

Open Letter to Independent Board Members at Tesla

Board Member Antonio Gracias
Board Member Ira Ehrenpreis
Board Member Robyn Denholm
Board Member Steve Jurvetson
Board Member Linda Johnson Rice
Board Member James Murdoch

Tesla, Inc.
3500 Deer Creek Road
Palo Alto, CA 94304

On behalf of our coworkers in Tesla's Fremont facility, we are reaching out to introduce ourselves and begin a dialogue. To our two new independent directors, we also wanted to say welcome and congratulations on your new appointment.

Our company is poised to transform energy and transportation in the 21st Century, and as Tesla's frontline workforce, we are extremely proud to be a part of it. Your leadership at this crucial time will help move us forward.

Some of you are already familiar with the inner workings of Tesla, while others are just beginning your journey. Either way, there are some things we'd like you to know from our perspective about our company and its culture.

The first is that we—the workers on the factory floor—believe in Tesla's mission, and are proud to be building the future. We are the people who perform the physical work of assembling cars, quality control, testing, fixing defects and more. We take pride in our work, and stand behind every car that comes off the line.

The second is that we are facing a set of challenges – challenges that are holding us back from working as effectively and efficiently as we would like. We have raised these issues repeatedly, but they remain unresolved. Your guidance navigating them would be invaluable as we work to become the most profitable and productive auto company in the U.S.

One of the most serious issues concerns our health and safety. In 2015, the last full year for which data is available, we had an injury rate that was far higher than the industry average. For that year, data from the Bureau of Labor Statistics indicates that our injury rate was higher than that of sawmills and slaughter houses. Accidents happen every day. Severe incidents frequently impact morale and cause delays in production. We are losing great workers who are valuable to both our production team and to their families while they spend time on medical leave, recovering from preventable injuries.

Legal obligations aside, it is both financially prudent and morally imperative for management to inform workers of the risks we face on the job. The results of third-party health and safety audits that have been conducted at the facility in the past three years should be readily available to workers and Board members, so that we may understand the risks that experts have identified and monitor progress toward improvement. If it is to be effective, frontline Tesla workers need to have access to, and a voice in, the company's safety plan (known in California as the Injury and Illness Prevention Program), and the ability to review accurate data about the progress we are making toward those goals.

Along with access to good information about hazards and injuries, a second cornerstone of a good health and safety program is worker participation in identifying solutions. Effective health and safety programs in manufacturing empower workers to make decisions about equipment, rotation schedules, ergonomics and more. We urge you to make our safety your priority as Board members, to demand information from management about health and safety issues in the factory, and to hold management accountable to best practices.

The second challenge we have revolves around the process through which workers are evaluated and promoted. There is currently no clear policy for how workers like ourselves might advance at Tesla. There are no guidelines for what is expected of us, or what defines success. Many of us have worked hard for years with the vague promise of a raise, to no end. We experience a great deal of workforce turnover due to the financial insecurity that we face at Tesla, and we strongly believe that a defined understanding of success and reward will have an impact on product quality.

Petitions have been delivered to management asking for clarity on this issue, but we have heard nothing. We encourage you to ask management to provide answers to our questions, so we can move forward with the knowledge that hard work will be rewarded, and so we can plan for our families' futures.

Additionally, we believe that when workers have a voice, everyone benefits. When equipped with relevant information, frontline workers are in the best position within the company to address health and safety hazards, and we should be empowered to create solutions. We care deeply about both the company's profitability and our own financial needs, and thus have an important perspective on how to balance those concerns. Remember that we are invested as shareholders in the company's future too. Perhaps more importantly, if we have a voice we can identify problems and solutions in the Model 3 production process and help us all succeed at this critical stage in our company's history.

We should be free to speak out and to organize together to the benefit of Tesla and all of our workers. When we have raised this with management we have been met with anti-union rhetoric and action. Other successful companies across industries have negotiated neutrality and non-retaliation agreements with workers, which

protect workers' ability to speak freely. Such agreements help build positive relationships between management and frontline workers.

Again, we are proud of Tesla's mission, and proud to be your partners in building the future. We are also concerned about our own futures, including our physical health and our financial well-being. We are looking to you for leadership in resolving these issues. And we look forward to working together to make Tesla the best car company in the world.

Sincerely,

Tesla Workers' Organizing Committee