

# Tesla performance opens door to Elon Musk payday

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Tesla co-founder and CEO Elon Musk on stage with the newly unveiled all-electric battery-powered Tesla Cybertruck with broken glass on windows following a demonstration that did not quite go as planned on November 21, 2019 in California

Tesla has hit financial marks that let its colorful chief executive Elon Musk reap the first portion of a multi-billion dollar compensation

package, the electric car maker said Thursday.

Musk has foregone a [base salary](#) in exchange for a shot at a fortune in deeply discounted Tesla shares, and is eligible for the first batch based on [company performance](#), according to a filing with the US Securities and Exchange Commission.

"In particular, 2019 was a record-setting year for Tesla's annual revenues, year-end cash balance, vehicle production and deliveries, and energy storage deployment," Tesla's board said in the filing.

Tesla shareholders will be asked to endorse the [compensation](#) at an annual meeting of investors in early July.

"One of the 12 tranches under this award has vested and become exercisable," the board said.

Musk's [compensation package](#) announced two years ago promises to reward him with 20.3 million Tesla shares, equivalent to some \$56 billion, over the course of a decade if the company reaches certain financial and market performance goals.

There are twelve market capitalization thresholds to be crossed, the highest being a company value of \$650 billion by the year 2028.

Tesla has passed the first threshold of reaching \$20 billion in revenue and a [market value](#) of \$100 billion, according to the filing.

Musk is therefore eligible to buy 1.69 million Tesla shares for \$350.02 each, according to the compensation scheme.

Tesla shares were trading at \$805.81 at the close of market on Thursday, meaning the discount would amount to nearly \$775 million.

Musk would have to hold onto any shares for at least five years, according to the filing.

The compensation package for Musk, who founded Tesla and built it into the leading electric car maker, is being challenged in court by a shareholder who accuses the board of having failed in its duties.

Musk already owns 18.5 percent of Tesla, a stake valued at more than \$24 billion, according to FactSet.

Musk recently got the Tesla auto assembly plant near San Francisco back in operation after a clash over the shutdown of businesses in the state due to the pandemic.

On Wednesday, the SpaceX company created by Musk scrubbed a landmark launch to the International Space Station due to fears of a lightning strike.

With NASA astronauts Bob Behnken and Doug Hurley strapped into the Crew Dragon capsule, the launch pad platform retracted and rocket fueling underway, SpaceX made the call to abort.

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