among other things, restricted the flow of TuSimple’s U.S.-based trade secrets to Hydron and TuSimple’s China-based business and limited the use of TuSimple’s U.S.-based assets. The Court determined that the California Plaintiffs raised “serious questions regarding the merits” of their claims. After further briefing, the Court modified the TRO on February 2, 2024, based on TuSimple’s input.

6. The TRO and discovery order also allowed the California Plaintiffs to obtain discovery in support of their anticipated motion for preliminary injunction (“PI”). The TRO required TuSimple to produce, by February 6, 2024, “documents in their possession, custody or control” sufficient to “show the location of TuSimple’s trade secrets” and “identify any proprietary information and/or

1 intellectual property belonging to TuSimple that has been disclosed or transferred to
2 Hydron.”

3 7. TuSimple moved to dismiss the California Complaint (defined below)
4 on January 16, 2024 based on: (1) the forum-selection clause for derivative litigation
5 in TuSimple’s Certificate of Incorporation designating Delaware as the exclusive
6 forum; (2) the California Plaintiffs’ alleged failure to plead demand futility under
7 Rule 23.1; and (3) the California Plaintiffs’ alleged failure to state a claim for trade-
8 secret misappropriation and conspiracy. The Court convened a hearing on February
9 12, 2024, concerning TuSimple’s motion to dismiss. Although the Court stated its
tentative inclination to “deny the motion to dismiss without prejudice ... on all three
grounds,” the Court has not ruled on TuSimple’s motion to dismiss, which remains
pending.

10 8. On February 9, 2024, the California Plaintiffs moved to direct
11 TuSimple to comply with the discovery order and produce responsive documents in
12 the possession of TuSimple’s wholly-owned Chinese subsidiaries. On March 7,
13 United States Magistrate Judge Berg granted Plaintiffs’ motion to compel.
14 TuSimple moved to set aside Magistrate Judge Berg’s order on March 15, which
15 motion remains pending.

16 9. On February 9, 2024, the California Plaintiffs moved for a PI. The
17 Court heard argument on the motion on March 12. After hearing arguments, the
18 Court continued the PI hearing to allow the California Plaintiffs to conduct further
19 discovery. The Court issued an order on March 13, extending the TRO through
20 April 8, “[b]ased on the strength of the circumstantial evidence and the need for a
fully developed record consistent with the goals of expedited discovery[.]” The
Court separately granted the California Plaintiffs leave to depose Defendant Chen
(TuSimple’s co-founder, former Executive Chairman and CEO, and current director)
and others.

21 10. To allow sufficient time to conduct further discovery, on March 28,
22 2024, the California Plaintiffs moved to extend the TRO, which motion TuSimple
23 opposed. On March 29, the Court granted the motion and extended the TRO to April
24 29. On April 17, the California Plaintiffs moved again to extend the TRO, which
25 motion TuSimple opposed. The Court granted the California Plaintiffs’ motion on
26 April 22 and extended the TRO to May 13.

27 11. After additional briefing and hearings on discovery issues, in April
28 2024, the California Plaintiffs deposed Chen, Lu (TuSimple CEO from June 2020 to
March 2022, and from November 2022 to the present), as well as former interim

1 TuSimple CEO Ersin Yumer. TuSimple also produced documents to the California
2 Plaintiffs.

3 12. On May 3, 2024, the California Plaintiffs submitted supplemental
4 briefing on their PI motion. On May 8, the California Defendants responded to the
5 California Plaintiffs’ supplemental brief. Upon receipt of the parties’ supplemental
6 briefing and evidence, on May 9, the Court *sua sponte* extended the TRO to June 10
7 and set the PI hearing for the same day. The PI motion remains pending.

8 **The Proceedings in the Ninth Circuit**

9 13. On March 15, 2024, TuSimple sought interlocutory review in the
10 United States Court of Appeals for the Ninth Circuit of the March 13, 2024 order
11 extending the TRO, as well as the TRO-related rulings. On March 18, TuSimple
12 sought an emergency stay of the TRO and related discovery pending appeal. The
13 California Plaintiffs opposed TuSimple’s emergency motion and sought dismissal
14 for want of appellate jurisdiction. On March 26, the Ninth Circuit denied
15 TuSimple’s emergency motion for a stay and denied the California Plaintiffs’
16 request for dismissal “without prejudice to renewing the arguments in the answering
17 brief.”

18 14. TuSimple subsequently appealed the orders extending the TRO dated
19 March 29, 2024, April 22, 2024, and May 9, 2024. TuSimple’s appeals were
20 consolidated and proceeded to merits briefing on an expedited basis. TuSimple filed
21 its opening brief on April 15. The California Plaintiffs filed their answering brief on
22 May 20. TuSimple filed its reply brief on June 10. The California Plaintiffs filed a
23 supplemental brief on June 25.

24 **The Status of Proceedings**

25 15. Between April and June 2024, Lu, Chen, and Hou moved to dismiss the
26 California Complaint (defined below). Those motions remain pending. On May 20,
27 Hydron answered the California Complaint.

28 16. In April 2024, while TuSimple’s appeals were proceeding in the Ninth
Circuit, the California Plaintiffs and TuSimple submitted competing briefs to the
Court (in response to the Court’s request) regarding the scope of the Court’s
jurisdiction during the pendency of TuSimple’s appeals. Based on this briefing, on
June 5, 2024, the Court extended the TRO to September 15, 2024, and stayed all
proceedings pending resolution of TuSimple’s appeals. The extended TRO expired
on September 15, 2024.

1 17. On July 10, 2024, the Ninth Circuit issued an order granting TuSimple’s
2 unopposed motion to stay in light of the Settlement and staying all appellate
3 proceedings until October 8, 2024. On October 16, 2024, the Ninth Circuit ordered
4 the California Plaintiffs and TuSimple to submit supplemental briefing by December
5 16, 2024 regarding the Ninth Circuit’s jurisdiction to hear TuSimple’s appeals given
6 the expiration of the injunction on September 15, 2024.

7 **B. The Delaware Action**

8 **The Delaware Plaintiffs File Suit**

9 18. The lawsuits that constitute the Delaware Action were commenced
10 between November 28, 2022 and March 6, 2023, with the operative complaint in the
11 Delaware Action filed on July 24, 2023 and alleging, among other things, that the
12 Delaware Defendants caused TuSimple to transfer its trade secrets to Hydron
13 without proper consideration, and that Chen and Hou orchestrated a purge that
14 removed all directors other than Hou from TuSimple’s board of directors and
15 reinstated Chen and Lu as directors.

16 19. The Delaware Plaintiffs asserted six claims derivatively on behalf of
17 TuSimple: (1) breach of fiduciary duty by Chen and Hou for transfer of TuSimple’s
18 intellectual property to Hydron; (2) breach of fiduciary duty by Chen and Hou for
19 removing the directors of TuSimple other than Hou; (3) unjust enrichment against
20 Chen and Hou; (4) breach of fiduciary duty by certain of the Delaware Defendants
21 who were members of the audit committee of TuSimple’s board of directors; (5) an
22 aiding and abetting claim against Hydron; and (6) an unjust enrichment claim against
23 Hydron. Prior to filing the operative complaint in the Delaware Action, the
24 Delaware Plaintiffs obtained 551 pages of internal, non-public documents from
25 TuSimple pursuant to 8 *Del. C.* § 220 relating to the claims alleged.

26 20. On March 13, 2023, TuSimple’s board of directors formed a special
27 litigation committee (the “SLC”) to assess and determine whether the pursuit of
28 derivative claims in the Delaware Action would be in the Company’s best interests.

29 **The Stay**

30 21. On August 18, 2023, the Delaware Court entered an agreed Stay Order,
31 which stayed the Delaware Action until February 9, 2024 to permit the SLC to
32 conduct its investigation. In exchange for the Delaware Plaintiffs agreeing to stay
33 the Action, the SLC agreed to provide—and did provide—the Delaware Plaintiffs
34 with periodic updates regarding the status of its investigation, as well as copies of
35 its enabling resolutions. Delaware Plaintiffs met with the SLC on January 19, 2024

1 and March 10, 2024 to discuss the status of the investigation and provide the
2 Delaware Plaintiffs’ input and suggestions for the investigation.

3 22. Between August 2023 and April 2024, the SLC directed its counsel to
4 conduct an investigation of the matters forming the basis of the Delaware Action.
5 This included interviews with the named Defendants in the Action and other
6 Company personnel, review and analysis of numerous documents, and engagement
7 of experts to assist the SLC with its review.

8 23. On February 5, 2024, the Court entered an agreed Order extending the
9 Stay Order until April 9, 2024, and on April 10, 2024, the Court entered an Order
10 extending the Stay Order until June 4, 2024.

11 **The Mediation**

12 24. In April 2024, Plaintiffs and Defendants commenced a mediation
13 process under the supervision of the Hon. Layn R. Phillips (Ret.) of Phillips ADR
14 Enterprises (“Judge Phillips”). On May 2, 2024, Plaintiffs, Defendants, the SLC,
15 and their respective counsel participated in an all-day in-person mediation session
16 before Judge Phillips in New York City. The mediation session was preceded by
17 the submission of mediation statements. In advance of the mediation session,
18 TuSimple provided the Delaware Plaintiffs with nearly 5,000 pages of documents
19 produced in connection with the California Action, including copies of the
20 transcripts of depositions taken in the California Action. Following the mediation
21 session, the parties engaged in further settlement negotiations mediated by Judge
22 Phillips.

23 25. On July 3, 2024, Judge Phillips issued a mediator’s proposal. On July
24 8, the Settling Parties accepted Judge Phillips’s proposal to settle the California
25 Action and the Delaware Action in exchange for a cash payment of \$42.5 million
26 for the benefit of TuSimple, subject to the negotiation of the terms of a Stipulation
27 of Settlement and approval by the Court. The Settling Parties’ agreement-in-
28 principle to settle the Actions was memorialized in a Settlement Term Sheet
executed on September 19, 2024 (the “Term Sheet”).

29 26. In connection with the appeal in the California Action, the Ninth Circuit
on July 10, 2024, issued an order granting TuSimple’s unopposed motion to stay in
light of the Settlement and staying all appellate proceedings until October 8, 2024.

30 27. In connection with the Delaware Action, the Delaware Court on July 9,
2024, entered an Order extending the Stay Order until the California Court renders
a decision concerning the Settlement.

1 **C. Stipulation of Settlement and Preliminary Approval of Settlement**

2 28. After additional negotiations regarding the specific terms of their
3 agreement, the Settling Parties entered into the Stipulation of Settlement (the
4 “Stipulation”) on December 18, 2024. The Stipulation, which reflects the final and
5 binding agreement among the Settling Parties on the terms and conditions of the
6 Settlement, can be viewed at the “Investor Relations” section of the Company’s
7 website, <https://ir.tusimple.com/overview/default.aspx>.

8 29. On [_____], 202[], the California Court preliminarily
9 approved the Settlement, authorized this Notice to be provided to TuSimple
10 stockholders, and scheduled the Settlement Fairness Hearing to consider whether
11 to grant final approval of the Settlement.

12 **WHAT ARE THE TERMS OF THE SETTLEMENT?**

13 30. The full terms and conditions of the Settlement are embodied in the
14 Stipulation, which was filed with the California Court. The following is only a
15 summary of the Stipulation.

16 31. In full and final settlement of the claims asserted in the Actions and in
17 consideration of the releases specified in paragraphs 4.1-4.2 of the Stipulation (and
18 in paragraph 34 below), the Settling Parties have agreed to the following:

19 (i) **Monetary Consideration:** Settling Defendants shall cause the
20 Settlement Amount (\$42,500,000) to be paid into an escrow account
21 controlled by Plaintiffs’ Lead Counsel (the “Escrow Account”), subject to
22 refund if the Settlement is terminated or cancelled pursuant to the Stipulation.
23 Within 20 Business Days of the occurrence of the Settlement’s Effective Date,
24 Plaintiffs’ Lead Counsel shall transfer the Net Settlement Fund to TuSimple
25 (*i.e.*, the Settlement Amount plus any interest earned thereon (the “Settlement
26 Fund”), less: (i) any Court-awarded attorneys’ fees and expenses paid or
27 payable to Plaintiffs’ Counsel and any reserve to account for any potential
28 future awards to Plaintiffs’ Counsel (including any Court-awarded incentive
payments to Plaintiffs to be paid out of the fees and expenses awarded to
Plaintiffs’ Counsel); and (ii) any required Taxes and Tax Expenses, shall be
transferred to TuSimple).

(ii) **Governance:** Defendants and TuSimple acknowledge that the
California and Delaware Actions played a substantial role in the amendment
of the Amended and Restated Cooperation Agreement, dated April 3, 2024,
by and among TuSimple and Mo Chen, whereby, among other things, Mr.

1 Chen, including through his family members and affiliates, directly or
2 indirectly, agrees not to “solicit, initiate, discuss, negotiate, enter into or
3 effectuate, directly or indirectly, any related party transaction between the
4 Company or any of its subsidiaries and Hydron, Inc. or any of its subsidiaries,
5 or . . . cause any funds of the Company or any of its subsidiaries to be used
6 for or to advance the business of Hydron, Inc. or its subsidiaries,” for a period
7 of two years from January 16, 2024.

8 (iii) **Nondisclosure Agreement Reaffirmation:** TuSimple and
9 Hydron affirm that they are parties to the Mutual Confidentiality and
10 Nondisclosure Agreement (the “Nondisclosure Agreement”), entered into
11 effective as of June 21, 2022, and that the Nondisclosure Agreement continues
12 to remain binding on TuSimple and Hydron.

13 **WHAT ARE THE SETTLING PARTIES’ REASONS FOR THE**
14 **SETTLEMENT?**

15 32. Plaintiffs, through Plaintiffs’ Counsel, have conducted an extensive
16 investigation and engaged in discovery relating to the claims and underlying events
17 and transactions alleged in the Actions. Plaintiffs’ Counsel have analyzed the
18 evidence adduced during their investigation and discovery and have also researched
19 the applicable law with respect to the claims asserted in the Actions and the potential
20 defenses thereto. In negotiating and evaluating the terms of the Settlement, Plaintiffs
21 and Plaintiffs’ Counsel considered the significant legal and factual defenses to
22 Plaintiffs’ claims and the expense, length, and risk of pursuing their claims through
23 trial and appeals. While Plaintiffs brought their claims in good faith and continue to
24 believe that their claims have merit, Defendants vigorously argued that they had
25 acted appropriately and are not subject to liability or damages. In light of the
26 substantial monetary recovery and valuable governance changes achieved by the
27 Settlement, Plaintiffs and Plaintiffs’ Counsel have determined that the proposed
28 Settlement is fair, reasonable, adequate, and in the best interests of TuSimple and its
stockholders. The Settlement provides substantial immediate benefits to TuSimple
without the risk that continued litigation could result in obtaining similar or lesser
relief for TuSimple after continued extensive and expensive litigation, including trial
and the appeals that were likely to follow.

33. Throughout the course of the Actions and in the Stipulation, Settling
Defendants expressly have denied, and continue to deny, any and all of the claims
alleged in the respective Actions, including any and all allegations of fault,
negligence, liability, wrongdoing, or damages whatsoever. Without limiting the
foregoing in any way, Settling Defendants expressly have denied, and continue to

1 deny, each and all of the claims and contentions alleged by Plaintiffs in the respective
2 Actions, including claims that they have committed any breach of fiduciary duty or
3 wrongdoing. Settling Defendants in the respective Actions expressly have denied,
4 and continue to deny, that they have committed any wrongdoing or violations of law
5 or statutory duty as alleged in any complaint in the Actions or that could have been
6 alleged in the Actions, and Settling Defendants maintain that their conduct was at
7 all times proper and in compliance with applicable provisions of law. Settling
8 Defendants in the respective Actions also expressly have denied, and continue to deny,
9 that any Settling Defendant breached their fiduciary duties, was unjustly enriched,
10 misappropriated trade secrets, or engaged in any conspiracy in connection with the
11 sharing of any information belonging to TuSimple with Hydron or the reconstituting
12 of TuSimple’s Board of Directors in November 2022; that the California Action was
13 brought in the appropriate forum; that demand on the TuSimple’s Board of Directors
14 was excused for the filing of the California Action; or that the Court had any legal
15 basis or authority to enter a TRO or injunction of any kind. Settling Defendants
16 maintain that they have meritorious defenses to all claims alleged in the respective
17 Actions.

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WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT
CLAIMS WILL THE SETTLEMENT RELEASE?

34. If the Settlement is approved, the parties to the California Action will request that the California Court enter a Final Judgment and Order of Dismissal with Prejudice (the “Judgment”). Pursuant to the Judgment, upon the Effective Date of the Settlement, the following releases will occur:

Release of Claims by Plaintiffs, the Company, the SLC, and the Company’s current stockholders: Plaintiffs, the Company, the SLC, and the Company’s current stockholders (collectively, the “Releasing Plaintiffs Persons”) shall be deemed to have, and by operation of the Judgment shall have, irrevocably and unconditionally, fully, finally, and forever waived, released, relinquished, discharged, and dismissed with prejudice each and every one of the Released Plaintiffs Claims (defined below) against each and every one of the Released Defendants Persons (defined below) and shall forever and permanently be barred and enjoined from filing, commencing, instituting, prosecuting, continuing, asserting, intervening in, maintaining, or enforcing any action or other proceeding in any forum (including, but not limited to, any foreign, federal, state or local court of law or equity, arbitration tribunal, or administrative forum), asserting any of the Released Plaintiffs Claims against any and all of the Released Defendants Persons.

1 “Released Plaintiffs Claims” means any and all Claims that (i) the California
2 Plaintiffs (x) asserted in the Verified Shareholder Derivative Complaint dated
3 December 22, 2023 (the “California Complaint”) or (y) could have asserted
4 derivatively on behalf of the Company in the California Complaint or in any
5 other forum that are based on, arise out of, or relate to the allegations or
6 circumstances set forth in the California Complaint, except for claims relating
7 to the enforcement of the Settlement; or (ii) that the Delaware Plaintiffs (x)
8 asserted in any of the complaints filed in the Delaware Action, including the
9 Verified Amended Derivative Complaint dated July 24, 2023 (the
10 “Consolidated Delaware Complaint”) and the Verified Derivative Complaints
11 filed on November 28, 2022, December 15, 2022, and March 6, 2023 (the
12 “Predecessor Delaware Complaint”), or (y) could have asserted derivatively
13 on behalf of the Company in the Consolidated Delaware Complaint or in any
14 other forum that are based on, arise out of, or relate to the allegations or
15 circumstances set forth in the Consolidated Delaware Complaint or
16 Predecessor Delaware Complaints, except for claims relating to the
17 enforcement of the Settlement. For the avoidance of doubt, the Released
18 Plaintiffs Claims do not cover, include, or release (i) any and all direct Claims
19 of any current or former stockholder of TuSimple, including without
20 limitation any claims asserted under the federal securities laws, including
21 without limitation the claims asserted in *Dicker, et al. v TuSimple Holdings,*
22 *Inc., et al.*, Case No. 3:22-cv-01300-BEN-MSB (S.D. Cal.); (ii) Hou
23 Unreleased Claims; and (iii) any and all direct or derivative Claims arising out
24 of or relating to actions taken by directors and officers of TuSimple after
25 December 23, 2023, that do not relate to or arise from, in whole or in part, the
26 safety of TuSimple’s technology or the Transfer of Information by Released
27 Defendants Persons with Hydron and any person or entity acting on its behalf.

19 “Released Defendants Persons” means Defendants, any other individual
20 named as a defendant in any complaint filed in the Delaware Action or the
21 California Action, the Company, and any entity in which the Company has a
22 controlling interest, as well as their respective current and former parents,
23 affiliates, subsidiaries, officers, directors, agents, successors, predecessors,
24 assigns, assignees, partnerships, partners, committees, joint ventures, trustees,
25 trusts, employees, immediate family members, heirs, insurers and reinsurers
26 (in their capacities as such), consultants, experts, and attorneys (in their
27 capacities as such).

26 “Unknown Claims” means (a) any and all Released Claims which any of the
27 Releasing Plaintiffs Person do not know or suspect to exist in his, her, or its
28 favor at the time of the release of the Released Defendants Persons, which, if

1 known by him, her, or it, might have affected his, her, or its settlement with and
2 release of the Released Defendants Person, or might have affected his, her, or
3 its decision(s) with respect to the Settlement, including, but not limited to,
4 whether or not to object to this Settlement; and (b) any and all Released
5 Defendants Claims that any of the Releasing Defendants Persons do not know
6 or suspect to exist in his, her, or its favor at the time of the release of the
7 Released Plaintiffs Persons, which, if known by him, her, it, or them might have
8 affected his, her, its, or their settlement and release of the Released Plaintiffs
9 Persons. With respect to (a) any and all Released Plaintiffs Claims against the
10 Released Defendants Persons, and (b) any and all Released Defendants Claims
11 against the Released Plaintiffs Persons, the Settling Parties stipulate and agree
12 that, upon the Effective Date, the Settling Parties shall expressly waive, and
13 each of the Releasing Plaintiffs Parties and Releasing Defendants Parties shall
14 be deemed to have, and by operation of the Judgment shall have expressly
15 waived, the provisions, rights, and benefits of California Civil Code §1542,
16 which provides:

17 A general release does not extend to claims that the creditor or
18 releasing party does not know or suspect to exist in his or her
19 favor at the time of executing the release and that, if known by
20 him or her, would have materially affected his or her settlement
21 with the debtor or released party.

22 The Settling Parties shall expressly waive, and each of the Releasing Plaintiffs
23 Persons and Releasing Defendants Persons shall be deemed to have, and by
24 operation of the Judgment shall have, expressly waived any and all provisions,
25 rights, and benefits conferred by any law of any state or territory of the United
26 States, or principle of common law, which is similar, comparable, or
27 equivalent to California Civil Code §1542. The Releasing Plaintiffs Persons
28 and Releasing Defendants Persons acknowledge that they may hereafter
discover facts, legal theories, or authorities in addition to or different from
those which he, she, it, or their counsel now knows or believes to be true with
respect to the subject matter of the Released Plaintiffs Claims or Released
Defendants Claims, but (a) the Releasing Plaintiffs Persons shall expressly
fully, finally, and forever waive, compromise, settle, discharge, extinguish,
and release, and each of the Releasing Plaintiffs Persons shall be deemed to
have waived, compromised, settled, discharged, extinguished, and released,
and upon the Effective Date, and by operation of the Judgment shall have
waived, compromised, settled, discharged, extinguished, and released, fully,
finally, and forever, any and all Released Plaintiffs Claims against the
Released Defendants Persons, known or unknown, suspected or unsuspected,

1 contingent or non-contingent, accrued or unaccrued, whether or not concealed
2 or hidden, which now exist, or heretofore have existed, or may hereafter exist,
3 upon any theory of law or equity now existing or coming into existence in the
4 future, without regard to the subsequent discovery or existence of such
5 different or additional facts, legal theories, or authorities, and (b) the
6 Releasing Defendants Persons shall expressly fully, finally, and forever
7 waive, compromise, settle, discharge, extinguish, and release, and each of the
8 Releasing Defendants Persons shall be deemed to have waived, compromised,
9 settled, discharged, extinguished, and released, and upon the Effective Date,
10 and by operation of the Judgment shall have waived, compromised, settled,
11 discharged, extinguished, and released, fully, finally, and forever, any and all
12 Released Defendants Claims against the Released Plaintiffs Persons, known
13 or unknown, suspected or unsuspected, contingent or non-contingent, accrued
14 or unaccrued, whether or not concealed or hidden, which now exist, or
15 heretofore have existed, or may hereafter exist, upon any theory of law or
16 equity now existing or coming into existence in the future, without regard to
17 the subsequent discovery or existence of such different or additional facts,
18 legal theories, or authorities. The Settling Parties acknowledge, and the
19 Releasing Plaintiffs Person and Releasing Defendants Persons shall be
20 deemed by operation of the Judgment to have acknowledged, that the
21 foregoing waiver was separately bargained for and is an essential element of
22 the Settlement of which this release is a part.

16 **Release of Claims by Settling Defendants, the Company, and the SLC:**
17 Settling Defendants, the Company, and the SLC (collectively, the “Releasing
18 Defendants Persons”) shall be deemed to have, and by operation of the
19 Judgment shall have, irrevocably and unconditionally, fully, finally, and
20 forever waived, released, relinquished, discharged, and dismissed with
21 prejudice each and every one of the Released Defendants Claims (defined
22 below) against each and every one of the Released Plaintiffs Persons (defined
23 below) and shall forever and permanently be barred and enjoined from filing,
24 commencing, instituting, prosecuting, continuing, asserting, intervening in,
25 maintaining, or enforcing any action or other proceeding in any forum
26 (including, but not limited to, any foreign, federal, state or local court of law
27 or equity, arbitration tribunal, or administrative forum), asserting any of the
28 Released Defendants Claims against any and all of the Released Plaintiffs
Persons.

“Released Defendants Claims” means any and all Claims that arise out of or
relate in any way to the institution, prosecution, or settlement of the California

1 Action or the Delaware Action, except for claims relating to the enforcement
2 of the Settlement.

3 “Released Plaintiffs Persons” means California Plaintiffs and the Delaware
4 Plaintiffs, and any entity in which the California Plaintiffs or the Delaware
5 Plaintiffs has a controlling interest, as well as their respective current and
6 former parents, affiliates, subsidiaries, officers, directors, agents, successors,
7 predecessors, assigns, assignees, partnerships, partners, committees, joint
8 ventures, trustees, trusts, employees, immediate family members, heirs,
9 insurers and reinsurers (in their capacities as such), consultants, experts, and
10 attorneys (in their capacities as such).

11 35. By Order of the Court, (i) all proceedings in the California Action other
12 than proceedings necessary to carry out or enforce the terms and conditions of the
13 Stipulation have been stayed until otherwise ordered by the Court; and (ii) pending
14 final determination of whether the Settlement should be approved, the
15 commencement or prosecution of any action asserting any Released Plaintiffs
16 Claims against any of the Released Defendants Persons, as well as any action
17 asserting any Released Plaintiffs Claims against any of the Released Defendants
18 Persons, have been barred and enjoined.

19 **HOW WILL THE ATTORNEYS BE PAID?**

20 36. Plaintiffs’ Counsel have not received any payment for their services in
21 pursuing the claims asserted in the Actions, nor have Plaintiffs’ Counsel been paid
22 for their out-of-pocket expenses. Plaintiffs’ Counsel invested their own resources
23 for pursuing the claims asserted in the Actions on a contingency basis, meaning they
24 would only recover their expenses and be compensated for their time if they created
25 benefits through this litigation. In light of the risks undertaken in pursuing the
26 Actions on a contingency basis and the benefits created for TuSimple and its
27 stockholders through the Settlement and the prosecution of the claims asserted in the
28 Actions, Plaintiffs’ Lead Counsel, on behalf of all Plaintiffs’ Counsel, intend to file
with the California Court a Fee and Expense Application seeking an award of
attorneys’ fees and litigation expenses to be paid from (and out of) the Settlement
Fund. The Fee and Expense Application will seek an award of attorneys’ fees for all
Plaintiffs’ Counsel in an amount up to 30% of the Settlement Fund (\$12,750,000),
with due consideration given to both the cash settlement and the corporate
governance reforms, and payment of litigation expenses in an amount not to exceed
\$450,000. The Fee and Expense Application may include a petition for proposed
incentive awards not to exceed \$7,500 for each of the Plaintiffs in recognition of the
benefits they have helped to create for TuSimple and its stockholders (the “Service

1 Awards”). Any Service Awards approved by the Court shall be funded from the
2 portion of the Fee and Expense Award distributed to the Plaintiffs’ Counsel.

3 37. The California Court will determine the amount of any attorney fee and
4 expense award to Plaintiffs’ Counsel (the “Fee and Expense Award”), including any
5 Service Awards to Plaintiffs, which, if awarded, will be paid out the Fee and Expense
6 Award. Any Court-approved Fee and Expense Award will be paid from the
7 Settlement Fund. TuSimple stockholders are not personally liable for any such fees
8 or expenses.

9 WHEN AND WHERE WILL THE SETTLEMENT FAIRNESS HEARING
10 BE HELD? DO I HAVE THE RIGHT TO APPEAR AT THE
11 SETTLEMENT FAIRNESS HEARING? MAY I OBJECT TO THE
12 SETTLEMENT AND SPEAK AT THE HEARING IF I DON’T LIKE THE
13 SETTLEMENT?

14 38. The Court will consider the Settlement and all matters related to the
15 Settlement at the Settlement Fairness Hearing. The Settlement Fairness Hearing will
16 be held on [_____], 2025, at []:[] [].m., before the Honorable Roger T.
17 Benitez at the United States District Court for the Southern District of California,
18 Courtroom 5A (Fifth Floor) of the Edward J. Schwartz United States Courthouse,
19 221 West Broadway, San Diego, CA 92101.

20 39. At the Settlement Fairness Hearing, the California Court will, among
21 other things: (i) determine whether the California Plaintiffs and California Plaintiffs’
22 Lead Counsel have adequately represented the interests of TuSimple and its
23 stockholders; (ii) determine whether the proposed Settlement on the terms and
24 conditions provided for in the Stipulation is fair, reasonable, and adequate to
25 TuSimple and its stockholders, and should be approved by the Court; (iii) determine
26 whether the Judgment, substantially in the form attached as Exhibit B to the
27 Stipulation, should be entered dismissing the California Action with prejudice;
28 (iv) determine whether the Fee and Expense Application should be approved; and
29 (v) consider any other matters that may properly be brought before the Court in
30 connection with the Settlement.

31 40. Please Note: The California Court has reserved the right to adjourn the
32 Settlement Fairness Hearing or any adjournment thereof, including the consideration
33 of the Fee and Expense Application, without further notice of any kind other than by
34 oral announcement at the Settlement Fairness Hearing or any adjournment thereof.
35 The Court has further reserved the right to approve the Stipulation and the
36 Settlement, at or after the Settlement Fairness Hearing, with such modifications as

1 may be consented to by the Settling Parties and without further notice to TuSimple
2 stockholders. The Settlement Fairness Hearing may be converted to a hearing by
3 Zoom or telephone, in which case information about how to attend the hearing
4 remotely will be provided on the docket. You should monitor the Court’s docket
5 and the websites of California Plaintiffs’ Lead Counsel, as indicated in paragraph 47
6 below, before making plans to attend the Settlement Fairness Hearing. You may
7 also confirm the date and time of the Settlement Fairness Hearing by contacting
8 California Plaintiffs’ Lead Counsel as indicated in paragraph 47 below.

9 41. Any TuSimple stockholder who or which continues to hold shares of
10 TuSimple common stock as of [____], 2025, the date of the Settlement
11 Fairness Hearing, may object to the Settlement or the Fee and Expense Application.
12 Objections must be in writing and filed with the Office of the Clerk of the Court,
13 United States District Court for the Southern District of California, at the address set
14 forth below address set forth below on or before [____], 2024.
15 Objections must also be served on California Plaintiffs’ Lead Counsel and
16 TuSimple’s Counsel by hand, first class U.S. mail, or express service, at the
17 addresses set forth below such that they are *received on or before*
18 [____], 2025.

19 Clerk of the Court

20 United States District Court
21 Southern District of California
22 333 West Broadway, Suite 420
23 San Diego, CA 92101

24 California Plaintiffs’ Lead Counsel

25 Jeroen van Kwawegen
26 Bernstein Litowitz Berger
27 & Grossmann LLP
28 1251 Avenue of the Americas
New York, NY 10020

Francis A. Bottini, Jr.
Albert Y. Chang
Bottini & Bottini, Inc.
7817 Ivanhoe Avenue, Suite 102
La Jolla, CA 92037

TuSimple’s Counsel

Robert Kingsley Smith
Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109

1 42. Any objections, filings, and other submissions must: (a) state the name,
2 address, and telephone number of the objector and, if represented by counsel, the
3 name, address, and telephone number of his, her, or its counsel; (b) be signed by the
4 objector; (c) state that the objection is being filed with respect to “*Wilhoite, et al. v.*
5 *Hou, et al.*, Case No. 3:23-cv-02333-BEN-MSB (S.D. Cal.)”; (d) contain a specific,
6 written statement of the objection(s) and the specific reason(s) for the objection(s),
7 including any legal and evidentiary support the objector wishes to bring to the
8 Court’s attention, and if the objector has indicated that he, she, or it intends to appear
9 at the Settlement Fairness Hearing, the identity of any witnesses the objector may
10 call to testify and any exhibits the objector intends to introduce into evidence at the
11 hearing; and (e) include (i) documentation sufficient to prove the date on which the
12 objector acquired shares of TuSimple common stock, (ii) documentation sufficient
13 to prove that the objector continues to hold shares of TuSimple common stock as of
14 the date of filing of the objection, and (iii) a statement that the objector will continue
15 to hold shares of TuSimple common stock as of the date of the Settlement Fairness
16 Hearing. Documentation establishing ownership of TuSimple common stock must
17 consist of copies of an official brokerage account statement, a screen shot of an
18 official brokerage account, or an authorized statement from the objector’s broker
19 containing the information found in an account statement. The Settling Parties are
20 authorized to request from any objector additional information or documentation
21 sufficient to prove his, her, or its holdings of TuSimple common stock.

22 43. TuSimple stockholders who or which continue to hold shares of
23 TuSimple common stock as of the date of the Settlement Fairness Hearing may file
24 a written objection without having to appear at the Settlement Fairness Hearing.
25 Unless the Court orders otherwise, however, such persons may not appear at the
26 Settlement Fairness Hearing to present their objections unless they first filed and
27 served a written objection in accordance with the procedures described above.

28 44. Persons who file and serve a timely written objection as described
above and who wish to be heard orally at the Settlement Fairness Hearing in
opposition to the approval of the Settlement or the Fee and Expense Application,
must also file a notice of appearance with the Clerk of the Court and serve it on
California Plaintiffs’ Lead Counsel and TuSimple’s Counsel at the addresses set
forth in paragraph 41 above so that it is *received* on or before [_____],
2025. Persons who intend to object and desire to present evidence at the Settlement
Fairness Hearing must include in their written objection or notice of appearance the
identity of any witnesses they may call to testify and exhibits they intend to introduce
into evidence at the hearing. Such persons may be heard orally at the discretion of
the Court.

1 45. You are not required to hire an attorney to represent you in making
2 written objections or in appearing at the Settlement Fairness Hearing. However, if
3 you decide to hire an attorney, it will be at your own expense, and that attorney must
4 file a notice of appearance with the Court and serve it on California Plaintiffs’ Lead
5 Counsel and TuSimple’s Counsel at the addresses set forth in paragraph 41 above so
6 that the notice is *received* on or before [_____], 2025.

7 46. Unless the Court orders otherwise, any person or entity who or which
8 does not make his, her, or its objection in the manner set forth above will: (i) be
9 deemed to have waived and forfeited his, her, or its right to object, including any
10 right of appeal, to any aspect of the proposed Settlement and the Fee and Expense
11 Application; (ii) be forever barred and foreclosed from objecting to the fairness,
12 reasonableness, or adequacy of the Settlement, the Judgment to be entered approving
13 the Settlement, or the attorneys’ fees and expenses requested or awarded, including
14 any Service Awards to the Plaintiffs; and (iii) be deemed to have waived and forever
15 barred and foreclosed from being heard, in this or any other proceeding, including
16 on any appeal, with respect to any matters concerning the Settlement or the requested
17 or awarded attorneys’ fees and expenses, including any Service Awards to the
18 Plaintiffs.

19 CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I
20 HAVE QUESTIONS?

21 47. This Notice summarizes the proposed Settlement. For the precise terms
22 and conditions of the Settlement, please see the Stipulation available at the “Investor
23 Relations” section of the Company’s website,
24 <https://ir.tusimple.com/overview/default.aspx>. You may also view a copy of the
25 Stipulation by accessing the Court docket in the California Action, for a fee, through
26 the Court’s Public Access to Court Electronic Records (PACER) system at
27 <https://ecf.casd.uscourts.gov>, or by visiting the Office of the Clerk of the Court,
28 United States District Court for the Southern District of California, 333 West
Broadway, Suite 420, San Diego, CA 92101, between 8:30 a.m. and 4:00 p.m.,
Monday through Friday, excluding Court holidays. Copies of the Stipulation and
other important case documents are also available on California Plaintiffs’ Lead
Counsel’s websites: www.blbglaw.com and www.bottinilaw.com. If you have
questions regarding the Actions or the Settlement, you may write, call, or email
California Plaintiffs’ Lead Counsel: Jeroen van Kwawegen, Bernstein Litowitz
Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020,
(800) 380-8496, settlements@blbglaw.com; Francis A. Bottini, Jr., Albert Y. Chang,
Bottini & Bottini, Inc., 7817 Ivanhoe Avenue, Suite 102, La Jolla, CA 92037, (858)
914-2001, fbottini@bottinilaw.com, achang@bottinilaw.com.

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE
CLERK OF THE COURT TO INQUIRE ABOUT THIS SETTLEMENT**

Dated: _____, 202[]

By Order of the Court
United States District Court
Southern District of California

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EXHIBIT A-2

1 BOTTINI & BOTTINI, INC.
2 Francis A. Bottini, Jr. (SBN 175783)
3 Albert Y. Chang (SBN 296065)
4 Aaron P. Arnzen (SBN 218272)
5 7817 Ivanhoe Avenue, Suite 102
6 La Jolla, California 92037
7 Telephone: (858) 914-2001
8 Facsimile: (858) 914-2002

9 BERNSTEIN LITOWITZ BERGER &
10 GROSSMANN LLP
11 Gregory V. Varallo (*pro hac vice*)
12 500 Delaware Avenue, Suite 901
13 Wilmington, Delaware 19801
14 Telephone: (302) 364-3600

15 *Attorneys for Plaintiffs*
16 *Norman Wilhoite and Judith Wilhoite*

17 UNITED STATES DISTRICT COURT
18 SOUTHERN DISTRICT OF CALIFORNIA

19 NORMAN WILHOITE and JUDITH
20 WILHOITE, derivatively on behalf of
21 TUSIMPLE HOLDINGS, INC.,

22 Plaintiffs,

23 vs.

24 XIAODI HOU, MO CHEN, CHENG
25 LU, GUOWEI “CHARLES” CHAO,
26 and HYDRON, INC.,

27 Defendants,

28 - and -

29 TUSIMPLE HOLDINGS, INC.,
30 Nominal Defendant.

Case No. 23cv2333 BEN (MSB)

**SUMMARY NOTICE OF
PENDENCY AND PROPOSED
SETTLEMENT OF DERIVATIVE
ACTIONS**

31 TO: ALL PERSONS OR ENTITIES WHO OR WHICH HOLD SHARES OF
32 TUSIMPLE HOLDINGS, INC. (“TUSIMPLE” OR THE “COMPANY”)
33 COMMON STOCK.
34

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS WILL BE AFFECTED BY THE ACTION.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23.1 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of California (the “California Court”), of the pendency of the stockholder derivative action captioned *Wilhoite, et al. v. Hou, et al.*, Case No. 3:23-cv-02333-BEN-MSB, pending in the California Court, and the stockholder derivative action captioned *In re TuSimple Holdings, Inc. Stockholder Litigation*, C.A. No. 2022-1095-PAF (the “Delaware Action” and, together with the California Action, the “Actions”), pending in the Court of Chancery of the State of Delaware.

YOU ARE ALSO NOTIFIED that the Settling Parties have reached a proposed settlement of the Actions (the “Settlement”), subject to the approval of the California Court, as provided in a Stipulation of Settlement dated December 18, 2024 (the “Stipulation”). Under the terms of the proposed Settlement, Settling Defendants will cause to be paid \$42,500,000 in cash into an escrow account, which together with any interest earned on the cash payment and less any deductions for attorneys’ fees and expenses for Plaintiffs’ Counsel (including any incentive awards to Plaintiffs) and any applicable taxes and tax expenses, will be paid to the Company. Additionally, pursuant to the Settlement (i) Settling Defendants and TuSimple acknowledge that the Actions played a substantial role in the amendment of the Amended and Restated Cooperation Agreement, dated April 3, 2024, by and among TuSimple and Mo Chen and (ii) TuSimple and Hydron affirm that they are parties to the Mutual Confidentiality and Nondisclosure Agreement that continues to remain binding on TuSimple and Hydron.

A more detailed description of the Settlement terms, as well as a description of the history of the Actions and an explanation of stockholders’ legal rights with respect to the Settlement, is provided in the full printed Notice of Pendency and Proposed Settlement of Stockholder Derivative Actions (the “Notice”). The Notice and the Stipulation are publicly available on the “Investor Relations” section of the Company’s website, <https://ir.tusimple.com/overview/default.aspx>, and on California Plaintiffs’ Lead Counsel’s websites: www.blbglaw.com and www.bottinilaw.com.

The California Court will consider the Settlement and all matters related to the Settlement at the Settlement Fairness Hearing. The Settlement Fairness Hearing will be held on [____], 2025, at []:[] [].m., before the Honorable Roger T. Benitez at the United States District Court for the Southern District of California, Courtroom 5A (Fifth Floor) of the Edward J. Schwartz United States Courthouse, 221 West Broadway, San Diego, CA 92101. At the Settlement Fairness

1 Hearing, the California Court will, among other things: (i) determine whether the
2 California Plaintiffs and California Plaintiffs’ Lead Counsel have adequately
3 represented the interests of TuSimple and its stockholders; (ii) determine whether
4 the proposed Settlement on the terms and conditions provided for in the Stipulation
5 is fair, reasonable, and adequate to TuSimple and its stockholders, and should be
6 approved by the Court; (iii) determine whether the Judgment, substantially in the
7 form attached as Exhibit B to the Stipulation, should be entered dismissing the
8 California Action with prejudice; (iv) determine whether the application by
9 California Plaintiffs’ Lead Counsel, on behalf of all Plaintiffs’ Counsel, for an award
10 of attorneys’ fees and litigation expenses, including any application for an incentive
11 award to each of the Plaintiffs (the “Fee and Expense Application”), should be
12 approved; and (v) consider any other matters that may properly be brought before
13 the Court in connection with the Settlement. Stockholders do not need to attend the
14 Settlement Fairness Hearing.

15 Please Note: The California Court has reserved the right to adjourn the
16 Settlement Fairness Hearing or any adjournment thereof, including the consideration
17 of the Fee and Expense Application, without further notice of any kind other than by
18 oral announcement at the Settlement Fairness Hearing or any adjournment thereof.
19 The Court has further reserved the right to approve the Stipulation and the
20 Settlement, at or after the Settlement Fairness Hearing, with such modifications as
21 may be consented to by the Settling Parties and without further notice to TuSimple
22 stockholders. The Settlement Fairness Hearing may be converted to a hearing by
23 Zoom or telephone, in which case information about how to attend the hearing
24 remotely will be provided on the docket. You should monitor the Court’s docket
25 and the websites of California Plaintiffs’ Lead Counsel, as indicated below, before
26 making plans to attend the Settlement Fairness Hearing. You may also confirm the
27 date and time of the Settlement Fairness Hearing by contacting California Plaintiffs’
28 Lead Counsel as indicated below.

1 If you are a TuSimple stockholder who or which continues to hold shares of
2 TuSimple common stock as of [____], 2025, the date of the Settlement
3 Fairness Hearing, you may object to the proposed Settlement and the Fee and
4 Expense Application in writing, and you also have the right to appear at the
5 Settlement Fairness Hearing. Any objections must be in writing and filed with the
6 Clerk of the Court for the United States District Court for the Southern District of
7 California and delivered to California Plaintiffs’ Lead Counsel and TuSimple’s
8 Counsel such that they are ***received no later than*** [____], **2025**, in
9 accordance with the instructions set forth in the Notice.

10 Please Note: Because the Actions were brought as derivative actions, which
11 means that the Actions were brought by Plaintiffs on behalf of, and for the benefit

of, TuSimple, the cash recovery from the Settlement will go to the Company. Individual TuSimple stockholders will not receive any direct payment from the Settlement. Also, please note that there is no proof of claim form for stockholders to submit in connection with this Settlement, and stockholders are not required to take any action in response to this notice.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT TO INQUIRE ABOUT THIS SETTLEMENT.

All questions regarding this notice and the Settlement should be made to California Plaintiffs' Lead Counsel:

Jeroen van Kwawegen
Bernstein Litowitz Berger &
Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020

Francis A. Bottini, Jr.
Albert Y. Chang
Bottini & Bottini, Inc.
7817 Ivanhoe Avenue, Suite 102
La Jolla, CA 92037

Telephone: (800) 380-8496
Email: settlements@blbglaw.com
Website: www.blbglaw.com

Telephone: (858) 914-2001
Email: fbottini@bottinilaw.com
achang@bottinilaw.com
Website: www.bottinilaw.com

Dated: _____, 202[]

By Order of the Court
United States District Court
Southern District of California

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LEGAL NOTICE

Wilhoite vs. Hou et al.

No. 3:23-cv-02333-BEN-MSB (S.D. Cal.)

c/o []

[]

Court-Ordered Legal Notice
(Forwarding Service Requested)

This notice contains important information about a stockholder derivative action settlement.

This notice may affect your legal rights. Please read it carefully.

Wilhoite vs. Hou, et al.
No. 3:23-cv-02333-BEN-MSB (S.D. Cal.)

THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT
VISIT <https://ir.tusimple.com/overview/default.aspx> FOR MORE INFORMATION

If you are a stockholder of TuSimple Holdings, Inc. (“TuSimple” or the “Company”) you are entitled to notice of the proposed settlement (“Settlement”) reached in the actions captioned *Wilhoite v. Hou et al.*, Dkt. No. 3:23-cv-02333-BEN-MSB, pending in the U.S. District Court for the Southern District of California (the “California Court”), and *In re TuSimple Holdings, Inc. Shareholder Litigation*, C.A. No. 2022-1095-PAF, pending in the Court of Chancery of the State of Delaware (the “Actions”), and brought derivatively on behalf of the Company against certain current and former directors and officers of TuSimple, Hydron, Inc. (“Hydron”), and nominal defendant TuSimple (“Defendants”).

The proposed Settlement would resolve claims for breach of fiduciary duty, trade secret misappropriation, unjust enrichment, and conspiracy brought by Plaintiffs, on behalf of the Company, against Defendants. The Settlement: (i) provides for a cash payment of \$42,500,000, which, after any deductions for attorneys’ fees and expenses for Plaintiffs’ Counsel (including any incentive awards to Plaintiffs) and any applicable taxes and tax expenses, will be paid to the Company; and (ii) recognizes that the Actions played a substantial role in certain corporate governance reforms. For a full description of the proposed Settlement and your rights, you may obtain the Stipulation of Settlement (the “Stipulation”) filed with the California Court and the long-form Notice of Pendency and Proposed Settlement of Derivative Actions (the “Notice”) by visiting the “Investor Relations” section of the Company’s website: <https://ir.tusimple.com/overview/default.aspx>. The Settling Defendants deny the allegations in the Actions and any liability or wrongdoing of any kind.

A Settlement Fairness Hearing will be held on [____], 2025, at []:[] [].m., before Judge Roger T. Benitez, to determine whether the proposed Settlement should be approved as fair, reasonable, and adequate, as set forth in the Stipulation; whether California Plaintiffs’ Lead Counsel’s application for an award of attorneys’ fees in an amount up to 30% of the Settlement Fund (\$12,750,000) and expenses in an amount not to exceed \$450,000, should be granted; and whether incentive awards not to exceed \$7,500 for each of the Plaintiffs in connection with their representation of the Company, should be granted. Any objections to the Settlement or the fee and expense application must be submitted no later than [____], 2025, in accordance with the instructions set forth in the Notice.

If you have questions regarding the Actions or the Settlement, you may write, call, or email California Plaintiffs’ Lead Counsel: Jeroen van Kwawegen, Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, (800) 380-8496, settlements@blbglaw.com; Francis A. Bottini, Jr., Albert Y. Chang, Bottini & Bottini, Inc., 7817 Ivanhoe Avenue, Suite 102, La Jolla, CA 92037, (858) 914-2001, fbottini@bottinilaw.com, achang@bottinilaw.com.

The California Court reserves the right to hold the Settlement Fairness Hearing telephonically or by other virtual means and/or change its date and/or time. Please check the websites of California Plaintiffs’ Lead Counsel, www.blbglaw.com and www.bottinilaw.com, for updates.

Exhibit B

BOTTINI & BOTTINI, INC.
Francis A. Bottini, Jr. (SBN 175783)
Albert Y. Chang (SBN 296065)
Aaron P. Arnzen (SBN 218272)
7817 Ivanhoe Avenue, Suite 102
La Jolla, California 92037
Telephone: (858) 914-2001
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BERNSTEIN LITOWITZ BERGER &
GROSSMANN LLP

Gregory V. Varallo (*pro hac vice*)
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Telephone: (302) 364-3600

Attorneys for Plaintiffs
Norman Wilhoite and Judith Wilhoite

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

NORMAN WILHOITE and JUDITH
WILHOITE, derivatively on behalf of
TUSIMPLE HOLDINGS, INC.,

Plaintiffs,

vs.

XIAODI HOU, MO CHEN, CHENG
LU, GUOWEI "CHARLES" CHAO,
and HYDRON, INC.,

Defendants,

- and -

TUSIMPLE HOLDINGS, INC.,

Nominal Defendant.

Case No. 23cv2333 BEN (MSB)

**FINAL JUDGMENT AND
ORDER OF DISMISSAL
WITH PREJUDICE**

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1 WHEREAS, a consolidated stockholder derivative action is pending in this
2 Court entitled *Wilhoite, et al. v. Hou, et al.*, Case No. 3:23-cv-02333-BEN-MSB
3 (the “California Action”);

4 WHEREAS, (a) plaintiffs in the California Action: Norman Wilhoite and
5 Judith Wilhoite (the “California Plaintiffs”), derivatively on behalf of TuSimple
6 Holdings, Inc. (“TuSimple” or the “Company”); (b) settling defendants in the
7 California Action: Guowei “Charles” Chao, Cheng Lu, Mo Chen, and Hydron, Inc.
8 (“Hydron”) and Nominal Defendant TuSimple (collectively, the “Settling
9 California Defendants”); (c) plaintiffs in the consolidated stockholder derivative
10 action pending in the Court of Chancery of the State of Delaware (the “Delaware
11 Court”), captioned as *In re TuSimple Holdings, Inc. Stockholder Litigation*, C.A.
12 No. 2022-1095-PAF (the “Delaware Action” and, together with the California
13 Action, the “Actions”): Jason Nusbaum and Richard A. Green (collectively, the
14 “Delaware Plaintiffs” and, together with the California Plaintiffs, “Plaintiffs”);
15 (d) settling defendants in the Delaware Action: Mo Chen, Brad Buss, Karen
16 Francis, Reed Werner, and Hydron and Nominal Defendant TuSimple
17 (collectively, the “Settling Delaware Defendants” and, together with the Settling
18 California Defendants, “Settling Defendants”); and (e) the Special Litigation
19 Committee (the “SLC”) of the Board of Directors of TuSimple, acting for and on
20 behalf of TuSimple (Plaintiffs, Settling Defendants, and the SLC, together, the
21 “Settling Parties”), have reached a proposed settlement on the terms and conditions
22 set forth in the Stipulation of Settlement dated December 18, 2024 (the
23 “Stipulation”) subject to the approval of this Court (the “Settlement”).

24 WHEREAS, the Settlement provides for a complete dismissal with prejudice
25 of the claims asserted in the Actions;

26 WHEREAS, by Order dated [_____], 202[] (the “Preliminary
27 Approval Order”), this Court (a) preliminarily approved the proposed Settlement;

1 (b) ordered that notice of the proposed Settlement be provided to TuSimple
2 stockholders; (c) provided TuSimple stockholders with the opportunity to object to
3 the proposed Settlement and California Plaintiffs’ Lead Counsel’s application for
4 an award of attorneys’ fees and expenses, including any incentive award payments
5 to the California Plaintiffs (the “Fee and Expense Application”); and (d) scheduled
6 a hearing regarding final approval of the Settlement;

7 WHEREAS, the Court conducted a hearing on [_____], 2025 (the
8 “Settlement Fairness Hearing”) to consider, among other things, (a) whether the
9 California Plaintiffs and California Plaintiffs’ Lead Counsel have adequately
10 represented the interests of TuSimple and its stockholders; (b) determine whether
11 the proposed Settlement on the terms and conditions provided for in the Stipulation
12 is fair, reasonable, and adequate to TuSimple and its stockholders, and should be
13 approved by the Court; (c) to determine whether this Judgment should be entered
14 dismissing the California Action with prejudice; (d) determine whether the Fee and
15 Expense Application should be approved; and (e) consider any other matters that
16 may properly be brought before the Court in connection with the Settlement; and

17 WHEREAS, it appearing that due notice of the terms of the Settlement and
18 the releases thereunder and the Settlement Fairness Hearing has been given in
19 accordance with the Preliminary Approval Order; the Settling Parties having
20 appeared by their respective attorneys of record; the Court having heard and
21 considered evidence in support of the proposed Settlement; the attorneys for the
22 respective Settling Parties having been heard; an opportunity to be heard having
23 been given to all other persons or entities requesting to be heard in accordance with
24 the Preliminary Approval Order; the Court having determined that notice to
25 TuSimple stockholders was adequate and sufficient; and the entire matter of the
26 proposed Settlement having been heard and considered by the Court;

27 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND
28

1 DECREASED, this ____ day of _____, 2025, as follows:

2 1. **Definitions** – Unless otherwise defined in this Judgment, the
3 capitalized terms used herein shall have the same meaning as they have in the
4 Stipulation.

5 2. **Jurisdiction** – The Court has jurisdiction over the subject matter of
6 the California Action, including all matters necessary to effectuate the Settlement
7 and this Judgment and over all parties to the California Action and TuSimple
8 stockholders.

9 3. **Incorporation of Settlement Documents** – This Judgment
10 incorporates and makes a part hereof: (a) the Stipulation filed with the Court on
11 [_____], 2024; and (b) the Notice and Summary Notice, which were
12 filed with the Court on [_____], 2025.

13 4. **Derivative Action Properly Maintained; Adequacy of California**
14 **Plaintiffs and California Plaintiffs’ Lead Counsel** – Based on the record in the
15 California Action, each of the provisions of Rule 23.1 of the Federal Rules of Civil
16 Procedure has been satisfied and the California Action has been properly
17 maintained according to Rule 23.1. The California Plaintiffs and California
18 Plaintiffs’ Lead Counsel have adequately represented the interests of TuSimple and
19 its stockholders both in terms of litigating the California Action and for purposes
20 of entering into and implementing the Settlement.

21 5. **Notice** – The Court finds that the mailing or emailing of the Postcard
22 Notice and publishing of the Notice and Summary Notice: (a) were implemented in
23 accordance with the Preliminary Approval Order; (b) constituted notice that was
24 reasonably calculated, under the circumstances, to apprise TuSimple stockholders
25 of: (i) the pendency of the Actions; (ii) the effect of the proposed Settlement
26 (including the releases to be provided under the Stipulation); (iii) the Fee and
27 Expense Application; (iv) their right to object to the Settlement and the Fee and
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1 Expense Application; and (v) their right to appear at the Settlement Hearing; (c)
2 constituted due, adequate, and sufficient notice to all persons and entities entitled
3 to receive notice of the proposed Settlement; and (d) satisfied the requirements of
4 Rule 23.1 of the Federal Rules of Civil Procedure, the United States Constitution
5 (including the Due Process Clause), and all other applicable law and rules.

6 6. **Final Settlement Approval and Dismissal of Claims** – Pursuant to,
7 and in accordance with, Federal Rule of Civil Procedure 23.1, this Court hereby
8 fully and finally approves the Settlement set forth in the Stipulation in all respects
9 (including, without limitation: the Settlement consideration; the releases under the
10 Settlement, including the release of the Released Plaintiffs Claims as against the
11 Released Defendants Persons; and the dismissal with prejudice of the claims
12 asserted in the California Action), and finds that the Settlement is, in all respects,
13 fair, reasonable, and adequate to TuSimple and its stockholders. The Settling
14 Parties are directed to implement, perform, and consummate the Settlement in
15 accordance with the terms and provisions contained in the Stipulation.

16 7. The California Action is hereby dismissed with prejudice. The
17 Settling Parties shall bear their own costs and expenses, except as otherwise
18 expressly provided in the Stipulation.

19 8. **Binding Effect** – The terms of the Stipulation and of this Judgment
20 shall be forever binding on the Settling Parties and all TuSimple stockholders, as
21 well as their respective successors and assigns.

22 9. **Releases** – The releases set forth in paragraphs 4.1 and 4.2 of the
23 Stipulation, together with the definitions contained in Section 1 of the Stipulation
24 relating thereto, are expressly incorporated herein in all respects. The releases are
25 effective as of the Effective Date. Accordingly, this Court orders that:

26 (a) Without further action by anyone, and subject to paragraph 10
27 below, upon the Effective Date of the Settlement, the Releasing Plaintiffs Persons
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1 shall be deemed to have, and by operation of this Judgment shall have, irrevocably
2 and unconditionally, fully, finally, and forever waived, released, relinquished,
3 discharged, and dismissed with prejudice each and every one of the Released
4 Plaintiffs Claims against each and every one of the Released Defendants Persons
5 and shall forever and permanently be barred and enjoined from filing,
6 commencing, instituting, prosecuting, continuing, asserting, intervening in,
7 maintaining, or enforcing any action or other proceeding in any forum (including,
8 but not limited to, any foreign, federal, state or local court of law or equity,
9 arbitration tribunal, or administrative forum) asserting any of the Released
10 Plaintiffs Claims against any and all of the Released Defendants Persons.

11 (b) Without further action by anyone, and subject to paragraph 10
12 below, upon the Effective Date of the Settlement, the Releasing Defendants
13 Persons shall be deemed to have, and by operation of this Judgment shall have,
14 irrevocably and unconditionally, fully, finally, and forever waived, released,
15 relinquished, discharged, and dismissed with prejudice each and every one of the
16 Released Defendants Claims against each and every one of the Released Plaintiffs
17 Persons and shall forever and permanently be barred and enjoined from filing,
18 commencing, instituting, prosecuting, continuing, asserting, intervening in,
19 maintaining, or enforcing any action or other proceeding in any forum (including,
20 but not limited to, any foreign, federal, state or local court of law or equity,
21 arbitration tribunal, or administrative forum), asserting any of the Released
22 Defendants Claims against any and all of the Released Plaintiffs Persons.

23 10. Notwithstanding paragraphs 9(a)-(b) above, nothing in this Judgment
24 shall bar any action by any of the Settling Parties to enforce the terms of the
25 Stipulation or this Judgment. Also, for the avoidance of doubt, the Released
26 Plaintiffs Claims do not cover, include, or release any direct claims of any current
27 or former stockholder of TuSimple, including without limitation any claims
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1 asserted under the federal securities laws, including without limitation the claims
2 asserted in *Dicker, et al. v TuSimple Holdings, Inc., et al.*, Case No. 3:22-cv-
3 01300-BEN-MSB (S.D. Cal.).

4 11. **No Admissions** – Neither this Judgment, the Settlement, the Term
5 Sheet, the Stipulation (whether or not consummated), including the Exhibits
6 thereto, the negotiations leading to the execution of the Term Sheet, the
7 Stipulation, and the Settlement, nor any proceedings, communications, drafts,
8 documents, or agreements taken pursuant to or in connection with the Term Sheet,
9 the Stipulation, and/or approval of the Settlement (including any arguments
10 proffered in connection therewith):

11 (a) shall be offered or received against or to the prejudice of any
12 Released Defendants Persons as evidence of or construed as or deemed to be
13 evidence of any presumption, concession, finding, or admission by any Released
14 Defendants Persons of the truth of any allegations by Plaintiffs or the validity of
15 any claim that has been or could have been asserted in the Actions, or the
16 deficiency of any defense that has been or could have been asserted in the Actions
17 or in any other litigation, including, but not limited to, litigation of the Released
18 Plaintiffs Claims, or of any liability, damages, negligence, fault, omission, or
19 wrongdoing of any kind of any of the Released Defendants Persons or in any way
20 referred to for any other reason as against any of the Released Defendants Persons,
21 in any civil, criminal, or administrative action or proceeding, other than such
22 proceedings as may be necessary to effectuate the provisions of the Stipulation;

23 (b) shall be offered or received against or to the prejudice of the
24 Released Plaintiffs Persons as evidence that Plaintiffs' claims in any way lack
25 merit or the validity of any affirmative defense that has been or could have been
26 asserted in the Actions, including, but not limited to, litigation of the Released
27 Plaintiffs Claims;

1 (c) shall be offered or received against or to the prejudice of any
2 Released Defendants Persons as evidence of a presumption, concession, or
3 admission of any fault, misrepresentation, scheme, or omission with respect to
4 any statement or written document approved or made by any Released Defendants
5 Persons, or against the Released Plaintiffs Persons as evidence of any infirmity in
6 the claims of Plaintiffs;

7 (d) shall be offered or received against or to the prejudice of any
8 Released Defendants Persons as evidence of a presumption, concession, or
9 admission of any liability, damages, negligence, fault, omission, or wrongdoing,
10 or in any way referred to for any other reason as against any of the parties to the
11 Stipulation, in any other civil, criminal, or administrative action or proceeding in
12 any court, administrative agency, or other tribunal; provided, however, that
13 Defendants and the Released Defendants Persons may refer to it to effectuate the
14 release granted them under the Stipulation; or

15 (e) shall be construed against the Released Defendants Persons or
16 the Released Plaintiffs Persons as evidence of a presumption, concession, or
17 admission that the consideration to be given under the Stipulation represents the
18 amount which could be or would have been recovered after trial or in any
19 proceeding other than the Settlement.

20 12. A separate order shall be entered regarding Plaintiffs' Lead Counsel's
21 application for an award of attorneys' fees and expenses and service awards to
22 Plaintiffs. Such order shall in no way disturb or affect the finality of this
23 Judgment, shall be considered separate from this Judgment, and shall not affect or
24 delay the Effective Date of the Settlement.

25 13. **Retention of Jurisdiction** – Without affecting the finality of this
26 Judgment in any way, this Court retains continuing jurisdiction over the parties to
27 the California Action and all TuSimple stockholders for purposes of the
28

1 administration, interpretation, implementation, and enforcement of the Settlement.

2 14. **Modification of the Stipulation** – Any further amendments or
3 modifications of the Stipulation or any exhibits attached thereto to effectuate the
4 Settlement shall only be made with the prior approval of the Court.

5 15. **Termination of Settlement** – If the Settlement is terminated as
6 provided in the Stipulation or the Effective Date of the Settlement otherwise fails
7 to occur, this Judgment shall be vacated, rendered null and void, and be of no
8 further force and effect, except as otherwise provided by the Stipulation, and this
9 Judgment shall be without prejudice to the rights of the Settling Parties or any
10 TuSimple stockholders, and the parties to the Actions shall be restored to their
11 respective positions in the Actions as of immediately prior to the execution of the
12 Term Sheet on September 19, 2024.

13 16. **Entry of Final Judgment** – There is no just reason to delay the entry
14 of this Judgment as a final judgment in the California Action. Accordingly, the
15 Clerk of the Court is expressly directed to immediately enter this final judgment in
16 the California Action.

17 SO ORDERED this _____ day of _____, 2025.

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22 _____
23 The Honorable Roger T. Benitez
24 United States District Judge
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