



Compensation Committee Charter

(as adopted on Jan 25, 2010)

PURPOSE

The purpose of the Compensation Committee of the Board of Directors (the "**Board**") of Tesla Motors, Inc. (the "**Company**") shall be to discharge the Board's responsibilities relating to the compensation of the Company's executive officers and the administration of the Company's employee benefit plans.

The Committee shall assist the Board in administering and overseeing (i) the Company's compensation policies, plans and benefit programs, (ii) the compensation of the Company's executive officers and (iii) the administration of the Company's employee benefit plans.

MEMBERSHIP

The Compensation Committee members will be appointed by, and will serve at the discretion of, the Board. The Compensation Committee will consist of at least two non-employee members of the Board.

RESPONSIBILITIES AND AUTHORITY

The responsibilities and authority of the Compensation Committee shall include such responsibilities and authority delegated by the Board and the following:

- Recommending to the Board a compensation philosophy designed to help the Company compete with other businesses in the Company's industries for the talent that the Company needs;
- Making recommendations to the Board with respect to the Chief Executive Officer's (1) annual base salary, (2) bonus arrangements, if any, (3) equity compensation, (4) any employment agreement, severance arrangement or change in control arrangement, and (5) any other benefits, compensation or arrangements, based on an evaluation of his or her performance and other relevant criteria as determined by the Compensation Committee;
- In consultation with the Chief Executive Officer, reviewing the compensation arrangements of the other executive officers with respect to (1) annual base salary, (2) bonus arrangements, if any, (3) equity compensation, (4) any employment agreement, severance arrangement or change in control arrangement, and (5) any other benefits, compensation or arrangements;
- Making recommendations to the Board with respect to compensation for service as a member of the Board or a Board committee;
- Making recommendations to the Board with respect to all forms of compensation plans;
- Having the sole authority to retain and terminate any compensation consultant to be used by the Company to assist in the evaluation of executive officer compensation and having sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, compensation, accounting or other advisors;
- Overseeing the administration of material employee benefit plans of the Company, including the Company's equity plans, benefit plans and any 401(k) plans or similar plans; and
- Reviewing its own charter, structure, processes and membership requirements.

MEETINGS

The Compensation Committee will meet separately as necessary to fulfill its responsibilities under this Charter. The Compensation Committee may establish its own schedule, which it will provide to the Board.

MINUTES

The Compensation Committee may maintain written minutes of its meetings as it deems appropriate, which minutes (if any) will be filed with the minutes of the meetings of the Board.

REPORTS

The Compensation Committee will summarize its examinations and recommendations to the Board as may be appropriate, consistent with the Compensation Committee's charter.

DELEGATION OF AUTHORITY

The Compensation Committee may form and delegate authority to one or more subcommittees where appropriate.