

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

TRAVIS DORVIT and MICHAEL MARTIN,)
Derivatively on Behalf of Nominal Defendant)
POWER SOLUTIONS INTERNATIONAL,)
INC.,)
)
Plaintiffs,)
)
v.)
)
GARY S. WINEMASTER, KENNETH)
WINEMASTER, DANIEL P. GOREY, JAY)
HANSEN, ELLEN R. HOFFING, KENNETH)
LANDINI, MICHAEL P. LEWIS, MARY)
VOGT, SHAOJUN SUN, JIANG KUI, JASON)
LIN, LESLIE A. COOLIDGE, and FRANK P.)
SIMPKINS,)
)
Defendants,)
)
and)
)
POWER SOLUTIONS INTERNATIONAL,)
INC.,)
)
Nominal Defendant.)
_____)

Case No. 1:17-cv-01097

Honorable Thomas M. Durkin

**SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF STOCKHOLDER ACTION**

TO: ALL RECORD AND BENEFICIAL OWNERS OF POWER SOLUTIONS INTERNATIONAL, INC. ("PSI") COMMON STOCK, EXCLUDING THE INDIVIDUAL DEFENDANTS, THE OFFICERS AND DIRECTORS OF PSI, MEMBERS OF THEIR IMMEDIATE FAMILIES, AND ANY ENTITY IN WHICH INDIVIDUAL DEFENDANTS HAVE OR HAD A CONTROLLING INTEREST ("CURRENT PSI STOCKHOLDERS").

THIS NOTICE IS GIVEN pursuant to an order of the United States District Court for the Northern District of Illinois (the "Court"), to inform you of a proposed stipulated settlement (the "Settlement") in the above-captioned derivative action (the "Action"). The Action involves claims brought derivatively on behalf of PSI, against certain of its current and former directors and officers alleging breaches of fiduciary duty, relating to certain events, public statements, and allegedly improper statements in PSI's press releases and U.S. Securities and Exchange Commission ("SEC") filings. The Action also involves claims for unjust enrichment against certain defendants for the compensation they received during the time they were associated with PSI, waste of corporate assets, and for failure to hold an annual meeting of stockholders.

Defendants, individually and collectively, have denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs in the Action, including all charges of fault, wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in the Action. Nonetheless, Defendants have agreed to the Settlement on the terms and subject to the conditions in the Stipulation of Settlement dated [*], 2019. Under the terms of the Stipulation of Settlement dated May 7, 2019, 2019 ("Stipulation"), as a part of the proposed Settlement, Defendants shall cause to be paid \$1,875,000 to a settlement fund (the "Settlement Fund"). In addition, PSI has agreed that within thirty (30) days of the issuance of an order approving the settlement of the Action, PSI will adopt certain corporate governance reforms ("Reforms"), which PSI shall maintain for a period of not less than four (4) years or so long as the Company remains a public company. The Parties agree that the initiation, prosecution, and settlement of the Action were material factors in the Reforms. The Parties further agree that the Reforms confer a substantial benefit to PSI as part of the Settlement of the Action.

In light of the substantial benefits conferred upon PSI by Plaintiffs' Counsel's efforts, in connection with a motion for final approval of the Settlement, Plaintiffs' Counsel will request an award of attorneys' fees and expenses of \$937,500 to be paid out of the Settlement Fund (the "Fee and Expense Amount"). As a result, if the Court approves Plaintiffs' Counsel's Fee and Expense Amount, \$937,500 of the Settlement Fund will ultimately be returned to the Company. Additionally, Plaintiffs' Counsel may also apply on behalf of Plaintiffs for an incentive award in the amount of \$2,000 (the "Incentive Amount") in recognition of Plaintiffs' participation and efforts in the prosecution of the Action. The Incentive Amount shall be funded from the Fee and Expense Amount, as approved by the Court.

YOU ARE HEREBY NOTIFIED THAT a hearing (the "Settlement Hearing") will be held on August 21, 2019, at 9:00 a.m., before the Honorable Thomas M. Durkin, of the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street Chicago, IL 60604, for the purpose of determining whether the Settlement should be approved as fair, reasonable, and adequate and whether the Fee and

Expense Amount, including the Incentive Amount, should be approved. *Because this is a stockholder derivative action brought for the benefit of PSI, no individual Current PSI Stockholders has the right to receive any individual compensation as a result of the Settlement.*

IF YOU ARE AN OWNER OF PSI COMMON STOCK, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT. This notice contains only a summary of the Action and the terms of the Settlement. The terms and conditions of the proposed Settlement are set forth fully in the Stipulation described above. If you are a Current PSI Stockholders, you may obtain a copy of a detailed notice to Current PSI Stockholders (the "Notice") describing the Action, the proposed Settlement, and the rights of Current PSI Stockholders with regard to the Settlement, as well as a copy of the Stipulation, by visiting the website <http://ir.PSI.is/investors/>. The Stipulation is also available for viewing at www.robbinsarroyo.com and www.ktmc.com

Should you have any other questions regarding the proposed Settlement of the Action, please contact the following counsel for Plaintiffs:

Stephen J. Oddo
ROBBINS ARROYO LLP
5040 Shoreham Place
San Diego, CA 92122

Eric L. Zagar
KESSLER TOPAZ MELTZER & CHECK LLP
280 King of Prussia Road
Radnor, PA 19087

Michael I. Fistel Jr.
JOHNSON FISTEL, LLP
40 Powder Springs Street
Marietta, GA 30064

Counsel for Plaintiffs Travis Dorvit and Michael Martin and Stockholder Bruce Fisher.

Any Current PSI Stockholder may object and/or appear and show cause, if he, she, or it has any concern, why the Settlement should not be finally approved as fair, reasonable, and adequate, why the Final Order and Judgment should not be entered thereon, or why the Fee and Expense Amount and any Incentive Amount, should not be finally approved; provided, however, unless otherwise ordered by the Court, that no Current PSI Stockholders may be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Final Order and Judgment to be entered approving the Settlement, or the Fee and Expense Amount, unless that stockholder has, ***at least fourteen (14) days prior to the Settlement Hearing***, filed with the Court or served on Plaintiffs' Counsel listed below an objection with the Court. Any objection to the Settlement, the Fee and Expense Amount, or the Incentive Amount must be filed, in accordance with the procedures set forth in the Notice, with the Clerk of the Court (Honorable Thomas M. Durkin, of the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse 219 South Dearborn Street Chicago, IL 60604), no

later than August 7, 2019, or served by hand or first class mail (postage prepaid) for delivery by the same date on Plaintiffs' counsel Stephen J. Oddo (at the address listed below):

Stephen J. Oddo
ROBBINS ARROYO LLP
5040 Shoreham Place
San Diego, CA 92122

Counsel for Plaintiff Michael Martin

PLEASE DO NOT CALL OR WRITE THE COURT, PSI, OR THE INDIVIDUAL DEFENDANTS REGARDING THIS NOTICE.