

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re TRIPATH TECHNOLOGY INC., SECURITIES) Case No. C-04-4681-SBA
LITIGATION)
_____))
This Document Relates To:)
ALL ACTIONS)

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT,
MOTION FOR ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

If you purchased the securities of Tripath Technology Inc. ("Tripath") between January 29, 2004 and June 13, 2005, inclusive, and was damaged thereby, then you could get a payment from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The settlement will provide 2.45 million shares of Tripath common stock and \$200,000 in cash for the benefit of investors who purchased the securities of Tripath between January 29, 2004 and June 13, 2005, inclusive (the "Class Period"), and who were damaged thereby.
- The settlement resolves a lawsuit over whether Tripath and certain of its officers and directors misled investors about Tripath's financial results and future earnings.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims.
OBJECT	Write to the Court about why you do not like the settlement.
GO TO A HEARING	Ask to speak in Court about the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

SUMMARY NOTICE

Statement of Plaintiff Recovery

Pursuant to the settlement described herein, a Settlement Fund consisting of \$200,000 in cash, plus interest, and 2,450,000 shares of Tripath common stock has been established. Plaintiffs estimate that there were approximately 58.5 million shares of Tripath common stock traded during the Class Period which may have been damaged. Plaintiffs estimate that the cash portion of the settlement proceeds will be consumed in notice and administration costs or other litigation expenses. Plaintiffs estimate that the average recovery per damaged share of Tripath common stock under the settlement is 4.19 new Tripath Settlement Shares per 100 damaged shares¹ before deduction of Court-awarded attorneys' fees and expenses. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. Depending on the number of claims submitted, when during the Class Period a Class Member purchased shares of Tripath common stock, the purchase price paid, and whether those shares were held at the end of the Class Period or sold during the Class Period, and, if sold, when they were sold and the amount received, an individual Class Member may receive more or less than this average amount. See the Plan of Allocation on page 7 for more information on your Recognized Claim.

Statement of Potential Outcome of Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if plaintiffs were to have prevailed on each claim alleged. The Defendants deny that they are liable to the plaintiffs or the Class and deny that plaintiffs or the Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Counsel are moving the Court to award attorneys' fees not to exceed one-quarter (25%) of the Gross Settlement Fund. The requested fees and expenses would amount to an average of 1.04 new Tripath Settlement Shares and 8.5¢ per 100 damaged shares for attorneys' fees. Plaintiffs' Counsel also intend to move the Court for reimbursement of expenses incurred in connection with the

¹ An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

prosecution of this Action in the approximate amount of \$20,000, which would amount to an average of 3¢ per 100 damaged shares. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

Further Information

Further information regarding the Action and this Notice may be obtained by contacting Lead Counsel for the Class: Jeff S. Westerman, Esq., Milberg Weiss Bershad & Schulman LLP, 355 South Grand Ave., Suite 4170, Los Angeles, CA 90071, Telephone (213) 617-1200.

Reasons for the Settlement

The principal reason for the settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. While the Defendants deny any liability or damages, an additional risk plaintiffs considered is the risk that, even if they succeeded in establishing liability and damages, the Defendants' resources would not likely support a greater recovery than is being obtained by this settlement

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased the securities of Tripath during the period between January 29, 2004 and June 13, 2005, inclusive.

The Court directed that this Notice be sent to Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the settlement. If the Court approves the settlement, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *In re Tripath Technology Inc. Securities Litigation*, Civil Action No. 04 4681 (SRB). This case was assigned to United States District Judge Sandra B. Armstrong. The people who sued are called plaintiffs, and the company and the individuals they sued, Tripath and Adya Tripathi (Chairman, President, and Chief Executive Officer of Tripath during the Class Period), David Eichler (Chief Financial Officer of Tripath during the Class Period until his departure on September 15, 2004), and Graham K. Wright (Vice President of Sales and Marketing of Tripath during the Class Period), are called the Defendants.

2. What is this lawsuit about?

Tripath is a San Jose, California-based semiconductor company that focuses on providing power amplification to the digital media consumer electronics and communications markets. Tripath owns the patented technology called Digital Power Processing (DPP(R)), which leverages modern advances in digital signal processing and power processing in audio, DSL, and wireless communications products.

The lawsuit claims that, throughout the Class Period, Tripath disseminated press releases and SEC filings which reported quarter after quarter of record results for the company. According to the lawsuit, the Defendants attributed the record results to the sale of Tripath's products and design wins (*i.e.*, the selection of Tripath products for design into its customers' new products) in the communications and home entertainment system markets.

Plaintiffs allege that Tripath's seeming success was the result of improper accounting that artificially inflated Tripath's reported results. The lawsuit claims that the Defendants' SEC filings and press releases during the Class Period included materially false and misleading statements with respect to Tripath's financial results and the company's business, prospects and operations. According to the plaintiffs, the Defendants issued these statements in a scheme to artificially inflate the value of Tripath's securities in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. Plaintiffs further allege that Class Members purchased the securities of Tripath during the Class Period at artificially-inflated prices and were damaged thereby.

The Defendants deny they did anything wrong.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Robert Poteet), sue on behalf of people who have similar claims. All these people are a Class or Class Members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring in individual actions. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

Beginning in November 2004, four class action complaints were filed in the United States District Court for the Northern District of California alleging that Defendants had violated the federal securities laws.

On December 22, 2004, the Court consolidated the four class actions under the caption *In re Tripath Technology, Inc. Securities Litigation*, Civil Action No. 04 4681. By Order dated January 28, 2005, the Court appointed Robert Poteet as Lead Plaintiff and approved the law firm of Milberg Weiss Bershad & Schulman LLP as Lead Counsel.

Thereafter, Lead Counsel and Defendants' Counsel entered into negotiations with a view to compromising and settling the issues in dispute. As a result of these negotiations, both sides agreed to a settlement before the Court was faced with deciding in favor of the Plaintiffs or Defendants. That way, the two sides avoided the risks and cost of a trial, and the people affected will get compensation. The Class Representative and the attorneys think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get Settlement Shares from this settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the settlement?

The Court directed that, for the purposes of the proposed settlement, everyone who fits this description is a Class Member: *All persons who purchased the securities of Tripath Technology Inc. between January 29, 2004 and June 13, 2005, inclusive, and who were damaged thereby.*

6. Are there exceptions to being included?

Excluded from the Class are the Defendants, the officers and/or directors of Tripath, at all relevant times, members of their immediate families (parents, spouses, siblings, and children), and their legal representatives, heirs, successors or assigns, and any entity in which the Defendants have or had a controlling interest.

If one of your mutual funds purchased Tripath securities during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you directly purchased Tripath securities during the Class Period. Contact your broker to see if you purchased Tripath securities during the Class Period.

If you **sold** Tripath securities during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased** your securities during the Class Period.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-447-7657 or visit www.gilardi.com for more information. Or you can fill out and return the Proof of Claim form described on page 4, in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

In exchange for the settlement and dismissal of the Action, the Defendants have agreed to pay \$200,000 in cash and to deliver 2,450,000 freely tradable shares of Tripath common stock for the benefit of the Class. The Settlement Shares shall be divided among all Class Members who send in a valid Proof of Claim form. The cash portion of the settlement is expected to be consumed in connection with the litigation expenses and the costs of notice and administration of the settlement.

9. How much will my payment be?

Your share of the Settlement Shares will depend on the total Recognized Claims represented by the valid Proof of Claim forms that Class Members send in, how many shares of Tripath common stock you bought, how much you paid for them, and when you bought and whether or when you sold them, and if so for how much you sold them.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for all of your Recognized Claim. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Shares equal to your Recognized Claim divided by the total of everyone's Recognized Claims. See the Plan of Allocation on page 7 for more information on your Recognized Claim. Although it is possible that the Settlement Shares would be sold prior to distribution to the Class, Lead Counsel expect that Authorized Claimants will be paid in new Tripath Settlement Shares

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at www.gilardi.com. Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than **May 29, 2006**.

11. When would I get my payment?

The Court will hold a hearing on **April 11, 2006**, to decide whether to approve the settlement. If the Court approves the settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the class, and that means that, upon the "Effective Date," you will release all "Settled Claims" (as defined below) against the "Released Parties" (as defined below).

"Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including known claims and Unknown Claims (as defined in the Stipulation), arising out of, based upon or related in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement), including: (i) the allegations made in the Action by the Class Members or any of them against any of the Released Parties; or (ii) the allegations that could have been made in any forum by the Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions, involved, set forth, or referred to in the Complaint, or that involve events that occurred during the Class Period, and which relate to the purchase or acquisition of Tripath securities during the Class Period.

"Released Parties" means any and all of the Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, agents, employees, controlling shareholders, attorneys, advisors, investment advisors, auditors, accountants, assigns, spouses, any member of an Individual Defendant's immediate family, or any trust which is for the benefit of any Individual Defendant and/or member(s) of his immediate family and the legal representatives, heirs or successors in interest of the Defendants, and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants.

The "Effective Date" will occur when an Order entered by the Court approving the settlement becomes final and not subject to appeal.

If you remain a member of the Class, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to share in this settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties, on your own, about the Settled Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the settlement class. Defendants may withdraw from and terminate the settlement if putative Class Members who purchased in excess of a certain amount of Tripath common stock exclude themselves from the Class.

13. How do I get out of the proposed settlement?

To exclude yourself from the settlement Class, you must send a signed letter by mail stating that you “request exclusion from the Class in the Tripath Securities Litigation.” Your letter should state the date(s), price(s), and number(s) of shares of all your purchases and sales of Tripath securities during the Class Period. In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **February 13, 2006** to:

Tripath Securities Litigation Settlement Fund Exclusions
c/o Gilardi & Co. LLC, Claims Administrator
P.O. Box 5100
Larkspur, CA 94977-5100

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Parties in the future.

14. If I do not exclude myself, can I sue the Defendants and the other Released Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **February 13, 2006**.

15. If I exclude myself, can I get Settlement Shares from the proposed settlement?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any Settlement Shares. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court ordered that the law firm of Milberg Weiss Bershad & Schulman LLP will represent all Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs' Counsel's fees and expenses, which will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Plaintiffs' Counsel are moving the Court to award attorneys' fees from the Gross Settlement Fund in an amount of not greater than one-quarter (25%) of the Gross Settlement Fund and for reimbursement of their expenses in the approximate amount of \$20,000, plus interest on such expenses at the same rate as earned by the Settlement Fund. Lead Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Settlement Fairness Hearing. Lead Counsel expect that the cash portion of the settlement proceeds paid by the Defendants will be used exclusively to pay notice and administration expenses and to reimburse Plaintiffs' Counsel's litigation expenses.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

18. How do I tell the Court that I do not like the proposed settlement?

If you are a Class Member you can object to the settlement or any of its terms, the proposed Plan of Allocation and/or the application by Plaintiffs' Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed settlement in the Tripath Securities Litigation. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases and sales of Tripath securities you made during the Class Period, and state the reasons why you object to the settlement. Your objection must be filed with the Court and served on all the following counsel on or before **February 13, 2006**:

COURT

Clerk of the Court
 United States District Court
 for the Northern District of
 California
 1301 Clay Street
 Oakland, CA 94612-5212

LEAD COUNSEL

Jeff S. Westerman, Esq.
 Milberg Weiss Bershad
 & Schulman LLP
 355 South Grand Ave.
 Suite 4170
 Los Angeles, CA 90071

DEFENDANTS' COUNSEL

Sarah A. Good, Esq
 Howard Rice Nemerovski
 Canady Falk & Rabkin
 A Professional Corporation
 Three Embarcadero Center
 7th Floor
 San Francisco, CA 94111-4024

 Susan S. Muck, Esq.
 Fenwick & West LLP
 Embarcadero Center West
 275 Battery Street, Ste. 1600
 San Francisco, CA 94111

You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question 18 and question 22 below for filing with the Court and providing to the counsel for Plaintiffs and Defendants a statement of an intention to appear at the Settlement Fairness Hearing may also appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation or Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Hearing.

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the proposed settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the proposed settlement?
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The Court will hold a Settlement Fairness Hearing at 1:00 p.m. on April 11, 2006, at the United States District Court for the Northern District of California, 1301 Clay Street, Oakland, CA 94612-5212. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. At the Settlement Fairness Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the settlement and the application of Plaintiffs' Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 18. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. See question 22 for more information about speaking at the hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

22. May I speak at the hearing?

If you object to the settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see question 18 above) a statement stating that it is your "Notice of Intention to Appear in *In re Tripath Technology, Inc. Securities Litigation, Civil Action No. 04 4681 (SBA)*." Persons who intend to object to the settlement, the Plan of Allocation, and/or counsel's application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing by the deadline identified, and in accordance with the procedures described in questions 18 and 20 above.

IF YOU DO NOTHING

23. What happens if I do nothing at all?
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If you do nothing, you will get no Settlement Shares from this settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case, ever again. To share in the Net Settlement Fund you must submit a Proof of Claim form (see question 10). To start,

continue or be a part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case you must exclude yourself from this class (see question 13).

GETTING MORE INFORMATION

24. Are there more details about the proposed settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation and Agreement of Settlement dated July 11, 2005 (the "Stipulation"). You can get a copy of the Stipulation by writing to Jeff S. Westerman, Esq., Milberg Weiss Bershad & Schulman LLP, 355 South Grand Ave., Suite 4170, Los Angeles, CA 90071, or by visiting www.gilardi.com.

You also can call the Claims Administrator at 1-800-447-7657 toll free; write to Tripath Securities Litigation Settlement Fund, P.O. Box 5100, Larkspur, CA 94977-5100; or visit the website at www.gilardi.com, where you will find answers to common questions about the settlement, a Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

25. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of California, 1301 Clay Street, Oakland, CA 94612-5212, during regular business hours.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$200,000 Cash Settlement Amount and the interest earned thereon, and the 2,450,000 shares of Tripath common stock (or the proceeds of the sale of any or all of such shares, if sold) shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

"Recognized Claims" will be calculated for purposes of the Settlement as follows:

(a) For shares of Tripath common stock purchased during the period between January 29, 2004 and October 18, 2004, inclusive, and

(i) Sold on or before October 18, 2004, an Authorized Claimant shall have no (\$0.00) "Recognized Claim";

(ii) Sold during the period from October 19, 2004 through and including October 22, 2004, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) the purchase price (including commissions, etc.) less the sales price (net of commissions, etc.), (b) the purchase price (including commissions, etc.) less \$0.64, or (c) \$0.15;

(iii) Sold during the period from October 25, 2004 through and including June 13, 2005, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) the purchase price (including commissions, etc.) less the sales price (net of commissions, etc.), (b) the purchase price paid (including commissions, etc.) less \$0.64, or (c) \$0.90;

(iv) Held as of the close of trading on June 13, 2005, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) the purchase price (including commissions, etc.) less \$0.64, or (b) \$0.92.

(b) For shares of Tripath common stock purchased during the period between October 19, 2004 and October 22, 2004, inclusive, and

(i) Sold on or before October 22, 2004, an Authorized Claimant shall have no (\$0.00) "Recognized Claim";

(ii) Sold during the period from October 25, 2004 through and including June 13, 2005, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) the purchase price (including commissions, etc.) less the sales price (net of commissions, etc.), (b) the purchase price (including commissions, etc.) less \$0.64, or (c) \$0.75;

(iii) Held as of the close of trading on June 13, 2005, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) the purchase price (including commissions, etc.) less \$0.64, or (b) \$0.77.

(c) For shares of Tripath common stock purchased during the period between October 25, 2005 and June 13, 2005, and

(i) Sold on or before June 13, 2005, an Authorized Claimant shall have no (\$0.00) "Recognized Claim";

(ii) Held as of the close of trading on June 13, 2005, an Authorized Claimant's "Recognized Claim" shall mean the lesser of: (a) the purchase price (including commissions, etc.) less \$0.64, or (b) \$0.02.

In the event a Class Member has more than one purchase or sale of Tripath common stock, all purchases and sales shall be matched on a First In First Out ("FIFO") basis, Class Period sales will be matched first against any Tripath shares held at the beginning of the Class Period and then against purchases in chronological order. A purchase or sale of Tripath common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of Tripath common stock during the Class Period shall not be deemed a purchase or sale of Tripath common stock for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Tripath

common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Tripath common stock.

To the extent a Claimant had a gain from his, her or its overall transactions in Tripath common stock during the Class Period, the value of the Recognized Claim will be zero. To the extent that a Claimant suffered an overall loss on his, her or its overall transactions in Tripath common stock during the Class Period, but that loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the actual loss.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in Tripath common stock during the Class Period or suffered a loss, the Claims Administrator shall: (i) total the amount paid for all Tripath common stock purchased during the Class Period by the claimant (the "Total Purchase Amount"); (ii) match any sales of Tripath common stock during the Class Period first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining shares of Tripath common stock sold during the Class Period (the "Sales Proceeds"); and (iv) ascribe a \$0.64 per share holding value for the number of shares of Tripath common stock purchased during the Class Period and still held at the end of the Class Period ("Holding Value"). The difference between (x) the Total Purchase Amount ((i) above) and (y) the sum of the Sales Proceeds ((iii) above) and the Holding Value ((iv) above) will be deemed a Claimant's gain or loss on his, her or its overall transactions in Tripath common stock during the Class Period.

Each Authorized Claimant entitled to more than the minimum number of shares (see next paragraph) shall be allocated a *pro rata* share of the Net Settlement Shares (adjusted for attorneys' fees and the minimum share distribution) based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. Each authorized Claimant shall be paid an amount of Net Settlement Shares determined by multiplying the Net Settlement Shares by a fraction, the numerator of which shall be his, her or its "Recognized Claim" and the denominator of which shall be the total Recognized Claims of all Authorized Claimants.

The minimum number of Settlement Shares which shall be distributed to each Authorized Claimant shall be 15 shares of new Tripath common stock. To the extent that an Authorized Claimant's calculated distribution is less than 15 Settlement Shares, that claimant will receive a distribution of 15 Settlement Shares. No fractional shares shall be issued.

Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the settlement and the Order and Final Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the settlement. If any cash funds remain in the Net Settlement Fund by reason of un-cashed cash distributions or returned Settlement Shares (or their proceeds) or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any cash balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Lead Counsel.

Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Tripath securities during the period between January 29, 2004 and June 13, 2005, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased the Tripath securities during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of such Tripath securities. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Tripath Securities Litigation Settlement Fund
c/o Gilardi & Co. LLC
Claims Administrator
P.O. Box 5100
Larkspur, CA 94977-5100
1-800-447-7657

Dated: Oakland, California
 December 14, 2005

By Order of the Court
CLERK OF THE COURT