

**Minutes of a Special Meeting of the Board of Directors of
Tesla, Inc.
August 23, 2018**

DIRECTORS PRESENT: Antonio Gracias
Brad Buss
Robyn Denholm
Ira Ehrenpreis
Linda Johnson Rice
James Murdoch
Elon Musk
Kimbal Musk

DIRECTORS ABSENT: Steve Jurvetson (leave of absence)

OTHERS PRESENT: Deepak Ahuja, *Chief Financial Officer*
Todd Maron, *General Counsel*
Larry W. Sonsini, Partner, Wilson Sonsini Goodrich & Rosati
David J. Berger, Partner, Wilson Sonsini Goodrich & Rosati
Egon Durban, Silver Lake (partial)
Dan Dees, Goldman Sachs (partial)
Gregg Lemkau, Goldman Sachs (partial)

A duly noticed special meeting of the Board of Directors (the "Board") of Tesla, Inc., a Delaware corporation (the "Company"), was held at the Tesla Factory in Fremont, California on the date set forth above. The meeting was called to order at approximately 11:00 a.m. pacific time by Mr. Gracias. Mr. Maron acted as Secretary for the meeting.

1. Discussion of a Potential Going Private Transaction

Mr. Elon Musk began the meeting with a discussion of recent events surrounding his consideration of pursuing a potential going private transaction, including the possible implications of such a transaction on the Company and its stockholders. As part of this discussion, Mr. Musk reviewed the work that he had been doing to analyze such a transaction. He noted that there was more than enough funding for any proposed transaction, and that he had asked his financial advisors to join the meeting to review with the Board the various potential financing sources available.

Mr. Musk next discussed with the Board information that he had learned in recent weeks following his announcement, including but not limited to the negative views of many of the Company's current stockholders regarding the prospect of the Company going private, the difficulties the Company's current stockholders would have in continuing to own Tesla's stock if the Company went private, as well as the procedural difficulties of any going private transaction, including the extended length of

UNITED STATES DISTRICT COURT	
NORTHERN DISTRICT OF CALIFORNIA	
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By:	Angella Meuleman, Deputy Clerk



time such a transaction would require, and how it may distract and negatively impact the Company's focus on its core business.

The Board, including Mr. Musk, then had a lengthy discussion about these issues.

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Redacted for Privilege The problems for both institutional investors as well as small investors were discussed. As part of this discussion, Mr. Musk reminded the Board that one of his preferences when considering a going private transaction was to allow Tesla's long term investors to continue to keep their equity positions in Tesla, but he had recently heard from numerous investors that this was very difficult for internal compliance reasons and other requirements, and that many of Tesla's investors preferred that the Company stay public so that they could continue their full support of and investment in the Company. Mr. Musk expressed that he wanted to remain loyal to the Company's long-time investors and supporters.

The Board then had a discussion with counsel

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2. Availability of Financing for a Potential Going Private Transaction

Mr. Musk then asked the Board for permission to allow his financial advisors, including Mr. Egon Durban from Silver Lake and Mr. Dan Dees from Goldman Sachs, to join the meeting. Mr. Musk informed the Board that he wanted the representatives from Silver Lake and Goldman Sachs to join the meeting so that they could review a potential financing plan.

Messrs. Durban, Dees and Lemkau then joined the meeting. They began their discussion with the Board by pointing out that this was not a typical going private transaction, where the CEO is usually interested in gaining either further economic incentives to operate the business or to increase his or her ownership interest. The financial advisors reiterated Mr. Musk's previously disclosed reasons for Tesla being a private company. As part of the ensuing discussion, the Board considered the different pressures and opportunities between SpaceX, as a private company, and Tesla, as a public company, and why SpaceX could be more focused on its business as a private company.

The Board then had a discussion with the Silver Lake and Goldman Sachs representatives about financing sources for a potential going private transaction, including the time and resources that process would take in the event that any such transaction was agreed upon and pursued. As part of this discussion, the Silver Lake and Goldman Sachs representatives indicated that they assumed the transaction would be

financed without adding debt to Tesla's balance sheet, that the transaction would be financed by approximately 50% new equity, and that the remainder of the equity would come from Tesla's existing stockholders.

The Board then discussed with Mr. Musk's financial advisors their preliminary discussions with various potential equity sources, assuming they would need to raise approximately \$30 billion to finance the transaction. The financial advisors emphasized to the Board that, although their work was preliminary, the funding was available from a variety of sources. The Goldman Sachs and Silver Lake representatives indicated that they had substantial experience with these types of transactions, and while taking Tesla private would be unique, there was more than enough interest and funding to execute on such a transaction.

Some of the specific financing sources identified by Mr. Musk's financial advisors included the UAE and Saudi Arabia sovereign wealth funds; Ron Baron's funds; Google (Alphabet); Tencent and/or other Chinese investors; and Silver Lake. The financial advisors discussed how much they believed each of these sources would fund and further indicated that raising the funds to pursue Mr. Musk's proposal to take the Company private was very doable.

The Board then had a lengthy discussion with the Company's management, the Board's counsel and Mr. Musk's financial advisors about the other practical issues involved with taking a company like Tesla private. As part of this discussion, the Board reviewed with its advisors, including counsel, the general process issues involved in any going private transaction, and Messrs. Durban and Dees discussed their experience with large going private transactions, such as the transaction with Dell, Inc., including how such a process impacts the operations of the company. The Board further discussed what types of potential "asks" the various investors might want in return for their investments, and how that could impact the Company and its other stockholders in the future.

The Board then discussed among itself and with its advisors, management and Messrs. Durban, Dees and Lemkau what the Company's public stockholders prefer in terms of Tesla remaining a public company or going private, and how the discussions to date with the Company's public stockholders had generally shown a strong desire among them for the Company to remain public. In particular, the Board heard from Mr. Musk and his advisors that both large institutions and small investors strongly preferred seeing the Company remain a public company because, among other reasons, of investment restrictions that prevented or limited certain large institutional stockholders from owning shares in a private company. A discussion ensued over the issues involved in allowing the Company's current stockholders to maintain their ownership position in the Company were it to pursue a going private transaction.

Messrs. Durban, Dees and Lemkau completed their remarks by informing the Board that while they believed there was more than enough financing to take the

Company private, the Board needed to make an important business decision about whether it wanted the Company to go through the lengthy and difficult process of a going private transaction. The Board had another lengthy discussion about these issues, including hearing the recommendation from Messrs. Durban, Dees and Lemkau that while the going private transaction, if pursued, negotiated and agreed upon, could be successful and accomplish many of the operational goals Mr. Musk had raised, they too believed that the Company would be better continuing as a public company than going through the process of a going private transaction. Messrs. Durban, Dees and Lemkau then left the meeting.

3. Board Decision on Potential Going Private Transaction

The Board then continued its discussion about whether to continue the process to take the Company private. At this point, Mr. Elon Musk informed the Board that he had decided that given the feedback from stockholders, including the difficulties that many of them would have investing in a private company, as well as the distraction that would be caused by an ongoing and lengthy process that would ensue if he continued to pursue his consideration of a potential go-private transaction and the potential impact on the Company's operations, he now had concluded that it was no longer in the best interests of the Company and its stockholders to take the Company private. Accordingly, Mr. Musk informed the Board that he was withdrawing his offer to try and take the Company private.

The Board then had a discussion with Mr. Musk about this issue and what it meant for the Company. As part of this discussion, the Board reviewed again what it thought was in the best interests of the Company and its stockholders, including whether or not the Company should continue to engage in any strategic transaction. Following discussion among the Board members and with counsel, the Board decided that, in light of their own discussions as well as Mr. Musk's decision to withdraw his effort to try and take the Company private, that the Company would not engage in a further exploration of similar strategic alternatives. Accordingly, the Board unanimously voted to disband the special committee, and to continue as a public company. The Board also unanimously expressed its confidence in Mr. Musk's continued leadership of the Company.

At this time, counsel, including Mr. Maron, discussed with the Board Redacted for Privilege

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The Board then reviewed and discussed a new social media policy, and after discussion the Board voted to unanimously approve the policy.

There being no further business before the Board, the meeting was adjourned at approximately 12:20 p.m. pacific time.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Todd Maron', with a horizontal line extending from the end of the signature.

Todd Maron