



## Compensation Committee Charter

### PURPOSE

The purpose of the Compensation Committee of the Board of Directors (the "Board") of Tesla, Inc. (the "Company") shall be to discharge the Board's responsibilities relating to the compensation of the Company's executive officers and members of the Board 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 members of the Board 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 members of the Board. The Board may designate one member of the Compensation Committee as its chair. Each member of the Compensation Committee shall be deemed an "Independent Director" as defined by the listing standards of the Nasdaq Stock Market, Inc. (the "Nasdaq Rules"). Additionally, each member of the Compensation Committee shall be deemed a "non-employee director" as defined in Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934 (as amended) and an "outside director" as defined in Section 162(m) of the Internal Revenue Code of 1986 (as amended).

### 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 attract and retain the talent that the Company needs;
- Periodically reviewing and as appropriate, 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. The Chief Executive Officer shall not be present during voting or deliberations regarding his or her compensation;
- In consultation with the Chief Executive Officer, periodically 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;
- Considering the most recent "say on pay" vote and any other resolutions adopted by the stockholders of the Company relating to executive compensation, in evaluating and making recommendations to the Board with respect to executive and employee compensation.
- Having the sole authority to retain, as appropriate (including only after taking into consideration the factors prescribed by the Nasdaq rules) and at the Company's expense, any compensation consultant, outside legal, accounting or other advisors to advise or assist the Compensation Committee in the performance of any of the

responsibilities and duties set forth in this charter, and terminate such engagements as the Compensation Committee may deem necessary;

- Overseeing and reviewing, on at least an annual basis, the assessment and mitigation of risks associated with the Company's compensation practices;
- Reviewing and discussing with management the Company's Compensation Discussion and Analysis (the "CD&A") and related disclosures required by SEC rules, and recommending the final CD&A to the Board for inclusion in the Company's annual report on Form 10-K or proxy statement;
- Overseeing the preparation of the report of the Compensation Committee required by SEC rules to be included with the Company's annual report on Form 10-K or proxy statement;
- 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;
- Overseeing and reviewing the actions of any officers of the Company that may from time to time be designated by the Board or the Compensation Committee to administer any of the Company's equity plans, including by determining the maximum equity awards that may be granted by such officers and any other limitations pursuant to applicable law or as the Compensation Committee may deem appropriate;
- Investigating, or authorizing on its behalf an investigation of, any matter relating to any purpose, responsibility, duty, or power of the Compensation Committee set forth in this charter or applicable law, or delegated to the Compensation Committee by the Board, and obtaining unrestricted access to the Company's books, records and employees in furtherance of any such investigation; and
- Reviewing its own charter (at least annually), structure, processes and membership requirements.

## **MEETINGS**

The Compensation Committee will meet separately as necessary, but not less than four times a year, to fulfill its responsibilities under this Charter. The Compensation Committee may establish its own schedule, which it will provide to the Board. The chairperson of the Compensation Committee shall preside at each meeting; if a chairperson is not designated or present, an acting chair may be designated by the Compensation Committee members present.

## **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.

*(effective December 12, 2017)*