

Dear Fellow Stockholder,

Tesla will hold its Annual Meeting of Stockholders on June 13, 2024, and we will be asking you to approve a number of important proposals recommended by the Tesla Board. Information about the proposals below, and others, are available at SupportTeslaValue.com.

Proposals Recommended by the Tesla Board

Ratification of the 2018 CEO Performance Award

Reincorporating Tesla in the State of Texas

Background

Over the past five years, thanks to the leadership of Tesla's CEO Elon Musk and strong performance of the Tesla team under Elon's management, Tesla has not only advanced its mission of accelerating the world's transition to sustainable energy, but it has created tremendous value for you, the owners of the Company.

Elon's Accomplishments Since Board and Stockholders Approved 2018 CEO Performance Award

Grew revenues from approximately **\$11.8 billion to \$96.8 billion**¹

Turned around profitability from **\$2.2 billion loss to \$15.0 billion profit**²

Increased the value of the Company from **\$53.7 billion to \$791.3 billion**³

Oversaw **groundbreaking innovations** in artificial intelligence and sustainable energy

Designed and built the **best-selling vehicle in the world**⁴

Reduced CO₂ emissions by tens of millions of tons⁵

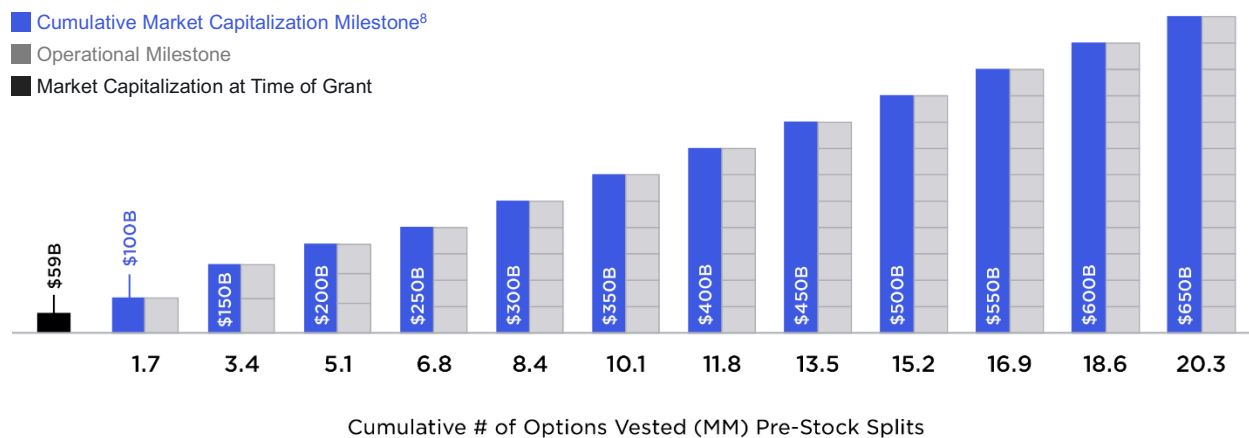
Grew the energy business **more than 5x** from \$1.1 billion to \$6 billion⁶

Developed **unique and advanced technology** as demonstrated by FSD (Supervised)

Stockholders Approve 2018 CEO Performance Award

In 2018, the Board of Directors asked stockholders to approve the 2018 CEO Performance Award ("Performance Award") that incentivized Elon to meet staggering financial and operational objectives over a 10-year period. The 2018 Performance Award – which was approved by approximately 73% of all votes cast by disinterested stockholders – was:

- **100% at-risk. Elon was entitled to receive NO salary, NO cash bonuses, and NO equity that would vest simply by the passage of time; instead, he was asked to deliver results that most thought were impossible.** Elon's only opportunity to receive any compensation at all for his work and leadership would be a 100% at-risk performance award, consisting exclusively of stock options that would vest only if certain exceptionally ambitious milestones were met. The performance awards would vest in tranches if Tesla achieved both a market capitalization milestone and an operational milestone.⁷



	\$20B	\$35B	\$55B	\$75B	\$100B	\$125B	\$150B	\$175B	
Revenue									Approx 15X 2017 Levels
Adjusted Ebitda ⁹	\$1.5B	\$3B	\$4.5B	\$6B	\$8B	\$10B	\$12B	\$14B	

- **Fully aligned with stockholders’ best interests: as stockholders recognized by voting in favor in 2018, the CEO Performance Award was simple: if stockholders achieved average or somewhat above average returns, Elon would likely receive nothing. But, if the Company achieved exceptional results, Elon could earn exceptional incentives.** The value of his compensation was linked directly to the extraordinary stock-price performance, which was driven by the incredible achievements of Tesla under Elon’s leadership since the Performance Award was first approved. The Performance Award was also intended to further align Elon’s incentives with longer-term stockholder returns by requiring Elon to hold any shares acquired through exercise of the stock options for a further five years after the option was exercised (not just for a five-year period after the option vested), meaning that he was not only incentivized to achieve remarkable results to earn his incentive awards, but also incentivized to continue to improve those results to ultimately realize value for those awards.
- **Carefully and thoroughly determined by the independent directors of the Tesla Board**, with interested parties recusing themselves from all deliberations. It was considered through the lens of delivering tremendous long-term value to all stockholders – value the Board believes can only be created through Elon’s visionary leadership, as has been demonstrated time and again.
- **Highly ambitious and designed to incentivize Elon not only to remain at the helm of Tesla, but also to continue to strive for exponential value creation that most would consider impossible.** The targets set for Elon were so ambitious – growing Tesla’s market capitalization by 1,000% and creating \$650 billion in value for stockholders – that skeptics called them “laughably impossible.” Hit those goals, and Elon would receive stock options commensurate with the achievement. Fail and he would get zero. **Elon did not fail, and his success is shared by stockholders who received the lion’s share of the value generated.**

Yet on January 30, 2024, a Delaware court stepped in, substituting its judgment for the judgment of both stockholders and Tesla’s Board of Directors. The Court sided with a plaintiff – who, when he sued, held just nine shares of Tesla common stock – and ordered the cancellation of the 2018 CEO Performance Award, even though disinterested stockholders representing more than 70% of shares voted in its favor and approved its adoption over five years ago.

The Court’s decision, if implemented, means that Elon would not receive any compensation for more than five years of service to Tesla, effectively rendering him an unpaid employee, despite his many accomplishments, which include:

- Driving us to dominate the electric vehicles market and sell the **best-selling vehicle** in any category,
- Leading us to **groundbreaking innovations** in artificial intelligence and sustainable energy, and
- Growing stockholder value by **almost 1,100%**.

We don't agree with what the Delaware Court decided. So, we are giving stockholders the chance to make their voices heard. We believe in stockholder democracy. This important decision should be made by the owners of the Company: that's you.

Our Board of Directors, following the recommendation of the independent Special Committee, has determined ratification of the 2018 CEO Performance Award is in the best interests of our stockholders. So, we are asking stockholders to ratify the award on two alternative legal theories: Delaware common law ratification and statutory ratification, with the additional detailed disclosures of the judge's critiques of the 2018 approval process to ensure that no fair-minded person can claim stockholders do not have all facts necessary for an informal decision. It is time for stockholders to act once again on Elon's Performance Award.

To the extent that the ratification were upheld, we believe a second vote would reinstate the Performance Award and ensure Elon gets paid for the tremendous increase in valuation he has overseen while CEO.

That is why we are asking you to support Proposal Four on this year's ballot and do the right thing – honor the concept that the decisions of stockholders must be upheld.

Texas Legal Regime Is Strong and Fair and More Appropriate to Our Mission

The Board of Directors, after receiving the recommendation of the independent Special Committee, has recommended that Tesla stockholders support the conversion of the Company from one organized under the laws of Delaware to one organized under the laws of the State of Texas.

Reasons the Board Recommends Tesla Be Reincorporated in Texas

- The Board of Directors is troubled by the growing uncertainty with respect to the future of Delaware corporate law and by the Delaware Court's ability and willingness to make decisions contrary to the will of our stockholders.
- The Board of Directors believes the will of the stockholders, when expressed with a vote, should be treated as definitive. The Delaware Court no longer seems to reflect these ideals.
- Some of our large stockholders have urged us to leave Delaware to a location more conducive to our Company's growth plans.
- Tesla's corporate headquarters and future are in Texas. In 2021, the Company relocated its global headquarters to Texas; our largest manufacturing facility, Gigafactory Texas, is also located in the state and we employ thousands of employees in Travis County.
- Texas corporate law is developed and the state has invested in a specialty business court to handle complex commercial matters with commercially knowledgeable judges.

Therefore, we will be asking you to help us head off the risks posed by remaining incorporated in Delaware and approve our proposal to reconstitute under the laws of Texas.

We urge you to support Tesla's proposals at the 2024 Annual Meeting. For additional information, please visit SupportTeslaValue.com. Thank you for your continued support.

Sincerely,

Robyn M. Denholm

Chairperson of the Board

- 1) Refers to 2017 and 2023 full-year revenue, respectively.
- 2) Refers to 2017 and 2023 net income, respectively. 2023 net income included a one-time non-cash tax benefit of \$5.93 billion for the release of valuation allowance on certain deferred tax assets.
- 3) Refers to market capitalization as of March 21, 2018 (date of the stockholder approval) and end of 2023, respectively.
- 4) Refers to Model Y sales as reported in Q4 2023 Quarterly Update Presentation.
- 5) Refers to CO2 emissions avoided as reported in 2022 Impact Report.
- 6) Refers to 2017 and 2023 full-year energy generation and storage revenue.
- 7) 12 out of 16 milestones to be met
- 8) Market capitalization: 6-month trailing average AND 30-day trailing average to ensure value is sustained.
- 9) Earnings Before Interest, Taxes, Depreciation and Amortization excluding stock-based compensation

Additional Information and Where to Find It

Tesla, Inc. ("Tesla") has filed with the Securities and Exchange Commission (the "SEC") a preliminary proxy statement on Schedule 14A with respect to its solicitation of proxies for Tesla's 2024 annual meeting. Such proxy statement is in preliminary form and Tesla plans to file with the SEC, and furnish to its stockholders, a definitive proxy statement in connection with the 2024 annual meeting of stockholders (the "Definitive Proxy Statement"). The Definitive Proxy Statement will contain important information about the matters to be voted on at the 2024 annual meeting. STOCKHOLDERS OF TESLA ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT TESLA WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TESLA AND THE MATTERS TO BE VOTED ON AT THE 2024 ANNUAL MEETING. Stockholders will be able to obtain free copies of these documents and other documents filed with the SEC by Tesla through the website maintained by the SEC at www.sec.gov. In addition, stockholders will be able to obtain free copies of these documents from Tesla by contacting Tesla's Investor Relations by e-mail at ir@tesla.com, or by going to Tesla's Investor Relations page on its website at ir.tesla.com.

Participants in the Solicitation

Tesla and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Tesla in connection with 2024 annual meeting. Information regarding the interests of participants in the solicitation of proxies, if any, in respect of the 2024 annual meeting will be included in the Definitive Proxy Statement.

Forward-Looking Statements

Certain statements in this document are forward-looking statements that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations. Various important factors could cause actual results to differ materially, including the risks identified in our SEC filings. Tesla disclaims any obligation to update any forward-looking statement contained in this document.