



Code of Business Conduct and Ethics

(As last revised on December 12, 2017)

Introduction

Tesla aspires to be a “do the right thing” company – in other words, engaging in conduct that your family would be proud of. That higher principle, if followed correctly, pretty much takes care of this whole topic. That said, this Code of Business Conduct and Ethics sets out basic principles that should help anyone working at or for Tesla avoid even the appearance of improper behavior.

This Code does not cover every issue that may arise, and represents the minimum baseline of acceptable business conduct and ethics at Tesla. Certain job functions and departments at Tesla, or those dealing with unique work situations such as transactions with governments, may be required to follow even stricter policies. Tesla also has a number of other policies for specific business and administrative situations, such as the proper handling of travel and other expenses, that you should also familiarize yourself with and follow. If a law conflicts with a policy in this Code, follow the law. If you have questions about the policies that may apply to you or any potential conflicts with the law, please ask your manager or supervisor or Tesla's Legal Department for guidance.

Anyone who violates this Code or any other applicable standards of his or her position will be subject to disciplinary action, potentially including termination. *If you are in a situation which you believe may violate or lead to a violation of such standards, follow the guidelines described in Section 15 of this Code.*

1. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. You must respect and obey the laws of the places where we operate. Although you are not expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

If requested, Tesla will hold information and training sessions to promote compliance with laws, rules and regulations that apply to you.

2. Conflicts of Interest

A “conflict of interest” exists when a person's private interest interferes, or appears to interfere, with Tesla's interests. It can happen when someone is in a situation that may make it difficult to perform their Tesla work objectively and effectively, or when their position at Tesla results in improper personal benefits for them or their family.

Some examples of actual or potential conflicts of interest include:

- Tesla loaning money to, or guaranteeing obligations of, Tesla personnel or their family members;
- Working as an employee, consultant, or director for a Tesla competitor, customer or supplier; or
- A romantic or other personal relationship between co-workers when one person is able to influence employment decisions or other benefits affecting the other.

With that in mind, do not give, receive or request preferential treatment for yourself, your family or others who are close to you, and avoid situations that would raise the suspicion of preferential treatment. This applies to product purchases, hiring, promoting, selecting contractors or suppliers, and any other business matter. Moreover, the best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

Conflicts of interest are strictly prohibited except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question or believe that you know of an actual or potential conflict, you should bring it to the attention of a supervisor, manager or other appropriate personnel and/or consult the procedures described in Section 15 of this Code.

3. Insider Trading

You must not use or share any Tesla confidential information for any purpose except the conduct of Tesla business. All non-public information about Tesla should be considered confidential information. Using non-public information for securities trading or other personal financial benefit or to “tip” others who might do so is illegal. For example, never buy or sell Tesla stock, or that of any company (such as a vendor, partner or supplier), when you are aware of information that has not been publicly disclosed and such information could have a material effect on the value of the stock. You should consult Tesla’s Insider Trading Policy, which is specifically designed to help you navigate these issues, before engaging in any activities relating to Tesla’s securities. If you have any questions, please consult Tesla’s Legal Department.

4. Corporate Opportunities

You may not use Tesla’s property or information or your position at Tesla for improper personal gain, or compete directly or indirectly with Tesla, including by taking for yourself opportunities that you discover through Tesla. Instead, Tesla expects you to advance Tesla’s legitimate interests. For example, you shouldn’t take a business plan or opportunity that you learned about at Tesla and use it for your own personal gain, such as by starting a business that competes with Tesla.

5. Competition and Fair Dealing

Tesla seeks to compete fairly and honestly, and you should deal fairly and respectfully with Tesla’s customers, suppliers and competitors. Stealing or otherwise taking proprietary or trade secret information without the owner’s consent is prohibited. You should not take advantage of anyone through unfair dealing practices such as:

- manipulation;
- abuse of privileged information,
- misrepresentation of material facts,
- collusion with competitors on pricing and other terms,
- violating fair bidding practices including bidding quiet periods, or
- providing information to benefit one vendor over others.

Such practices may also be illegal.

6. Gifts, Payments, Donations or the Exchange of Anything of Value

The purpose of business entertainment and gifts with customers, suppliers or other business partners (see the following paragraph for standards relating to interactions with government or political personnel) is to create good will and good working relationships, not to gain improper advantage. Gifts or entertainment are improper, even if merely offered or requested, unless they:

- (1) are not in cash or equivalent to cash;
- (2) are consistent with customary business practices,
- (3) are not excessive in value,
- (4) cannot be seen as a bribe or payoff; and
- (5) do not violate the law.

Please discuss with the Legal Department any gifts of significant value or which you are not certain are appropriate.

More stringent standards apply to business dealings with government personnel or candidates for political office. The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. "Anything of value" includes not only traditional gifts, but also things like meals, entertainment, travel, political donations, charitable contributions, and job offers for such individuals' relatives. Foreign laws may also make such gifts illegal, and you obviously should not make illegal payments to government officials of any country. In the U.S., there are a number of laws and regulations about business gifts which may be accepted by government personnel. Offering or giving to an official or employee of any level of the government in the U.S. a gift or other benefit in violation of those rules is strictly prohibited by this Code, and could also be a criminal offense. Any Tesla employee who interacts with government personnel or deals with government contracts should review Tesla's Worldwide Bribery and Anti-Corruption Policy and periodically undergo specialized training. Additionally, Tesla's Legal Department can provide guidance to you in this area.

7. Discrimination and Harassment

The diversity of Tesla's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and do not tolerate discrimination or harassment, including on the basis of race, color, religion, veteran status, national origin, ancestry, pregnancy status, sex, gender identity or expression, age, marital status, mental or physical disability, medical condition, sexual orientation, or any other characteristics protected by law, as well as any unwelcome physical or verbal advances. Please be aware that discrimination and harassment may take any form—verbal, physical or visual—and includes slang or joking in ways that may be offensive to others, as well as bullying. Tesla insists that you do what you can to stop others from engaging in such behavior, and prohibits retaliation against anyone who makes a good-faith complaint or participates in an investigation of such a complaint.

8. Health and Safety

Tesla strives to provide each employee with a safe and healthy work environment. Our goal is to have as close to zero injuries as humanly possible and to have the safest factories in the auto industry. We will get there by continuing to ask our employees to raise safety concerns and to keep proposing ideas that make things even better. Tesla also asks that you do your part by following safety and health rules and practices and reporting (either openly or confidentially) accidents or any unsafe equipment, behavior (such as use of illegal drugs) or conditions to your manager, supervisor, Human Resources or the Legal Department.

Violence and threatening behavior are not permitted, and under no circumstances should you bring a weapon to work. Employees should report to work without being under the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated. For more information regarding Tesla's approach to substance abuse and testing, please review Tesla's Substance Abuse and Testing Policy.

9. Record-Keeping

Tesla requires accurate reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor.

All of Tesla's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Tesla's transactions and must conform both to legal requirements and to Tesla's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by law or regulation.

Business records and communications often become public, and we should be careful to be accurate and thoughtful in what we say to avoid misunderstandings. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to Tesla's record retention policies. In accordance with those policies, if requested by the Legal Department to retain records, do so until the Legal Department tells you retention is no longer necessary.

10. Confidentiality

When you joined Tesla, you signed an "Employee Non-Disclosure and Inventions Assignment Agreement" that requires you to not share (which includes sharing on social media, or with non-Tesla people who are close to you) any "trade secrets" or "confidential business information" (see below) or products of Tesla, or any manufacturing process, research or development entrusted to you by Tesla or its customers, except when disclosure is authorized by the Legal Department or required by laws or regulations. For this reason, and to prevent disruptions to the manufacturing process, taking photos or recording video is prohibited in all work areas, or areas where work processes are visible, inside any of Tesla's facilities.

As used in this Code:

- "Trade secrets" relate to information that Tesla maintains as secret, private and internal use because such information is valuable not only to Tesla but also to its actual or potential competitors. They include things, processes or methods that are Tesla secrets — they are not generally known or easy for others to figure out through appropriate, legal means. Examples of trade secrets may include information on our research and development, inventions, products, machines, equipment, production process, manufacturing process, engineering process, software development, systems development or our business processes.
- "Confidential business information" includes, but is not limited to, non-public financial data, such as estimates of financial performance; sensitive business information, such as marketing strategies, product launches, and pricing policies; plans for buying or selling of corporate assets; information about customers; and Tesla's attorney-client communications or other internal business-related confidential communications.

The obligation to preserve "trade secrets" and "confidential business information" continues even after your relationship with Tesla ends. You should never provide or receive "trade secrets" or "confidential business information" to or from another company or other third party without first ensuring that a current and appropriate non-disclosure agreement is in effect with such other party. If you are unsure whether such an agreement exists, please consult with the Legal Department.

Additionally, you should review Tesla's Communication Policy so that you are familiar with Tesla's social media guidelines, media relations and marketing guidelines, and the circumstances and the extent to which individuals are allowed to speak on Tesla's behalf. Tesla will not construe or apply this Policy in a manner that prevents employees from communicating about wages, hours or other terms and conditions of employment.

11. Protection and Proper Use of Tesla Assets

You should protect Tesla's assets and ensure their efficient use. Such protection includes properly securing, labeling and (when appropriate) disposing of confidential material. Theft, carelessness, and waste have a direct impact on Tesla's financial condition. Any suspected incident of fraud or theft should be immediately reported for investigation. Tesla assets and equipment, including Tesla-owned vehicles, should not be used for non-Tesla business, though incidental personal use may be permitted.

The obligation of employees to protect Tesla's assets includes its proprietary information, examples of which include "trade secrets" and "confidential business information" (see Section 10 of this Code), as well as other intellectual property such as patents, trademarks and copyrights. Unauthorized use or distribution of this information would violate Tesla policy. It could also result in civil and/or criminal penalties.

12. Money Laundering / Suspicious Activities

Money laundering (i.e., using transactions to conceal the illegal source of funds or make such funds look legitimate) is strictly prohibited. Any suspicious activity that you believe involves money laundering should be reported to the Legal Department, Internal Audit or the Integrity Line available on Tesla's intranet website). Here are some examples of suspicious activity:

- Large payments in cash;
- Payments made in currencies atypical given the circumstances or differing from what is listed in the contract;
- Requests for payment amounts that differ from what is required in the contract; or
- Payments made by someone or a company that is not party to the contract.

13. Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors and will be promptly disclosed, along with the reasons for the waiver, as required by law or stock exchange regulation.

14. Reporting any Illegal or Unethical Behavior

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about illegal or unethical behavior and when in doubt about the best course of action in a particular situation. Depending on the situation, you may also contact the Legal Department, the Internal Audit or Human Resources teams or the Integrity Line available on Tesla's intranet website.

Tesla does not allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct. Any employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind.

15. Your Responsibilities

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps you should keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your manager or supervisor. This is the basic guidance for all situations. In many cases, your manager or supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your manager's or supervisor's responsibility to help solve problems.
- Seek help from Tesla resources. In the rare case where it may not be appropriate to discuss an issue with your manager or supervisor, or where you do not feel comfortable approaching your manager or supervisor with your question, discuss it with your Human Resources manager, the Legal Department or Internal Audit or contact Tesla via the Integrity Line available on Tesla's intranet website) instead.
- Speak up. You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. Tesla does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later: If you are unsure of what to do in any situation, please seek guidance from your manager, Human Resources or other sources of information and support before you act.

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Code of Ethics for CEO and Senior Financial Officers

The above Code of Business Conduct and Ethics applies to all directors and employees of Tesla. The CEO and all senior financial officers, including the CFO and principal accounting officer, are bound by the provisions set forth therein relating to ethical conduct, conflicts of interest and compliance with law. In addition to the Code of Business Conduct and Ethics, the CEO and senior financial officers are subject to the following additional specific policies:

- (1) The CEO and all senior financial officers are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by Tesla with the SEC. Accordingly, it is the responsibility of the CEO and each senior financial officer promptly to bring to the attention of the Disclosure Committee any material information of which he or she may become aware that affects the disclosures made by Tesla in its public filings or otherwise assist the Disclosure Committee in fulfilling its responsibilities as specified in Tesla's Disclosure Controls and Procedures Policy.
- (2) The CEO and each senior financial officer shall promptly bring to the attention of the Disclosure Committee and the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect Tesla's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Tesla's financial reporting, disclosures or internal controls.
- (3) The CEO and each senior financial officer shall promptly bring to the attention of the General Counsel or the Legal Department or the CEO and to the Audit Committee any information he or she may have concerning any violation of Tesla's Code of Business Conduct and Ethics, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in Tesla's financial reporting, disclosures or internal controls.

- (4) The CEO and each senior financial officer shall promptly bring to the attention of the General Counsel or the Legal Department or the CEO and to the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to Tesla and the operation of its business, by Tesla or any agent thereof, or of violation of the Code of Business Conduct and Ethics or of these additional procedures.
- (5) The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Code of Business Conduct and Ethics or of these additional procedures by the CEO and Tesla's senior financial officers. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Business Conduct and Ethics and to these additional procedures, and shall include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.