
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
March 21, 2018

Tesla, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-34756
(Commission File Number)

91-2197729
(IRS Employer
Identification No.)

3500 Deer Creek Road
Palo Alto, California 94304
(Address of principal executive offices, including zip code)

(650) 681-5000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

As previously disclosed, on January 21, 2018, Tesla, Inc. (“Tesla”) granted Elon Musk, Tesla’s Chief Executive Officer, a performance-based stock option award (the “CEO Performance Award”). The CEO Performance Award was approved by Tesla’s stockholders on March 21, 2018 as described below in Item 5.07 of this Current Report on Form 8-K.

The material terms of the CEO Performance Award were previously summarized in the table in the section titled “CEO Performance Award Proposal—Summary of the CEO Performance Award—Overview” in Tesla’s Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on February 8, 2018. Such table is hereby incorporated by reference into this Current Report on Form 8-K and is filed as Exhibit 99.1 hereto.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On March 21, 2018, Tesla held a special meeting of stockholders (the “Special Meeting”) at which a quorum was present and Tesla’s stockholders approved the CEO Performance Award. Approval of the CEO Performance Award required the affirmative vote of each of:

- The majority of the total votes of shares of Tesla common stock cast in person or by proxy at the Special Meeting, pursuant to the NASDAQ Stock Market Rules (the “NASDAQ Standard”);
- The majority of the voting power of the shares present in person or represented by proxy at the Special Meeting and entitled to vote on the proposal, pursuant to Tesla’s amended and restated bylaws (the “Bylaws Standard”); and
- The majority of the total votes of shares of Tesla common stock not owned, directly or indirectly, by Elon Musk or Kimbal Musk cast in person or by proxy at the Special Meeting, pursuant to the resolutions of the Board of Directors of Tesla (the “Disinterested Standard”).

The results of the stockholder vote are reported below:

(1) Pursuant to the NASDAQ Standard, the votes were as follows:

<u>For</u>	<u>Against</u>	<u>Broker Non-Votes</u>
96,795,092	23,407,632	0

Accordingly, the votes cast in favor of approving the CEO Performance Award constituted approximately 81% of all votes cast in person or by proxy at the Special Meeting.

(2) Pursuant to the Bylaws Standard, the votes were as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
96,795,092	23,407,632	173,167	0

Accordingly, the votes cast in favor of approving the CEO Performance Award constituted approximately 80% of all votes present in person or represented by proxy at the Special Meeting and entitled to vote.

(3) Pursuant to the Disinterested Standard, the votes were as follows:

<u>For</u>	<u>Against</u>	<u>Broker Non-Votes</u>
63,014,339	23,407,632	0

Accordingly, the votes cast in favor of approving the CEO Performance Award constituted approximately 73% of all votes cast in person or by proxy at the Special Meeting, excluding votes of shares owned, directly or indirectly, by Messrs. Elon and Kimbal Musk.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
--------------------	--------------------

99.1	Excerpt from Proxy Statement on Schedule 14A dated February 8, 2018 of Tesla, Inc.
------	--

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TESLA, INC.

By: /s/ Todd A. Maron

Todd A. Maron
General Counsel

Date: March 21, 2018

Exhibit 99.1

<u>Award Terms</u>	<u>Details</u>														
CEO Performance Award Value	Total size: 12% of total outstanding shares as of January 19, 2018, the last trading day prior to the grant date of January 21, 2018 (approximately 20.3 million option shares) Number of Vesting Tranches: 12 tranches; 1% of total outstanding shares as of January 19, 2018 per tranche														
Equity Type	Nonqualified stock options														
Exercise Price	Fair Market Value (FMV) of Tesla common stock on the date of grant, January 21, 2018, which was \$350.02 per share (based on the closing price on January 19, 2018, the last trading day prior to the grant date).														
Award Vesting / Milestones	<p><u>Market Capitalization Milestones</u></p> <p>a. 12 Market Capitalization Milestones</p> <p>b. First tranche milestone is a market capitalization of \$100 billion; each tranche thereafter requires an additional \$50 billion in market capitalization to vest, up to \$650 billion market capitalization for the last tranche</p> <p>c. Sustained market capitalization is required for each Market Capitalization Milestone to be met, other than in a change in control situation. Specifically, there are two prongs that must be met to achieve a given Market Capitalization Milestone:</p> <ul style="list-style-type: none"> • Six calendar month trailing average (based on trading days); and • 30 calendar day trailing average (based on trading days). <p><u>Operational Milestones</u></p> <p>a. 16 Operational Milestones, of which up to 12 may be paired with Market Capitalization Milestones for all tranches to vest</p> <p>b. Two types of Operational Milestones:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"> <p>Eight focused on revenue:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Total Revenue* (in billions)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">\$20.0</td></tr> <tr><td style="text-align: center;">\$35.0</td></tr> <tr><td style="text-align: center;">\$55.0</td></tr> <tr><td style="text-align: center;">\$75.0</td></tr> <tr><td style="text-align: center;">\$100.0</td></tr> </tbody> </table> </td> <td style="width: 50%; text-align: center;"> <p>Eight focused on profitability:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Adjusted EBITDA** (in billions)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">\$1.5</td></tr> <tr><td style="text-align: center;">\$3.0</td></tr> <tr><td style="text-align: center;">\$4.5</td></tr> <tr><td style="text-align: center;">\$6.0</td></tr> <tr><td style="text-align: center;">\$8.0</td></tr> </tbody> </table> </td> </tr> </table>	<p>Eight focused on revenue:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Total Revenue* (in billions)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">\$20.0</td></tr> <tr><td style="text-align: center;">\$35.0</td></tr> <tr><td style="text-align: center;">\$55.0</td></tr> <tr><td style="text-align: center;">\$75.0</td></tr> <tr><td style="text-align: center;">\$100.0</td></tr> </tbody> </table>	Total Revenue* (in billions)	\$20.0	\$35.0	\$55.0	\$75.0	\$100.0	<p>Eight focused on profitability:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Adjusted EBITDA** (in billions)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">\$1.5</td></tr> <tr><td style="text-align: center;">\$3.0</td></tr> <tr><td style="text-align: center;">\$4.5</td></tr> <tr><td style="text-align: center;">\$6.0</td></tr> <tr><td style="text-align: center;">\$8.0</td></tr> </tbody> </table>	Adjusted EBITDA** (in billions)	\$1.5	\$3.0	\$4.5	\$6.0	\$8.0
<p>Eight focused on revenue:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Total Revenue* (in billions)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">\$20.0</td></tr> <tr><td style="text-align: center;">\$35.0</td></tr> <tr><td style="text-align: center;">\$55.0</td></tr> <tr><td style="text-align: center;">\$75.0</td></tr> <tr><td style="text-align: center;">\$100.0</td></tr> </tbody> </table>	Total Revenue* (in billions)	\$20.0	\$35.0	\$55.0	\$75.0	\$100.0	<p>Eight focused on profitability:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Adjusted EBITDA** (in billions)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">\$1.5</td></tr> <tr><td style="text-align: center;">\$3.0</td></tr> <tr><td style="text-align: center;">\$4.5</td></tr> <tr><td style="text-align: center;">\$6.0</td></tr> <tr><td style="text-align: center;">\$8.0</td></tr> </tbody> </table>	Adjusted EBITDA** (in billions)	\$1.5	\$3.0	\$4.5	\$6.0	\$8.0		
Total Revenue* (in billions)															
\$20.0															
\$35.0															
\$55.0															
\$75.0															
\$100.0															
Adjusted EBITDA** (in billions)															
\$1.5															
\$3.0															
\$4.5															
\$6.0															
\$8.0															

	<table border="1"> <tr><td>\$125.0</td></tr> <tr><td>\$150.0</td></tr> <tr><td>\$175.0</td></tr> </table> <table border="1"> <tr><td>\$10.0</td></tr> <tr><td>\$12.0</td></tr> <tr><td>\$14.0</td></tr> </table>	\$125.0	\$150.0	\$175.0	\$10.0	\$12.0	\$14.0
\$125.0							
\$150.0							
\$175.0							
\$10.0							
\$12.0							
\$14.0							
	<p>* “Revenue” means total Tesla revenues as reported in our financial statements on Forms 10-Q or 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) for the previous four consecutive fiscal quarters.</p> <p>** “Adjusted EBITDA” means (i) net income (loss) attributable to common stockholders before (ii) interest expense, (iii) (benefit) provision for income taxes, (iv) depreciation and amortization, and (v) stock-based compensation, as each such item is reported in our financial statements on Forms 10-Q or 10-K filed with the SEC for the previous four consecutive fiscal quarters.</p> <p><u>Vesting</u></p> <p>Each of the 12 tranches vests only when both a Market Capitalization Milestone and an Operational Milestone are certified by the Board as having been met.</p> <p>Any one of the 16 Operational Milestones can be matched with any one of the 12 Market Capitalization Milestones, but any single Operational Milestone may only satisfy the vesting requirement for one tranche.</p> <p>A Market Capitalization Milestone and an Operational Milestone that are matched together can be achieved at different points in time and vesting will occur at the later of the achievement certification dates for such Market Capitalization Milestone and Operational Milestone. Subject to any applicable clawback provisions, policies or other forfeiture terms, once a milestone is achieved, it is forever deemed achieved for determining the vesting of a tranche.</p>						
Term of CEO Performance Award	10 years						
Post-Termination of Employment Exercise Period	One year						
Post-Exercise Holding Period	Five years, to further align Mr. Musk’s interests with Tesla stockholders’ interests following option exercise.						
Employment Requirement For Continued Vesting	<p>Vesting eligibility contingent upon being:</p> <ol style="list-style-type: none"> 1.Chief Executive Officer; or 2.Executive Chairman and Chief Product Officer. <p><u>Extended exercise period:</u> If Mr. Musk is still employed at Tesla in a role other than the specified roles above, he will no longer be able to vest under the CEO Performance Award but can continue to hold unexercised vested options for the full term of the CEO Performance Award.</p>						
Termination of Employment	No acceleration of vesting upon termination of employment, death or disability.						

<p>Change in Control of Tesla</p>	<p>No automatic acceleration of vesting upon a change in control of Tesla, but in a change in control situation the achievement of the milestones will be based solely on the Market Capitalization Milestones, measured at the time of such change in control without regard to the six calendar month and 30 calendar day trailing averages of Tesla's stock price. In other words, upon a change in control where Tesla is acquired, vesting of milestones under the CEO Performance Award does not require the achievement of a matching Operational Milestone.</p> <p>The treatment of the CEO Performance Award upon a change in control is intended to align Mr. Musk's interests with Tesla's other stockholders with respect to evaluating potential takeover offers.</p>
<p>Exercise Methods / Requirements</p>	<p>Exercise Methods:</p> <ol style="list-style-type: none"> 1.Cashless: sufficient shares to cover exercise prices and taxes are simultaneously sold upon exercise of options; and 2.Cash: exercise price is paid in cash upon exercise of options.
<p>Clawback</p>	<p>Vesting of the CEO Performance Award will be subject to a clawback in the event financial statements are restated in a way that a tranche would not have otherwise vested.</p>
<p>Market Capitalization and Operational Milestone Adjustments</p>	<p>Market Capitalization and Operational Milestone targets will be adjusted higher to account for acquisition activity that could be considered material to the achievement of the milestones.</p> <p>Market Capitalization and Operational Milestone targets will be adjusted lower to account for spin-off or divestiture activity that could be considered material to the achievement of the milestones.</p>