



August 6, 2025

VIA STAFF ONLINE FORM

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

RE: Shareholder Proposal Submitted by Jay Butera

Ladies and Gentlemen:

Tesla, Inc. (the “Company” or “Tesla”) is submitting this letter to notify the staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude a shareholder proposal (the “Proposal”) from its proxy materials (the “Proxy Materials”) to be distributed in connection with its 2025 annual meeting of shareholders (the “2025 Annual Meeting”). Jay Butera, an individual (the “Proponent”), submitted the Proposal.

The Company respectfully requests that the Staff advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials for the reasons discussed below. In accordance with relevant Staff guidance, the Company is submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company is simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal from its Proxy Materials.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if it submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the Company.

Good Cause for Waiver of 80-Day Deadline under Rule 14a-8(j)(1)

The Company requests that the Staff waive the 80-day filing requirement as set forth in Rule 14a-8(j) for good cause. Under Rule 14a-8(j), the Staff “may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.”

The Company has good cause for filing this letter fewer than 80 days before it intends to file its definitive 2025 Proxy Materials. As the Commission noted in Staff Legal Bulletin No. 14B (Sept. 15, 2004) (“SLB 14B”), the most common basis for a company’s showing of “good cause” is that the company did not receive the proposal until after the 80-day deadline had passed. The Company changed the date of the 2025 Annual Meeting more than 30 days from the anniversary of its 2024 annual meeting of shareholders. Consistent with Rule 14a-8(e)(2), the Company’s board of directors (the “Board”) fixed July 31, 2025, which it determined was a reasonable time before the Company will begin to print and mail the Proxy Materials, as the new deadline for the submission of proposals to be included in the Proxy Materials. The Submission Date, although timely under this deadline, was after the 80-day window under Rule 14a-8(j)(1) had passed. Therefore, consistent with Rule 14a-8(j) and SLB 14B, the Company has good cause for filing this letter later than the typical 80-day window.

Proposal

The Proposal sets forth the following resolution:

NOW, THEREFORE, BE IT RESOLVED THAT shareholders request the Board of Directors, to the fullest extent permitted by law, to adopt and implement a binding **Political Neutrality Policy** containing at least the following provisions:

1. Prohibition on Political Activity

Prohibit the Company and Leadership Members from making statements, endorsements, contributions, sponsorships, or any other publicly-visible actions in support of, or opposition to, any political party, candidate, or campaign whether using personal or Company resources. Because Leadership Members are

public figures inextricably linked to Tesla, disclaimers attempting to separate personal political activities from the Company shall not be sufficient to exempt them from this policy.

2. Code of Business Ethics Compliance

Incorporate statements that this policy is consistent with, and required by, Tesla's Code of Business Ethics and deeming that political activities by Leadership Members conflicts with Tesla's interests.

3. Oversight and Reporting

Assign the Nominating & Governance Committee, or another Board committee, to oversee implementation and enforcement of this Policy, investigate possible violations, and report annually to shareholders on compliance, violations, and corrective measures.

4. Periodic Review

Require the Board to review the Political Neutrality Policy at least biennially to ensure alignment with best practices, regulatory developments, and shareholder interests.

A copy of the Proposal is attached hereto as Exhibit A.

Bases for Exclusion

The Company respectfully requests that the Staff concur in the Company's view that the Proposal may be excluded from the Proxy Materials on the following bases:

- Rule 14a-8(i)(7) because the Proposal impermissibly seeks to micromanage the Company; and
- Rule 14a-8(i)(6) because the Company lacks the power or authority to implement the Proposal.

Rule and Analysis

A. Rule 14a-8(i)(7) – The Proposal Micromanages the Company by Imposing a Specific Method for Implementing a Complex Policy

Rule 14a-8(i)(7) allows the omission of a shareholder proposal from a registrant's proxy statement if the proposal "deals with a matter relating to the company's ordinary business operations." As set out in Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), there are two "central considerations" underlying the ordinary business exclusion. One is that certain matters are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The other relates to the degree that a proposal seeks to "micro-manage" a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

On February 12, 2025, the Staff issued Staff Legal Bulletin No. 14M (Feb. 12, 2025) ("SLB 14M"), which (1) rescinded Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L") and (2) reinstated guidance on "micromanagement" under Staff Legal Bulletin No. 14J (Oct. 23, 2018) ("SLB 14J") and Staff Legal Bulletin No. 14K (Oct. 16, 2019) ("SLB 14K") that had been rescinded by SLB 14L. Taken together, SLB 14M and the reinstated guidance under SLB 14J and SLB 14K make clear that the Proposal is excludable under Rule 14a-8(i)(7), because the Proposal impermissibly seeks to micromanage the Company by seeking to impose a specific method for implementing a complex policy.

As noted above, Rule 14a-8(i)(7) allows the omission of a shareholder proposal from a registrant's proxy statement if the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. Explaining the standard for micromanagement, the Commission noted in the 1998 Release that consideration of complex matters upon which shareholders could not make an informed judgment "may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies" (footnote omitted).

Under SLB 14K Section B.4, which has been reinstated by SLB 14M, "[w]hen a proposal prescribes specific actions that the company's management or the board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted." In SLB 14K, the Staff explained that it will focus on the prescriptiveness of a proposal in determining whether a proposal seeks to micromanage the Company or inappropriately limit the discretion of the board or management. Further, SLB 14J Section C.3, which has also been reinstated by SLB 14M, specifically states that, in considering whether a proposal

micromanages a company, the Staff “looks only to the degree” and “manner in which a proposal seeks to address an issue.” In particular, with respect to shareholder proposals for a company or board to adopt a prescriptive and granular new corporate policy, the Staff has consistently concurred with exclusion on micromanagement grounds under the above-referenced guidance, regardless of the substance or significance of the issues underlying the proposed policy. *See, e.g., CBRE Group, Inc.* (Feb. 14, 2020) (permitting exclusion on the basis of micromanagement for a proposal requesting adoption of a policy to waive mandatory arbitration requirements for sexual harassment claims); *Johnson & Johnson* (Feb. 12, 2020) (permitting exclusion on the basis of micromanagement for a proposal requesting adoption of a policy requiring disclosure of an explanation for litigation-related compensation award adjustments).

The Proposal seeks to prescribe a specific and granular new policy, in this case, regarding the political speech and activities of the Company’s directors and high-ranking officers (“Leadership Members”). Given the rapidly shifting and diverging expectations of the general public and the Company’s various stakeholders, this is an increasingly complex issue. In referencing the Company’s “ever-expanding, politically-diverse customer base worldwide,” the Proponent seems to acknowledge the complexity of this issue. However, instead of providing the Board with the necessary flexibility to navigate this complex issue in a rapidly evolving global political landscape, the Proposal requests the Board to adopt a “political neutrality” policy applicable to all Leadership Members. The Proposal notes that the policy should contain “at least” four specific provisions provided by the Proponent. The text of the proposed policy sets forth prohibitions on the political speech and activity of Leadership Members that are simultaneously sweeping and prescriptive. The policy would prohibit the Company and Leadership Members from “making statements, endorsements, contributions, sponsorships, or any other publicly-visible actions in support of, or opposition to, any political party, candidate, or campaign *whether using personal or Company resources*” (emphasis added), without providing the Board with discretion to consider any exclusions or exceptions. Instead, the proposed policy text limits Board discretion by stating that any disclaimer made by a Leadership Member “attempting to separate personal political activities from the Company shall not be deemed sufficient to exempt [such person] from [the] policy.” Not only is the proposed policy text overly prescriptive with respect to the actions to be prohibited, it also “seeks to impose specific time-frames [and] methods” for how the Board should implement this policy. Among other detailed methods prescribed in the text of the proposed policy, the Proposal requests that the Nominating and Corporate Governance Committee (or another committee of the Board) be tasked with the responsibility to “oversee the implementation and enforcement of the policy, investigate possible violations, and report annually to shareholders on compliance, violations, and corrective measures.” The Proposal also requests that the Board conduct a review of the policy at least biennially. Furthermore, the Proposal requests that the Board make and disclose a conclusion that the proposed policy is “consistent with, and required by, Tesla’s Code of Business Ethics.”

In prescribing these specific actions that the Board must take “without affording [the Company’s board and management] sufficient flexibility or discretion in addressing the complex matter presented by the proposal,” the Proposal impermissibly seeks to micromanage the Company and warrants exclusion under Rule 14a-8(i)(7). In addition, exclusion of the Proposal would also be consistent with the Commission’s recent decisions under the “micromanagement” prong of Rule 14a-8(i)(7). Since the release of SLB 14M, the Commission has concurred with the Company’s exclusion on micromanagement grounds of four other shareholder proposals, each of which also prescribed specific actions and policies for the Board that would unduly limit the ability of the Company’s management and Board to manage complex issues in accordance with relevant laws and with the flexibility needed to fulfill their fiduciary duties to shareholders. *See Tesla, Inc.* (May 2, 2025) (permitting exclusion on the basis of micromanagement for a proposal requesting the Board to adopt a noninterference policy upholding the rights to freedom of association and collective bargaining in its operations); *Tesla, Inc.* (May 2, 2025) (permitting exclusion on the basis of micromanagement for a proposal requesting that the Company commit to a moratorium on sourcing minerals from deep sea mining); *Tesla, Inc.* (April 30, 2025) (permitting exclusion on the basis of micromanagement for a proposal requesting publication of an annual report detailing the percentage of veterans, disabled veterans, and individuals with disabilities in its U.S. workforce); and *Tesla, Inc.* (April 30, 2025) (permitting exclusion on the basis of micromanagement for a proposal requesting that the Board adopt and disclose a comprehensive strategy to align the Company’s operations and business model with the goals of the Paris Climate Agreement).

Accordingly, consistent with SLB 14K and SLB 14M, the Proposal should be excluded under Rule 14a-8(i)(7) on the grounds that it impermissibly seeks to micromanage the Company by imposing a specific method for implementing a complex policy.

B. Rule 14a-8(i)(6) – The Company Lacks the Power and Authority to Implement the Proposal

Rule 14a-8(i)(6) allows the omission of a shareholder proposal from a registrant’s proxy statement if the company would lack the power or authority to implement the proposal.

Although the Proposal states that the Board should adopt the so-called “political neutrality” policy “to the fullest extent permitted by law”, it also specifies that the policy should contain “at least” the specific provisions provided by the Proponent. As

noted above, these provisions seek to impose an unqualified prohibition on political speech and activity by the Leadership Members, including any statements, endorsements, contributions, sponsorships, and other actions made in their personal capacities. Beyond the clear chilling effects on Leadership Members' freedom of speech and freedom of association, the minimum policy provisions requested by the Proposal could be both impossible and unlawful for the Company to implement.

The Commission has stated that exclusion under Rule 14a-8(i)(6) "may be justified where implementing the proposal would require intervening actions by independent third parties." Exchange Act Release No. 40018 at n.20 (May 21, 1998). The Staff has consistently concurred in exclusion of proposals where it was not within the power of a company to implement or ensure compliance with the terms requested by the proposal. *See, e.g., The Goldman Sachs Group, Inc.* (January 28, 2015) (permitting exclusion under Rule 14a-8(i)(6) of a proposal requesting the company to adopt an independent chair policy because "it does not appear to be within the power of the board of directors to ensure that its chairman retains his or her independence at all times"); and *The Goldman Sachs Group, Inc.* (March 25, 2010) (permitting exclusion under Rule 14a-8(i)(6) of a proposal requesting each member of the compensation committee meet certain criteria at all times, because it did not "appear to be within the power of the board of directors to ensure" such ongoing compliance).

In this case, if the Board adopts the proposed policy with the provisions requested by the Proposal, the Company and the Board would likewise lack the power and authority to ensure compliance with the policy. These expansively-drafted provisions could be triggered at any time by a number of day-to-day activities. The boundaries of what constitutes political speech or activity are subject to constant evolution. As global geopolitical circumstances evolve, a topic or action could be viewed as politically neutral one day, and later, in hindsight, appear politically charged. In addition, it would be impermissible under the proposed policy for Leadership Members to volunteer, provide fundraising to or be perceived to endorse a nonprofit organization if it is later revealed to have non-obvious affiliations with government organizations or political entities. Further, the proposed policy would require the Board to monitor and analyze all Leadership Members' statements made in their personal capacity. The Board simply does not have the ability to enforce the proposed provisions under these sweeping, nebulous and rapidly shifting standards.

Additionally, the Staff has consistently concurred in the exclusion of shareholder proposals under Rule 14a-8(i)(6) where the implementation of a proposal would violate state law. *See, e.g., Arlington Asset Investment Corp.* (Apr. 23, 2021) (permitting exclusion under Rule 14a-8(i)(6) of a proposal to liquidate the company's entire investment portfolio and promptly distribute the net proceeds because it would violate Virginia law); *eBay Inc.* (Apr. 1, 2020) (permitting exclusion under Rule 14a-8(i)(6) of a proposal regarding employee elections of board members that would violate New York law); and *Trans World Entertainment Corp.* (May 2, 2019) (permitting exclusion under Rule 14a-8(i)(6) of a proposal to change the quorum threshold for shareholder meetings in a manner that would violate New York law). Given that the proposed policy lacks any exceptions or exclusions to its blanket prohibition on political activities (defined broadly), enforcing such provisions could require the Company to violate state laws that limit the ability of a company to regulate the political speech of their employees. For example, the state of California, where several of Tesla's corporate offices are located, prohibits an employer from adopting or enforcing any rule, regulation, or policy that forbids or prevents employees from engaging or participating in politics. Cal. Lab. Code §§ 1101–1102.

We believe that Tesla has already taken appropriate actions to protect the Company and its shareholders by setting high standards for the Company's officers and directors under our existing policies, including on issues that relate to those raised by the Proposal. For example, our Code of Business Ethics, which covers our directors, officers and employees, states that "where made, political contributions must be approved by the head of policy and government relations and the Legal Department." Likewise, Tesla's Anti-Corruption Policy provides that "where made, political contributions must be transparent and comply with all applicable laws and must never be made with the expectation of a direct or immediate return for Tesla. All political contributions must be approved by the head of policy and government relations, in consultation with Compliance." The Proposal requests the Company to adopt additional requirements for Leadership Members that are not only unnecessary, but also inappropriate and potentially illegal as discussed above.

Accordingly, the Proposal should be excluded under Rule 14a-8(i)(6) because the Company lacks the authority and power to implement the Proposal.

Conclusion

The Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from the Proxy Materials. If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact me at cassie.zhang@tesla.com. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submit that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and SLB 14D, and copy the undersigned.



1Tesla Road, Austin, Texas 78725
P 650 681 5100 F 650 681 5101

Sincerely,

A handwritten signature in black ink, appearing to read "Xuehui Cassie Zhang".

Xuehui Cassie Zhang
Associate General Counsel

cc: Jay Butera

EXHIBIT A

PROPOSAL FOR A POLITICAL NEUTRALITY POLICY

Submitted By: Jay Butera, Shareholder

For Consideration at : The 2025 Annual Shareholder Meeting of Tesla Inc.

BACKGROUND AND PURPOSE

WHEREAS, to accomplish its mission and to protect shareholder value, Tesla Inc. (the “Company” or “Tesla”) must sell its products and services to an ever-expanding, politically-diverse customer base worldwide. Customer retention and acquisition is therefore fundamental to Tesla’s success;

WHEREAS, given Tesla’s politically-diverse customer base, any political activity associated with the Company will inevitably harm the company by alienating some segments of existing and potential customers;

WHEREAS, publicly-visible political activities among Tesla’s directors and high-ranking officers (together “Leadership Members”) are known to have harmed public perception of Tesla and its products, damaging customer retention, customer acquisition, brand equity, and revenue. Such activities also undermine Tesla’s ability to maintain cordial relationships with present or future government officials whose regulatory cooperation is vital to Tesla’s success;

WHEREAS, since political activity by Leadership Members can harm Tesla’s interests, it violates the conflict of interest provisions of Tesla’s Code of Business Ethics which forbid any personal conduct which could “...interfere, or appear to interfere, with Tesla’s interests”;

WHEREAS, directors and officers owe fiduciary responsibilities to shareholders and must abide by and enforce the Code of Business Ethics to protect shareholder value;

NOW, THEREFORE, BE IT RESOLVED THAT shareholders request the Board of Directors, to the fullest extent permitted by law, to adopt and implement a binding **Political Neutrality Policy** containing at least the following provisions:

1. Prohibition on Political Activity

Prohibit the Company and Leadership Members from making statements, endorsements, contributions, sponsorships, or any other publicly-visible

actions in support of, or opposition to, any political party, candidate, or campaign whether using personal or Company resources. Because Leadership Members are public figures inextricably linked to Tesla, disclaimers attempting to separate personal political activities from the Company shall not be sufficient to exempt them from this policy.

2. Code of Business Ethics Compliance

Incorporate statements that this policy is consistent with, and required by, Tesla's Code of Business Ethics and deeming that political activities by Leadership Members conflicts with Tesla's interests.

3. Oversight and Reporting

Assign the Nominating & Governance Committee, or another Board committee, to oversee implementation and enforcement of this Policy, investigate possible violations, and report annually to shareholders on compliance, violations, and corrective measures.

4. Periodic Review

Require the Board to review the Political Neutrality Policy at least biennially to ensure alignment with best practices, regulatory developments, and shareholder interests.

SUPPORTING STATEMENT

Shareholders believe that this Political Neutrality Policy will:

- **Repair and Protect Brand Loyalty:** Political neutrality will expand Tesla's potential customer base, improve customer retention, increase revenue potential, and grow shareholder value.
- **Safeguard Regulatory Relationships:** Political neutrality reduces risks of adversarial relationships with government officials, protecting Tesla's government relations across changing administrations.
- **Improve Ethics Compliance:** This Policy clarifies and reinforces Tesla's Code of Business Ethics whose guidance and integrity are fundamental to Tesla's success.

For these reasons, shareholders urge you to vote **FOR** this proposal.