

1745 Copperleaf Ct  
Concord, CA 94519  
July 27, 2017

TESLA, INC.  
3500 Deer Creek Road  
Palo Alto, California 94304  
ATTN: Corporate Secretary

Re: Shareholder Proposal on

Dear Corporate Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2018 annual meeting of shareholders and a letter of my shares ownership. I will continuously hold these shares until the 2018 annual meeting of shareholders.

Please set an email account to receive shareholder proposals, as the SEC and many other companies do. This will make certain that a proposal can be submitted on the same date of the confirming letter of the shares. For this proposal, I just received the shares letter today July 27 late afternoon so the proposal will be sent out tomorrow July 28 by post mail.

Should you have any questions, please contact me at 1-925-643-5034 or zhao.cpri@gmail.com.

Yours truly,



Jing Zhao

Enclosure: Shareholder proposal, Shares ownership letter

## **Shareholder Proposal on Board Chairman Independence**

Resolved: shareholders recommend that Tesla adopt a policy that the chairman of our board of directors be an independent director.

### **Supporting Statement**

Mr. Elon Musk has served as Chief Executive Officer for ten years since 2008 and as Chairman of the Board of Directors for fourteen years since 2004. Although the current leadership structure, in which the positions of Chairman and CEO are held by one person, could provide an effective leadership for Tesla at the early stage, now in this much more highly competitive and rapidly changing technology industry, it is more and more difficult to oversee Tesla's business and senior management (especially to minimize any potential conflicts) that may result from combining the positions of CEO and Chairman.

For example, in November 2016 Tesla completed acquisition of SolarCity, so Tesla's CEO and Chairman is also a significant stockholder of SolarCity and Chairman of its Board of Directors; Jeffrey B. Straubel, Tesla's Chief Technical Officer, is also a member of SolarCity's Board of Directors; and certain other members of Tesla's Board of Directors have interests in SolarCity (NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS p.46.). Elon Musk is also the CEO, Chief Technical Officer and a significant stockholder of SpaceX. Kimbal Musk, a member of Tesla's Board of Directors, is also a member of the board of directors of SpaceX. In addition, certain other members of Tesla's Board of Directors have interests in SpaceX..... (NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS p.47.).

An independent chairman of the board of directors is the prevailing practice in the international market, such as in the United Kingdom. In the United States too, many big companies already have or began to have an independent Board Chairman. Tesla should not be exception.