

TESLA, INC.

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 02/27/18

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Telephone	650-681-5000
CIK	0001318605
Symbol	TSLA
SIC Code	3711 - Motor Vehicles and Passenger Car Bodies
Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
Fiscal Year	12/31

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

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6 (e) (2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11 (c) or Section 240.14a-12

TESLA, INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6 (i) (1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

\$

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Commencing on February 27, 2018, the following investor presentation was used by Tesla, Inc. (“Tesla”) for meetings with its stockholders and other interested persons in connection with the approval of the grant of a performance-based stock option award to Elon Musk, Tesla’s Chief Executive Officer and Chairman.



TESLA

CEO PERFORMANCE AWARD

INVESTOR PRESENTATION
FEBRUARY 2018

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation, including statements relating to the introduction of new and future products and technologies such as Solar Roof, future electric vehicles, self-driving and autonomous ride-sharing; and statements regarding possible future market prices, market capitalization levels for Tesla common stock and the potential stockholder value created at such levels, and Tesla's results of operation, are "forward-looking statements" that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations, and as a result of certain risks and uncertainties, actual results may differ materially from those projected. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include those set forth in Tesla's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2017. Tesla disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

TESLA'S
MISSION:
ACCELERATE
THE WORLD'S
TRANSITION TO
SUSTAINABLE
ENERGY



ADVANCING SUSTAINABLE TRANSPORT

- Grew fleet from ~5,000 at the end of 2012 to over **300,000 vehicles today**
- Grew revenue from \$413.3 million in 2012 to **\$11.8 billion in 2017**

ADVANCING SUSTAINABLE ENERGY

- Tesla is transforming **energy storage** for residential through utility grade applications
- **With the introduction of Solar Roof**, Tesla now offers full suite of energy products
- **As world's only fully integrated sustainable energy company**, Tesla is leading the inevitable shift toward a sustainable energy platform

DRIVING SHAREHOLDER VALUE

- **Master Plan, Part Deux:**
 - Expand electric vehicle product line to address all major segments
 - Seamlessly integrate stunning solar roofs with our growing energy storage business
 - Develop self-driving capability 10X safer than manual
 - Enable your car to make money for you when you aren't using it

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TESLA



CEO PERFORMANCE AWARD DESIGNED
TO MAXIMIZE LONG-TERM SHAREHOLDER VALUE

PROCESS DRIVEN BY
INDEPENDENT
BOARD MEMBERS

100% AT-RISK PERFORMANCE AWARD

Award is entirely contingent on achieving stretch performance goals; **no salary, no cash bonus, no time-based equity**

CONTINUED LEADERSHIP

Elon must remain either CEO or Executive Chairman and Chief Product Officer for Award to continue to vest

DRIVING GROWTH

2012 Award was instrumental in achievement of original Master Plan; Master Plan, Part Deux and CEO Performance Award will align Tesla employees to continue to grow Tesla

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2012 PERFORMANCE AWARD DROVE SUBSTANTIAL SHAREHOLDER VALUE

17X

MARKET CAPITALIZATION
GROWTH SINCE
2012 AWARD GRANTED

9 OF 10

OPERATIONAL
MILESTONES ACHIEVED



2018 PERFORMANCE AWARD MODELED AFTER 2012 AWARD

	2012 AWARD	2018 AWARD
% OF COMPENSATION AT RISK	100%	100%
MARKET CAPITALIZATION AT TIME OF AWARD	\$3.2B	\$59B
% OUTSTANDING SHARES VESTING PER TRANCHE	0.5%	1.0%
MARKET CAPITALIZATION INCREMENT PER TRANCHE	\$4B	\$50B
OPERATIONAL MILESTONES	PRIMARILY PRODUCT DEVELOPMENT	REVENUE AND ADJUSTED EBITDA
NUMBER OF TRANCHES	10	12
POST-EXERCISE HOLD PERIOD	-	5 YEARS
TOTAL SHAREHOLDER VALUE CREATED AT FINAL MARKET CAP MILESTONE	\$40B	~ \$600B

2018 CEO PERFORMANCE AWARD

100% pay-for-performance structure with 10-year term;
No salary, no cash bonus, no time-based equity

Full vesting requires about \$600 billion market cap increase and
very significant increases in Revenue and Adjusted EBITDA

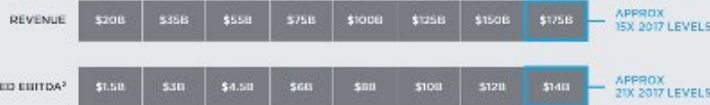


TRANCHES

12 stock option tranches; Each equal to 1% of total outstanding shares as of 1/19/18

For each tranche, dual-trigger vesting requires both 1 Additional Market Capitalization Milestone + 1 Additional Operational Milestone

M&A adjustments ensure milestone achievements are from organic growth



OPERATIONAL MILESTONES

Revenue and Adjusted EBITDA milestones serve as **top and bottom line guardrails**

Full vesting requires achieving 12 of 16 milestones AND all market cap milestones



¹ Market Capitalization: Growth rolling average (90-365 day rolling average to ensure value is sustained)
² Earnings Before Interest, Taxes, Depreciation and Amortization including stock-based compensation

INDEPENDENT PROCESS DESIGNED TO DRIVE SHAREHOLDER VALUE



PROCESS DRIVEN BY INDEPENDENT DIRECTORS

Independent directors led design of program, incorporating work from the compensation committee and feedback from shareholders

2018 Performance Award was considered and approved by all independent board members after more than six months of deliberation

Elon and Kimbal recused themselves from all deliberations, and will not participate in the shareholder vote

FOCUSED ON LONG-TERM VALUE

Independent board members' goal: drive long-term shareholder value, constructing award designed to repeat success of 2012 Performance Award and incentivize Elon to continue leading the company and to strive for massive increase in shareholder value

Q&A

