# Tesla shareholders to vote on reinstating $46.9B pay package for CEO Elon Musk



This week, Tesla shareholders will vote on whether to reinstate a substantial 2018 pay package for CEO Elon Musk, which a Delaware judge annulled earlier this year. The original package, granted by Tesla's board, was valued at over $50 billion at the time but now stands at approximately $46.9 billion.

The vote comes amid several challenges for Tesla, including a significant drop in stock value, shortfalls in sales forecasts, and intensified competition in the electric vehicle market. The vote will also address a proposal to move Tesla's state of incorporation from Delaware to Texas. The outcome of the vote will be revealed at Tesla's annual shareholders meeting on Thursday.

Despite past approval from 73% of shareholders, Chancellor Kathaleen McCormick ruled that the compensation package was unfairly managed, highlighting the board's close ties to Musk and flawed decision-making processes.

In response to the ruling, Musk and Tesla's board have appealed the decision and are advocating strongly for shareholders to approve the pay package and support the relocation to Texas. High-profile endorsements and extensive communications with shareholders have underscored the importance of keeping Musk engaged with Tesla. However, opposition remains, notably from advisory firms Institutional Shareholder Services and Glass Lewis, who argue the package is excessive.

Musk's controversial actions, including the purchase of Twitter and his management of other ventures, have added complexity to the situation. The outcome of the shareholder vote is crucial for determining Musk's future involvement and Tesla's strategic direction.