

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): December 13, 2022**

**TuSimple Holdings Inc.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-40326**  
(Commission  
File Number)

**86-2341575**  
(IRS Employer  
Identification No.)

**9191 Towne Centre Drive, Suite 600**  
**San Diego, CA 92122**  
(Address of principal executive offices, including zip code)

**(619) 916-3144**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	TSP	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*Independent Director Appointments*

On December 15, 2022, the board of directors (the “Board”) of TuSimple Holdings Inc. (the “Company”) appointed Wendy Hayes and Michael Mosier to the Board, effective immediately. Ms. Hayes and Mr. Mosier will each serve until the Company’s 2023 annual meeting of stockholders and until their successor is elected and qualified. The Board has determined that Ms. Hayes and Mr. Mosier meet the requirements for independence under the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), and under the applicable listing standards of The Nasdaq Stock Market. In addition, Mr. Mosier will serve as the Company’s Security Director pursuant to the terms of the National Security Agreement the Company entered into with the U.S. government on February 18, 2022.

Ms. Hayes and Mr. Mosier will each enter into the Company’s standard form of indemnification agreement filed as Exhibit 10.1 to the Company’s registration statement on Form S-1, filed with the SEC on March 23, 2021.

There are no arrangements or understandings between either of Ms. Hayes or Mr. Mosier and any other persons pursuant to which either individual was elected as a member of the Board. There are no family relationships between either of Ms. Hayes or Mr. Mosier and any director, executive officer, or any person nominated or chosen by the Company to become a director or executive officer. Neither Ms. Hayes nor Mr. Mosier is party to any current or proposed transaction with the Company for which disclosure is required under Item 404(a) of Regulation S-K.

*Committee Appointments*

On December 13, 2022, the Board appointed James Lu as the Chair and Mo Chen as a member of the Board’s Compensation Committee. On December 15, 2022, the Board appointed Ms. Hayes as the Chair and Mr. Mosier and Mr. James Lu as members of the Board’s Audit Committee, appointed Mr. James Lu as the Chair and Ms. Hayes as a member of the Board’s Nominating and Corporate Governance Committee, and appointed Mr. Mosier to serve as the Security Director and Chair of the Government Security Committee.

The Board determined that Ms. Hayes, Mr. Mosier and Mr. James Lu are each independent within the meaning of the listing standards of Nasdaq and for purposes of Rule 10A-3(b)(1) under the Securities Exchange Act, and Ms. Hayes qualifies as an audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K under the Securities Exchange Act.

*Amendment to 2021 Equity Incentive Plan*

On December 15, 2022, the Board approved an amendment (the “2021 Plan Amendment”) to the TuSimple Holdings Inc. 2021 Equity Incentive Plan (the “2021 Plan”), subject to approval by the stockholders of the Company. Following the approval of the 2021 Plan Amendment by the Board, the Company received a written consent in lieu of a meeting of stockholders representing a majority of the voting power of the outstanding shares of capital stock of the Company (the “Majority Holder”), approving the 2021 Plan Amendment. The 2021 Plan Amendment will become effective as of the twentieth day following the mailing of the definitive information statement on Form 14C with respect to the 2021 Plan Amendment.

The 2021 Plan Amendment increases the number of shares of Class A Common Stock reserved for issuance under the 2021 Plan by an additional 13,000,000 shares. Additionally, the 2021 Plan Amendment increases the automatic share increase provision in the event that the aggregate number of shares of Class A Common Stock that are available for issuance under the plan as of the last day of a fiscal year (commencing with the last day of the 2023 fiscal year) is less than five percent (5%) of the company capitalization (as of such date) (the “Automatic Trigger”), then on the first day of each fiscal year of the Company commencing with the fiscal year beginning on January 1, 2024 and continuing for each fiscal year thereafter for the duration of the plan (ending on and including the fiscal year commencing on January 1, 2031), the aggregate number of shares of Class A Common Stock that may be issued under the plan will automatically increase in an amount equal to the lesser of (i) five percent (5%) of the company capitalization on the last day of the immediately preceding fiscal year or (ii) such number of shares of Class A Common Stock as may be determined by the Board prior to the date of the automatic increase. Notwithstanding the foregoing, the 2021 Plan Amendment provides that in the event that the aggregate number of shares of Class A Common Stock that are available for issuance under the plan as of the last day of any such fiscal year is equal to or greater than five percent (5%) of the company capitalization (as of such date) and, as a result, the aggregate number of shares of Class A Common Stock available for issuance under the plan does not increase as of the first day of the following fiscal year in accordance with the Automatic Trigger, the Board retains the authority in its sole discretion to, prior to the date that such automatic increase would have occurred had the Automatic Trigger been attained, increase the aggregate number of shares of Class A Common Stock that may be issued under the plan in any such fiscal year (commencing with the fiscal year beginning on January 1, 2024 and continuing for each fiscal year thereafter for the duration of the plan (ending on and including the fiscal year commencing on January 1, 2031)) by up to five percent (5%) of the company capitalization on the last day of the immediately preceding fiscal year as if the Automatic Trigger had been attained in accordance with its terms.

The above description of the 2021 Plan Amendment is qualified in its entirety by reference to the text of the 2021 Plan Amendment, which is attached hereto as Exhibit 10.1, and incorporated herein by reference.

### *CEO Compensation*

As previously disclosed, on November 10, 2022, the Board appointed Cheng Lu as Chief Executive Officer of the Company. On December 13, 2022, in connection with Mr. Lu’s appointment, the Compensation Committee approved, and on December 14, 2022 the Company and Mr. Lu entered into, a letter agreement (the “Letter Agreement”) and a severance and change in control agreement (the “Severance Agreement”).

The Letter Agreement provides that Mr. Lu will receive an annual base salary of \$450,000, a target annual bonus opportunity of 80% of his annual base salary, which is guaranteed to be at least equal to \$400,000 for the fiscal year ending December 31, 2022, and a monthly housing allowance of \$9,000. The Letter Agreement further provides for an award of 6,850,000 stock units, 50% of which will be granted in the form of time-based restricted stock units that will be eligible to vest over a period of four years following the date of grant and 50% of which will be granted in the form of performance-based restricted stock units that will be eligible to vest based on the attainment of certain stock price hurdles, in either case, subject to continued employment and in exchange for the cancellation and forfeiture of each of Mr. Lu’s 1,850,000 outstanding time-vested stock options, and taken into account the 1,150,000 performance-based options that were forfeited when Mr. Lu resigned as Chief Executive Officer in March 2022. The Letter Agreement also provides for a cash payment of \$150,000, which represents the balance of the consulting fees that Mr. Lu would have received under his consulting agreement had that agreement continued in accordance with its terms.

The Severance Agreement provides for the following severance entitlements upon a termination of employment by the Company without cause or by Mr. Lu for good reason, in either case, other than within six (6) months prior to or within twelve (12) months following a change in control: (i) twelve (12) months of base salary continuation; (ii) subsidized COBRA coverage for up to eighteen (18) months; (iii) a lump-sum cash amount equal to \$15,000,000 payable within thirty (30) days of such termination of employment by the Company without cause or by Mr. Lu for good reason, provided that such termination occurs prior to the third anniversary of the effective date of the Letter Agreement; and (iv) an additional eighteen (18) months vesting of then-outstanding equity awards, with performance goals and other vesting criteria to be deemed satisfied in accordance with the terms of the applicable award agreement and the stock price hurdles applicable to his initial performance-based restricted stock units deemed achieved. The Severance Agreement further provides for the following severance entitlements upon a termination of employment by the Company without cause or by Mr. Lu for good reason, in either case, within six (6) months prior to or within twelve (12) months following a change in control: (i) a lump-sum cash payment equal to two times the sum of his base salary and annual target bonus; (ii) subsidized COBRA coverage for up to eighteen (18) months; and (iii) accelerated vesting of each then-outstanding equity award, with performance goals or other vesting criteria deemed

satisfied. The foregoing benefits and entitlements are subject to Mr. Lu's execution and nonrevocation of a release of claims in favor of the Company. The Severance Agreement further provides that, upon the occurrence of a change in control, Mr. Lu will receive: (i) a lump-sum cash payment equal to the greater of \$15,000,000 or 0.60% of the total equity value of the Company calculated based on the aggregate consideration received in connection with such change in control; and (ii) accelerated vesting of each then-outstanding equity award, with performance goals or other vesting criteria deemed satisfied. The Severance Agreement also provides Mr. Lu with an indemnity for any excise tax imposed pursuant to Section 4999 of the Internal Revenue Code.

The above description of the Letter Agreement and Severance Agreement is qualified in its entirety by reference to the text of the Letter Agreement and Severance Agreement, which are attached hereto as Exhibit 10.2 and 10.3, respectively, and incorporated herein by reference.

#### *Appointment of Chief Financial Officer*

On December 15, 2022, the Board appointed Eric Tapia, the interim Chief Financial Officer of the Company, as its permanent Chief Financial Officer. As disclosed in its Current Report on Form 8-K on June 21, 2022, which is incorporated herein by reference, the Board previously appointed Mr. Tapia as its interim Chief Financial Officer effective as of July 7, 2022. As of the time of the filing of this Current Report on Form 8-K, the Company has not yet made any determinations with regard to any modifications to Mr. Tapia's compensation in connection with his appointment as the permanent Chief Financial Officer of the Company.

#### **Item 7.01. Regulation FD Disclosure.**

The Company issued a press release in connection with the Board and Chief Financial Officer appointments. A copy of this press release is furnished as Exhibit 99.1 to this report on Form 8-K and incorporated herein by reference.

#### **Item 9.01. Financial Statements and Exhibits.**

##### (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#"><u>Amendment to TuSimple Holdings Inc. 2021 Equity Incentive Plan.</u></a>
10.2	<a href="#"><u>Letter Agreement by and between TuSimple Holdings Inc. and Cheng Lu, dated December 14, 2022.</u></a>
10.3	<a href="#"><u>Severance and Change in Control Agreement by and between TuSimple Holdings Inc. and Cheng Lu, dated December 14, 2022.</u></a>
99.1	<a href="#"><u>Press Release issued by TuSimple Holdings Inc. on December 16, 2022.</u></a>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TuSimple Holdings Inc.

By: /s/ Eric Tapia  
Eric Tapia  
Chief Financial Officer

Dated: December 16, 2022

**FIRST AMENDMENT  
TO THE  
TUSIMPLE HOLDINGS INC.  
2021 EQUITY INCENTIVE PLAN**

December 16, 2022

**WHEREAS**, TuSimple Holdings Inc. (the "Company") sponsors the TuSimple Holdings Inc. 2021 Equity Incentive Plan (the "Plan"), and the Board of Directors of the Company (the "Board") is the Administrator of the Plan (as defined in the Plan);

**WHEREAS**, Article 13.2 of the Plan generally provides that the Board may amend the Plan at any time and for any reason, subject to stockholder approval to the extent required by applicable laws, regulations or rules;

**WHEREAS**, on December 15, 2022, the Board adopted this First Amendment to the Plan (this "Amendment"), subject to approval by the stockholders of the Company; and

**WHEREAS**, on December 16, 2022, the holder of a majority in voting power of issued and outstanding shares of Company capital stock (the "Majority Holder") approved the Amendment by written consent in lieu of a meeting, with such approval to be effective as of the date that is 20 days following the mailing of the Definitive Information Statement on Form 14C with respect to the Amendment (the "Effective Time").

**NOW, THEREFORE**, effective as of the Effective Time, the Plan is amended as follows:

1. Basic Limitation. Article 3.1 of the Plan is hereby deleted and replaced in its entirety with the following:

Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Common Shares issued under the Plan shall not exceed the sum of (a) 33,134,146 Common Shares, plus (b) up to 20,180,166 Common Shares subject to awards originally granted under the Predecessor Plan that were outstanding on the IPO Date and that subsequently are or were forfeited, expire or lapse unexercised or unsettled and Common Shares issued pursuant to awards granted under the Predecessor Plan that were outstanding on the IPO Date and that are or were subsequently forfeited to or reacquired by the Company, and (c) the additional Common Shares described in Articles 3.2 and 3.3. The number of Common Shares that are subject to Awards outstanding at any time under the Plan may not exceed the number of Common Shares that then remain available for issuance under the Plan. The numerical limitations in this Article 3.1 shall be subject to adjustment pursuant to Article 9.

2. Annual Increase in Shares. Article 3.2 of the Plan is hereby deleted and replaced in its entirety with the following:

In the event that the aggregate number of Common Shares that are available for issuance under the Plan as of the last day of a fiscal year (commencing with the last day of the 2023 fiscal year) is less than five percent (5%) of the Company

Capitalization (as of such date) (the "Automatic Trigger"), then on the first day of each fiscal year of the Company commencing with the fiscal year beginning on January 1, 2024 and continuing for each fiscal year thereafter for the duration of the Plan (ending on and including the fiscal year commencing on January 1, 2031), the aggregate number of Common Shares that may be issued under the Plan shall automatically increase in an amount equal to the lesser of (i) five percent (5%) of the Company Capitalization on the last day of the immediately preceding fiscal year or (ii) such number of Common Shares as may be determined by the Board prior to the date of the automatic increase.

Notwithstanding the foregoing, in the event that the aggregate number of Common Shares that are available for issuance under the Plan as of the last day of any such fiscal year is equal to or greater than five percent (5%) of the Company Capitalization (as of such date) and, as a result, the aggregate number of Common Shares available for issuance under the Plan does not increase as of the first day of the following fiscal year in accordance with the Automatic Trigger, the Board retains the authority in its sole discretion to, prior to the date that such automatic increase would have occurred had the Automatic Trigger been attained, increase the aggregate number of Common Shares that may be issued under the Plan in any such fiscal year (commencing with the fiscal year beginning on January 1, 2024 and continuing for each fiscal year thereafter for the duration of the Plan (ending on and including the fiscal year commencing on January 1, 2031)) by up to five percent (5%) of the Company Capitalization on the last day of the immediately preceding fiscal year as if the Automatic Trigger had been attained accordance with its terms.

3. This Amendment shall be and is hereby incorporated into and forms a part of the Plan.
4. Except as amended hereby, all of the terms, covenants, conditions, restrictions and other provisions contained in the Plan shall remain in full force and effect.

## TUSIMPLE HOLDINGS INC.

December 14, 2022

Mr. Cheng Lu  
*via email*

Dear Cheng:

This letter agreement (the "Agreement") serves to confirm the terms and conditions of your employment with TuSimple Holdings Inc. (hereinafter, "TuSimple") or one of its subsidiaries (referred to collectively herein as the "TuSimple Group"). For purposes of this Agreement, the "Company" shall refer to the member of the TuSimple Group that actually employs you, which may change from time to time. This Agreement is effective as of the date of your signing (such date, the "Effective Date").

1. **Position.** Effective as of November 10, 2022 (the "Start Date"), you will cease serving as a consultant pursuant to that certain consulting agreement by and between you and TuSimple, effective as of March 3, 2022 (the "Consulting Agreement"), and commence serving as the President and Chief Executive Officer of TuSimple. You will report to the Board of Directors of TuSimple (the "Board"). This is a full-time, exempt position. By signing this Agreement, you confirm to the TuSimple Group that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the TuSimple Group. While you render services to the TuSimple Group, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the TuSimple Group.
2. **Cash Compensation.**
  - (a) You will be paid a salary at the rate of \$450,000 per year, subject to review and increase (but not decrease) from time to time as determined appropriate by the Board or the Compensation Committee of the Board (the "Compensation Committee"). Your salary will be payable in accordance with the Company's standard payroll schedule, subject to required tax withholding and other authorized deductions, and will be subject to adjustment pursuant to the Company's employee compensation policies in effect from time to time. In addition, you will be eligible to receive an annual discretionary performance bonus (the "Annual Bonus") in an amount targeted at 80% of your base salary. Any Annual Bonus for a fiscal year will be paid within 2 1/2 months after the close of that fiscal year, but only if you are still employed by the Company on the last day of the fiscal year to which the bonus relates (except as otherwise set forth in the Severance and CIC Agreement (as defined below)). Notwithstanding the foregoing, the Annual Bonus with respect to the fiscal year ending December 31, 2022 will be guaranteed to be an amount at least equal to \$400,000; provided that you remain employed by the Company through December 31, 2022.
  - (b) You acknowledge and agree that the Consulting Agreement shall be terminated, effective as of the Start Date (except as otherwise set forth herein); provided that,



you shall be entitled to receive the balance of the consulting fees that would have otherwise become payable to you under the Consulting Agreement after the Start Date had you provided consulting services thereunder through the full-year term of the Consulting Agreement, which the parties acknowledge is equal to \$150,000, and which shall be payable in a lump sum payment within thirty (30) days of the Effective Date, less applicable deductions and withholdings.

### 3. Equity Awards.

- (a) The parties agree that, as of the Effective Date, you held 1,850,000 outstanding Time Based Options (as defined in that certain Transition and Separation Agreement by and between you and TuSimple, dated as of March 2, 2022 (the "Transition Agreement")). Notwithstanding anything to the contrary, including without limitation the provisions of Section 5 of the Transition Agreement or the applicable Stock Option Agreements (as defined in the Transition Agreement), your Time Based Options shall be cancelled in their entirety as of the Effective Date. Any other equity based awards that you hold under TuSimple's stock plan(s) as of the Effective Date (such awards, your "Equity Awards"), will remain outstanding and will continue to be governed by the terms and conditions of the stock plan and award agreements applicable to them.
- (b) As soon as reasonably practicable following the Effective Date, you shall be eligible to be issued an award of restricted stock units under TuSimple's 2021 Equity Incentive Plan (the "2021 Plan") and customary form(s) of award agreement with respect to an aggregate of 6,850,000 shares of TuSimple's Class A common stock. Fifty percent (50%) of such award shall be subject solely to service-based vesting (the "RSUs") and shall vest over four years, with 25% of the RSUs vesting on each of the first four anniversaries of the Start Date (the "Service-Based Requirement"); while the remaining fifty percent (50%) of such award shall be eligible to vest based upon the achievement of both the Service-Based Requirement and the applicable Stock Price Hurdles (as defined below) (the "PSUs") subject to your continued employment with the Company through the date of any such achievement. For purposes of the PSUs, the "Stock Price Hurdles" shall be achieved on the date(s) upon which the sixty (60)-trading day trailing average closing price of a share of Class A common stock equals or exceeds each of \$10.00, \$15.00 and \$20.00, respectively, with ratable installments of the PSUs eligible to be earned based on the achievement of each Stock Price Hurdle, with each such ratable installment itself spread ratably between each time-based vesting date for purposes of the Service-Based Requirement. The respective award agreements under which the RSUs and PSUs shall be granted shall also provide that, for as long as and only if you remain employed with the Company, you shall have the right to receive dividend equivalent payments with respect to both the RSUs and PSUs for any dividends payable to holders of TuSimple's Class A common stock, which dividend equivalent payments shall be payable to you at the same time as such dividends are paid to holders of TuSimple's Class A common stock, regardless of whether the RSUs or PSUs have vested as of such date (subject to compliance with Section 409A (as defined below)). For the avoidance of doubt, cash dividends shall

result in dividend equivalent payments payable in cash and stock dividends shall result in dividend equivalent payments payable in the form of additional RSUs and PSUs, respectively, with such additional RSUs and PSUs subject to the same vesting and other terms and conditions as the RSUs and PSUs in respect of which they are issued.

4. **Employee Benefits.** As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits consistent with such benefits provided to other similarly-situated executives of the Company. In addition, you will be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time.
5. **Business/Housing Expenses.** TuSimple will reimburse you for all reasonable travel and other business expenses incurred by you in the performance of your duties to the TuSimple Group in accordance with TuSimple's expense reimbursement policy as in effect from time to time. In addition, the Company shall pay to you a housing allowance of \$9,000 per month commencing as of the Start Date.
6. **Severance Benefits.** If you are entitled to the severance benefits in the event of certain qualifying terminations, such benefits will be described in a Severance and Change in Control Agreement by and between you and TuSimple (the "Severance and CIC Agreement").
7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will continue to be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the personnel policies and procedures of the TuSimple Group, including the member of the TuSimple Group actually employing you, may change from time to time (subject to compliance with this Agreement), the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of TuSimple (other than you).
8. **Tax Matters.**
  - (a) **Withholding; Section 409A.** All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. Except for such withholding, you will be responsible for your own tax liability imposed with respect to such compensation. It is intended that all payments and benefits under this Agreement, to the greatest extent possible, be exempt from Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"); to the extent not so exempt, this Agreement will be construed in a manner that complies with Section 409A.

- (b) **Tax Advice.** You are encouraged to obtain your own tax advice regarding your compensation. You agree that the no member of the TuSimple Group has a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against any member of the TuSimple Group or the Board related to tax liabilities arising from your compensation described herein.
9. **Legal Expenses.** The Company will reimburse you for any legal fees incurred in connection with the review, negotiation, and preparation of this Agreement up to \$20,000.
10. **Indemnification.** In connection with your employment, and without limiting any indemnification or similar rights to which you are entitled under the certificate of incorporation or bylaws of, or any other indemnification agreement with, any member of the TuSimple Group, as in effect from time to time, (a) TuSimple and you will enter into an indemnification agreement in the form attached hereto as Exhibit B hereto and (b) TuSimple shall provide you with coverage during your employment and for at least six years thereafter under its directors' and officers' liability insurance policies as in effect from time to time on terms not less favorable than those provided to any of its other directors and officers. TuSimple's obligations in the preceding sentence shall survive the termination of your employment and this Agreement for any reason.
11. **Interpretation, Amendment and Enforcement.** This Agreement supersedes and replaces the Consulting Agreement, the Transition Agreement (in each case except as otherwise set forth herein) and any prior offer letters, agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the TuSimple Group regarding the subject matter set forth herein and constitutes the complete agreement between you and the TuSimple Group regarding such subject matter. Notwithstanding the foregoing, nothing in this Agreement shall supersede or replace any existing equity rights you may have, including any rights you have with respect to your Equity Awards. This Agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of TuSimple (other than you).

\* \* \* \* \*

You may indicate your agreement with these terms by signing and dating this Agreement and returning it to me.

Very truly yours,

TUSIMPLE HOLDINGS INC.

By: /s/ Mo Chen

\_\_\_\_\_  
Name: Mo Chen

Title: Executive Chairman

---

I have read and accept the terms of this Agreement:

/s/ Cheng Lu

Signature of Cheng Lu

Dated: December 14, 2022

---

**EXHIBIT A**

**Proprietary Information and Inventions Agreement**

---

**EXHIBIT B**

**Indemnification Agreement**

## TUSIMPLE HOLDINGS INC.

## SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Severance and Change in Control Agreement (the “**Agreement**”) is made and entered into by and between Cheng Lu (“**Executive**”) and TuSimple Holdings Inc., a Delaware corporation (the “**TuSimple**”), effective as of the date specified in Section 1 below.

This Agreement provides severance and acceleration benefits in connection with certain qualifying terminations of Executive’s employment with TuSimple and its subsidiaries, as applicable (referred to collectively herein as the “**TuSimple Group**”).

Certain capitalized terms are defined in Section 9.

TuSimple and Executive agree as follows:

1. **Term.** This Agreement shall become effective on the date on which it is signed by Executive (the “**Effective Date**”).
2. **Certain Involuntary Termination Benefits.**
  - (a) **Involuntary Termination Outside of a Change in Control Period.** If Executive is subject to an Involuntary Termination that occurs outside of a Change in Control Period and Executive satisfies the conditions described in Section 2(c) below, then:
    - (i) TuSimple or another member of the TuSimple Group, as applicable, shall continue to pay such Executive’s Base Salary for a period of twelve (12) months following such Executive’s Separation, which will be paid in accordance with TuSimple’s or, if applicable, such other member of the TuSimple Group’s standard payroll procedures;
    - (ii) To the extent such Involuntary Termination occurs prior to the third anniversary of the Effective Date and the benefit under Section 3 has not been previously provided in accordance with its terms, TuSimple or another member of the TuSimple Group, as applicable, shall pay the Executive a lump-sum cash amount equal to \$15,000,000 within thirty (30) days of such Involuntary Termination;
    - (iii) If Executive timely elects continued coverage under COBRA, TuSimple or another member of the TuSimple Group, as applicable, shall pay the same portion of the monthly premium under COBRA as it pays for active employees and their eligible dependents until the earliest of (a) the last day of the period ending on the date that is eighteen (18) months following such Executive’s Separation, (b) the expiration of Executive’s continuation coverage under COBRA or (c) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment. Notwithstanding the foregoing, if TuSimple or, if



applicable, such other member of the TuSimple Group, determines in its sole discretion that it cannot provide the foregoing subsidy of COBRA coverage without potentially violating or causing TuSimple or any other member of the TuSimple Group to incur additional expense as a result of noncompliance with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), TuSimple or another member of the TuSimple Group, as applicable, instead will pay Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of Executive's Separation for Executive and Executive's eligible dependents pursuant to the health insurance plans of the TuSimple Group in which Executive or Executive's eligible dependents participated as of the day of Executive's Separation (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage; and

- (iv) (A) the total number of vested shares subject to each of Executive's then-outstanding equity awards subject to time-based vesting shall be determined by adding eighteen (18) months to Executive's actual period of employment as of the Separation Date; (B) the Stock Price Hurdles (each as defined in that certain letter agreement by and between Executive and TuSimple, dated as of December 14, 2022 (the "**Letter Agreement**")) with respect to Executive's PSUs (as defined in the Letter Agreement) shall be deemed to have been achieved as of immediately prior to the Separation Date, and the total number of vested shares subject to the PSUs, as of the Separation Date, shall be determined by adding eighteen (18) months to Executive's actual period of employment through the Separation Date; and (C) with respect to any other equity awards held by Executive with performance-based vesting, all performance goals and other vesting criteria will be deemed satisfied in accordance with the terms set forth in the award agreement evidencing the applicable equity award.
- (b) Involuntary Termination Within a Change in Control Period. If Executive is subject to an Involuntary Termination that occurs within a Change in Control Period and Executive satisfies the conditions described in Section 2(c) below, then:
  - (i) TuSimple or another member of the TuSimple Group, as applicable, shall pay the Executive a lump-sum cash amount equal to two times (2x) the sum of (a) Executive's Base Salary and (b) Executive's annual target bonus established by TuSimple for the fiscal year in which Executive's Separation occurs;
  - (ii) If Executive timely elects continued coverage under COBRA, TuSimple or, if applicable, such other member of the TuSimple Group shall pay the same portion of the monthly premium under COBRA as it pays for active employees and their eligible dependents until the earliest of (A) the last day

of the period ending on the date that is eighteen (18) months following such Executive's Separation, (B) the expiration of Executive's continuation coverage under COBRA or (C) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment. Notwithstanding the foregoing, if TuSimple or, if applicable, such other member of the TuSimple Group's determines in its sole discretion that it cannot provide the foregoing subsidy of COBRA coverage without potentially violating or causing TuSimple or any other member of the TuSimple Group to incur additional expense as a result of noncompliance with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), TuSimple or, if applicable, such other member of the TuSimple Group instead will pay Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of Executive's Separation for Executive and Executive's eligible dependents pursuant to the health insurance plans of the TuSimple Group in which Executive or Executive's eligible dependents participated as of the day of Executive's Separation (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage;

- (iii) without limiting Section 3(b), (A) one hundred percent (100%) of the shares subject to each of Executive's then-outstanding equity awards subject to time-based vesting shall become fully vested as of the date of Executive's Separation (or, if later, the date of the Change in Control); (B) the Stock Price Hurdles with respect to Executive's PSUs shall be deemed to have been achieved as of the Separation Date and one hundred percent (100%) of the shares subject to the PSUs shall become fully vested as of the date of Executive's Separation (or, if later, the date of the Change in Control); and (C) in the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed satisfied in accordance with the terms set forth in the award agreement evidencing the applicable equity award. For the avoidance of doubt, if Executive's Involuntary Termination occurs prior to a Change in Control, then any unvested portion of Executive's then-outstanding equity awards will remain outstanding for six (6) months or through the occurrence of a Change in Control (whichever is earlier) so that any additional benefits due on an Involuntary Termination Within a Change in Control Period can be provided if a Change in Control occurs within six (6) months following such Involuntary Termination (provided that in no event will Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). In such case, if no Change in Control occurs within six (6) months following an Involuntary Termination, any unvested portion of Executive's equity awards automatically will be forfeited permanently on the six (6)-month anniversary of the Involuntary Termination without having vested.

- (c) **Preconditions to Severance and Vesting Acceleration Benefits / Timing of Benefits.** As a condition to Executive's receipt of any benefits described in Section 2(a) or 2(b), Executive shall execute and allow to become effective a general release of claims in the form prescribed by TuSimple and, if requested by TuSimple's Board of Directors, must immediately resign as a member of TuSimple's Board of Directors and as a member of the board of directors of any subsidiaries of TuSimple. Executive must execute and return the release on or before the date specified by TuSimple in the release, which will in no event be later than 50 days after Executive's employment terminates. If Executive fails to return the release by the deadline or if Executive revokes the release, then Executive will not be entitled to the benefits described in this Section 2. All such benefits will be provided, paid or commence within 60 days after Executive's Involuntary Termination (and, where applicable, will include at such time any amounts accrued from the date of Executive's Separation). If such 60-day period spans two taxable calendar years, then such benefit will in any event be provided, paid or commence in the second taxable calendar year.
3. **Change in Control.** Subject to Executive's continued employment with TuSimple or another member of the TuSimple Group through the first Change in Control to occur after the Effective Date, Executive shall receive the following upon such Change in Control:
- (a) TuSimple or another member of the TuSimple Group, as applicable, shall pay the Executive a lump-sum cash amount equal to the greater of (i) \$15,000,000 or (ii) 0.60% of the total equity value of TuSimple calculated based upon the aggregate consideration received in connection with such Change in Control, within thirty (30) days of such Change in Control (provided, that, for the avoidance of doubt, in the event of a Change in Control described in Section 9(c)(iv) below, Executive shall be entitled to a lump sum cash amount equal to \$15,000,000);
- (b) (i) one hundred percent (100%) of the shares subject to each of Executive's then-outstanding equity awards subject to time-based vesting shall become fully vested; (ii) the Stock Price Hurdles with respect to Executive's PSUs shall be deemed to have been achieved as of immediately prior to such Change in Control and one hundred percent (100%) of the shares subject to the PSUs shall become fully vested; and (c) in the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed satisfied in accordance with the terms set forth in the award agreement evidencing the applicable equity award.
4. **Section 409A.** TuSimple intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") so that none of the payments or benefits will be subject to the additional tax imposed under Code Section 409A, and any ambiguities herein will be interpreted in accordance with such intent. For purposes of Code Section 409A, each payment, installment or benefit payable under this Agreement is hereby designated as a separate payment. To the extent that any reimbursement of expenses or in-kind benefits provided to Executive under this Agreement constitute "deferred compensation" under Code Section 409A, such reimbursement shall

be provided no later than December 31 of the year following the year in which the expense was incurred, the amount of any expenses reimbursed or in-kind benefits provided in one year shall not affect the amount eligible for reimbursement or in-kind benefits provided in any subsequent year (other than an arrangement providing for the reimbursement of medical expenses referred to in Section 105(b) of the Code), and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit. In addition, if TuSimple determines that Executive is a "specified employee" under Code Section 409A(a)(2)(B)(i) at the time of Executive's Separation, then (i) any severance payments or benefits, to the extent that they are subject to Code Section 409A, will not be paid or otherwise provided until the first business day following the earlier of (A) expiration of the six-month period measured from Executive's Separation or (B) the date of Executive's death and (ii) any installments that otherwise would have been paid or provided prior to such date will be paid or provided in a lump sum when the severance payments or benefits commence. The determination of whether the Executive is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of the Executive's Separation shall be made by TuSimple in accordance with the terms of Section 409A (including, without limitation, Section 1.409A-1(i) of the Department of Treasury Regulations and any successor provision thereto).

5. Section 280G.

- (a) Notwithstanding anything contained in this Agreement to the contrary, in the event that the payments and benefits provided pursuant to this Agreement, together with all other payments and benefits received or to be received by Executive ("**Payments**"), constitute "parachute payments" within the meaning of Code Section 280G, and would be subject to the excise tax imposed by Code Section 4999 or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (the "**Excise Tax**"), then the Executive shall be entitled to receive an additional payment or payments (collectively, a "**Gross-Up Payment**") in an amount such that, after payment by Executive of all taxes, including any Excise Tax, imposed upon the Gross-Up Payment, Executive retains a portion of the Gross-Up Payment in an amount equal to the Excise Tax imposed upon the Payments.
- (b) Subject to the provisions of Section 5(e), all determinations required to be made under this Section 5 (including whether any of the Payments are parachute payments, whether an Excise Tax is payable by Executive and the amount of such Excise Tax, and whether a Gross-Up Payment is required to be paid by TuSimple to Executive and the amount of such Gross-Up Payment, if any) will be made by a nationally recognized independent accounting firm or tax consultant agreed to between TuSimple and Executive (such agreement not unreasonably withheld, conditioned or delayed) (the "**Tax Advisor**"). For purposes of making the calculations required by this section, the Tax Advisor (i) shall assume that Executive pays federal income tax and employment taxes at the highest marginal rate of federal income and employment taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of Executive's domicile for income

tax purposes on the date the Gross-Up Payment is made, net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes, and (ii) may make other reasonable assumptions and approximations concerning applicable taxes and may rely on reasonably, good faith interpretations concerning the application of Code Sections 280G and 4999. TuSimple will bear the costs that the Tax Advisor incurs in connection with the calculations contemplated by this Section 5. TuSimple and Executive shall each provide the Tax Advisor access to and copies of any books, records and documents in the possession of TuSimple or Executive, as the case may be, reasonably requested by the Tax Advisor, and otherwise cooperate with the Tax Advisor in connection with the preparation and issuance of the determination and calculations contemplated by Section 5 hereof.

- (c) If the Tax Advisor determines that any Excise Tax is payable by Executive pursuant to Section 5(b), TuSimple shall pay the Gross-Up Payment (as calculated under Section 5(b)) to Executive within five (5) business days after such determination (and in any event by the end of Executive's taxable year next following the Executive's taxable year in which he remits any payment of the Excise Tax). If the Tax Advisor determines that no Excise Tax is payable by Executive, it shall, at the same time as it makes such determination, furnish the Company and Executive an opinion that Executive has substantial authority not to report any Excise Tax on his federal, state or local income or other tax return.
- (d) Except as contemplated by this Section 5(e), any final determination by the Tax Advisor as to the amount of the Gross-Up Payment shall be binding upon TuSimple and Executive absent manifest error. The federal, state and local income or other tax returns filed by TuSimple and its subsidiaries and Executive shall be prepared and filed on a consistent basis with the determinations of the Tax Advisor with respect to the Excise Tax payable by Executive. Executive shall make proper payment of the amount of any Excise Payment, and at the reasonable request of TuSimple, provide to TuSimple true and correct copies (with any amendments) of his federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, provided that TuSimple will be required to keep such tax returns confidential.
- (e) In the event that (i) the Internal Revenue Service, or any state or local taxing authority, audits, investigates or otherwise reviews the Payments or Gross-Up Payment (any such action, an "Audit") and determines, or (ii) the Tax Advisor otherwise determines in good faith subsequent to its initial determination in Section 5(b), that an increase in the amount of the Excise Taxes paid by Executive is appropriate (as compared to the amount determined for purposes of Section 5(b)), then TuSimple shall promptly pay Executive an additional amount necessary so that the net amount which is payable to the Executive after taking into account the provisions of Code Section 4999 (or any successor provision) shall reflect the intent of the parties as expressed in Section 5(a), taking into account the determination described clause (i) or (ii), as applicable. If TuSimple owes the Executive an

additional payment under this Section 5(e), such payment shall be made to Executive promptly following the date Executive remits the taxes, or if earlier, the date the Internal Revenue Service assesses such additional taxes, but no later than Executive's taxable year next following Executive's taxable year in which Executive remits the additional taxes.

- (f) TuSimple shall bear and pay directly (and indemnify Executive for) all costs and expenses (including reasonable fees of Executive's tax attorney and advisor (as selected by Executive)) incurred in connection with any such Audit or redetermination by the Tax Advisor. Without limiting the foregoing provisions of this Section 5(f), if the parties agree to that Executive will pay any tax claimed and sue or otherwise seek for a refund, TuSimple shall advance the amount of such payment to Executive on an interest-free basis and shall indemnify and hold Executive harmless, on an after tax basis, from any Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such advance. If, after the receipt by Executive of any amount advanced by TuSimple pursuant to Section 5(f) hereof, Executive receives any refund with respect to such claim, Executive shall (subject to TuSimple's complying with the requirements of Section 5(f) hereof) promptly pay to TuSimple the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by Executive of any amount advanced by TuSimple pursuant to Section 5(f) hereof, a determination by the Internal Revenue Service or by any state or local taxing authority is made that Executive shall not be entitled to any refund with respect to such claim and TuSimple does not notify Executive in writing of its intent to contest such denial or refund prior to the expiration of thirty (30) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid.
6. Company's Successors. Any successor to TuSimple or to all or substantially all of TuSimple's business and/or assets shall assume TuSimple's obligations under this Agreement and agree expressly to perform TuSimple's obligations under this Agreement in the same manner and to the same extent as TuSimple would be required to perform such obligations in the absence of a succession.
7. Miscellaneous Provisions.
- (a) Modification or Waiver. No provision of this Agreement may be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of TuSimple (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.
- (b) Integration. This Agreement represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements, whether written or oral, with respect to the subject matter of this Agreement.

- (c) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the internal substantive laws, but not the conflicts of law rules, of the State of California.
  - (d) Tax Withholding. Any payments provided for hereunder are subject to reduction to reflect applicable withholding and payroll taxes and other reductions required under federal, state or local law.
  - (e) Notices. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or (iii) deposit with nationally recognized overnight courier, with shipping charges prepaid. Notice shall be addressed to TuSimple at its principal executive office (attention: General Counsel) and to Executive at the address that he or she most recently provided to TuSimple in accordance with this Subsection (e).
  - (f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.
  - (g) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.
8. At-Will Employment. Nothing contained in this Agreement shall (a) confer upon Executive any right to continue in the employ of TuSimple, (b) constitute any contract or agreement of employment, or (c) interfere in any way with the at-will nature of Executive's employment with TuSimple.
9. Definitions. The following terms referred to in this Agreement shall have the following meanings:
- (a) "**Base Salary**" means Executive's annual base salary as in effect immediately prior to an Involuntary Termination; provided, however, that in the event of a Resignation for Good Reason due to a material reduction in Executive's base salary, "Base Salary" means Executive's annual base salary as in effect immediately prior to such reduction.
  - (b) "**Cause**" means Executive's (i) unauthorized use or disclosure of the confidential information or trade secrets of TuSimple or any other member of the TuSimple Group, which use or disclosure causes material harm to TuSimple or any other member of the TuSimple Group, (ii) material breach of any material written agreement with TuSimple or any other member of the TuSimple Group, (iii) material failure to comply with the written policies or rules of TuSimple or any other member of the TuSimple Group, (iv) conviction of, or plea of "guilty" or "no

contest” to, a felony under the laws of the United States or any State, (v) gross negligence or willful misconduct in the conduct of Executive’s duties on behalf of TuSimple or any member of the TuSimple Group that causes material harm to TuSimple or any other member of the TuSimple Group, (vi) continuing grossly negligent or willful failure to perform assigned duties after receiving written notification of the failure from TuSimple, its Board of Directors or the board of directors of any other member of the TuSimple Group or (vii) failure to cooperate in good faith with a governmental or internal investigation of TuSimple, any other member of the TuSimple Group, or any of its or their respective directors, officers or employees, if TuSimple or any other member of the TuSimple Group has requested such cooperation.

(c) **“Change in Control”** means:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of TuSimple representing more than thirty percent (30%) of the total voting power represented by TuSimple’s then-outstanding voting securities; provided, that a Change in Control shall not be deemed to have occurred (A) due to any change in beneficial ownership of any voting power held by any “person” (or any of its affiliates) who as of the Effective Date beneficially owns thirty percent (30%) or more of the combined voting power of TuSimple’s then-outstanding voting securities (or, if immediately after the expiration of the Proxy (as defined below) Xiaodi Hou and his affiliates beneficially own thirty percent (30%) or more of the combined voting power of TuSimple’s then-outstanding voting securities, Xiaodi Hou or any of his affiliates) where, immediately following such change, such person continues to beneficially own, directly or indirectly, securities of TuSimple representing more than thirty percent (30%) of the combined voting power of TuSimple’s then-outstanding voting securities and no other person or “group” (within the meaning of Section 13(d) of the Exchange Act) that does not include such “person(s)”, beneficially owns, directly or indirectly, securities of TuSimple representing a greater percentage of the combined voting power of TuSimple’s then-outstanding voting securities than thirty percent (30%), or (B) due solely to the expiration of that certain Irrevocable Proxy and Power of Attorney, executed as of November 9, 2022, by and between White Marble LLC, White Marble International Limited and Mo Chen (the “Proxy”);
- (ii) The consummation of the sale or disposition by TuSimple of all or substantially all of TuSimple’s assets;
- (iii) The consummation of a merger or consolidation of TuSimple with or into any other entity, other than a merger or consolidation which would result in the voting securities of TuSimple outstanding immediately prior thereto



continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of TuSimple or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

- (iv) Individuals who are members of TuSimple's Board of Directors (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of TuSimple's Board of Directors over a period of 12 months; provided, however, that if the appointment or election (or nomination for election) of any new member of TuSimple's Board of Directors was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Agreement, be considered as a member of the Incumbent Board.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of TuSimple's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held TuSimple's securities immediately before such transaction. In addition, if a Change in Control constitutes a payment event with respect to any payment or benefit hereunder which provides for a deferral of compensation and is subject to Code Section 409A, then notwithstanding anything to the contrary in this Agreement or applicable award agreement such transaction must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

- (d) "**Change in Control Period**" means the period commencing on the date that is six (6) months prior to the date on which the first Change in Control occurs after the Effective Date and ending on the date that is twelve (12) months after the date of such Change in Control.
- (e) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
- (f) "**Involuntary Termination**" means either Executive's (i) Termination Without Cause or (ii) Resignation for Good Reason.
- (g) "**Resignation for Good Reason**" means a Separation as a result of Executive's resignation from employment with TuSimple and all other members of the TuSimple Group, as applicable, within twelve (12) months after one of the following conditions has come into existence without Executive's consent: (i) a reduction in Executive's annual Base Salary by more than 10%, other than a general reduction that is part of a cost-reduction program that affects all similarly situated employees in substantially the same proportions, (ii) a relocation of Executive's principal workplace by more than twenty-five (25) miles from its location

immediately prior to such relocation or (iii) a material reduction of responsibilities, authority or duties. A Resignation for Good Reason will not be deemed to have occurred unless the employee gives TuSimple written notice of the condition within 90 days after the condition comes into existence and TuSimple or any other member of the TuSimple Group fails to remedy the condition within thirty (30) days after receiving such written notice.

- (h) “**Separation**” means a “separation from service” as defined in the regulations under Code Section 409A.
- (i) “**Separation Date**” means the date of Executive’s Separation.
- (j) “**Termination Without Cause**” means a Separation as a result of the termination of Executive’s employment by TuSimple and all other members of the TuSimple Group, as applicable, without Cause, provided the individual is willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of TuSimple by its duly authorized officer, as of the day and year indicated below.

**TUSIMPLE HOLDINGS INC.**

By: /s/ Mo Chen  
Name: Mo Chen  
Title: Executive Chairman  
Date: December 14, 2022

**EXECUTIVE**

By: /s/ Cheng Lu  
Name: Cheng Lu  
Date: December 14, 2022

**TuSimple Sets Path for Stability with Appointment of Independent Directors and Permanent Chief Financial Officer**

- Government Security Director appointed with notice of non-objection by Committee on Foreign Investment in the United States (CFIUS)
- Reconstitution of the Audit Committee, satisfying NASDAQ's requirement for an independent audit committee
- Eric Tapia appointed Chief Financial Officer

SAN DIEGO, December 16, 2022 – TuSimple (Nasdaq:TSP), a global autonomous driving technology company, today announced additional independent appointments to its Board of Directors – including a new Government Security Director, Michael Mosier, and an Audit Committee Chair, Wendy Hayes.

Michael Mosier will serve as the Government Security Director and will be responsible for overseeing the Company's compliance with federal government legal and regulatory requirements. In order to be appointed, he passed through extensive background checks to receive non-objection from CFIUS. Mr. Mosier has vast experience in the federal government across national-security related roles, including at the U.S. Department of Treasury, U.S. Department of Justice, and White House National Security Council. Most recently, Mosier served as Acting Director of Treasury's Financial Crimes Enforcement Network. He was also Counselor to the Deputy Treasury Secretary, focused on emerging technology and cybersecurity. Mosier has been an adjunct professor at Georgetown University Law Center and began his career in public service as a prosecutor with the Manhattan District Attorney's Office.

Wendy Hayes brings to TuSimple extensive financial and business oversight experience. In her new role as an independent member of TuSimple's Board of Directors, she will serve as chair of the Audit Committee. Ms. Hayes is a partner at a venture capital firm based in Silicon Valley and also serves on the boards of other NYSE and NASDAQ listed companies. Previously, Ms. Hayes worked at various Deloitte global offices as an Audit Partner after she first joined Deloitte San Francisco in 1997. She also was an Inspections Leader for the Public Company Accounting Oversight Board (PCAOB), which was established by Congress to supervise audits of public companies and protect investors, and is overseen by the Securities and Exchange Commission (SEC).

Following the recent appointment of James Lu as an independent member of TuSimple's Board of Directors, TuSimple has appointed three new independent board members in the last week.

Additionally, Eric Tapia has been appointed as the company's Chief Financial Officer. Mr. Tapia has been serving in the role of interim Chief Financial Officer since July 7, 2022. He brings more than twenty years of experience working in corporate finance, controllership, and treasury, as well as working closely with public companies' C-level and Board of Directors. Before joining TuSimple in 2021 as VP Global Controller, Mr. Tapia was the VP Controller and CAO of Grainger, Inc., a \$13 billion Fortune 200 company, a role he held for over 6 years.

“When I returned to lead TuSimple, I made a commitment to right the ship and set us on a path toward long-term stability and success,” said TuSimple President and CEO Cheng Lu. “With the appointment of Eric as permanent CFO, three new independent board members in the last week, the reconstitution of the Board’s Audit Committee and other board committees, we’re moving forward with our plan to restore accountability and transparency to this Company. Furthermore, with the addition of Michael and Wendy to the board, we’re gaining valuable expertise that we believe will benefit TuSimple and our investors. I’m pleased they’ve agreed to join our Board of Directors and look forward to working with them as we drive TuSimple’s strategy forward to usher in a safer and more efficient future in the autonomous freight industry.”

### **About TuSimple**

TuSimple is a global autonomous driving technology company headquartered in San Diego, California, with operations in Arizona, Texas, Europe, and China. Founded in 2015, TuSimple is developing a commercial-ready, fully autonomous (SAE Level 4) driving solution for long-haul heavy-duty trucks. TuSimple aims to transform the \$4 trillion global truck freight industry through the company’s leading AI technology, which makes it possible for trucks to drive safely autonomously, operate nearly continuously, and reduce fuel consumption by 10%+ relative to manually driven trucks. Global achievements include the world’s first fully autonomous, ‘driver-out’ semi-truck run on open public roads, and development of the world’s first Autonomous Freight Network (AFN). Visit us at [www.tusimple.com](http://www.tusimple.com).

SOURCE TuSimple Holdings, Inc.

### **TuSimple Investor Relations**

Ryan Amerman - [ryan.amerman@tusimple.ai](mailto:ryan.amerman@tusimple.ai)

### **TuSimple Media Relations**

Public Relations Team - [pr@tusimple.ai](mailto:pr@tusimple.ai)