Tesla CEO Elon Musk Gets $700 Million in First Performance-Based Payout

It’s the first of 12 payouts for the chief executive.

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Tesla has awarded its CEO, Elon Musk, with the first out of 12 performance-based payouts — and it’s worth over a whopping $700 million. According to a document (via *TechCrunch*) filed with the Securities and Exchange Commission, Musk has earned 1.7 million Tesla shares worth $775 million, based on the company’s stock price on Thursday.

As *CNBC* explains, Musk doesn’t take a salary, but he owns 18.5 percent of the company. To be able to earn performance-based payouts, he’ll need to reach certain milestones for each of the 12. He received the first one after Tesla’s market capitalization stayed at $100 billion on a 30-day and six-month trailing average. The automaker also had to hit a trailing-four-quarter revenue of $20 billion.

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Shareholders approved Tesla’s compensation plan back in 2018. In its filing, the company wrote that the current compensation

programs “reflect [its] startup origins” and that it intends to evaluate them as circumstances require and as its needs evolve. Tesla also explained:

> *“We believe compensation incentives for executive officers should promote the success of our company and motivate them to pursue corporate objectives. We have put an emphasis on structuring compensation incentives so as to reward clear, easily measured performance goals that closely align their incentives with the long-term interests of our stockholders.”*

At least one shareholder isn’t happy with the way Tesla rewards its executives, though. Richard Tornetta sued the company over its compensation plan, accusing the board of breaching its fiduciary duty by approving a package that unjustly enriches the company’s chief executive. In September last year, a Delaware judge ruled that Tesla’s board must defend Musk’s multibillion-dollar compensation plan.

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