

If you purchased Tesla's Enhanced Autopilot in connection with your purchase or lease of a Model S or X car delivered to you on or before September 30, 2017, a class action settlement may affect your rights.

A Federal Court authorized this Notice. You are not being sued. This is not a solicitation from a lawyer.

A proposed settlement ("Settlement") has been reached in a class action lawsuit called *Sheikh, et al. v. Tesla, Inc.*, No. 5:17-CV-02193-BLF, pending in the U.S. District Court for the Northern District of California. The lawsuit alleges, among other things, that Tesla did not release Enhanced Autopilot features with capabilities that corresponded to the schedule it had previously indicated to its customers. While Tesla acknowledges that it took longer than it initially expected to roll out these features, and it has thus agreed to a settlement, it strongly denies any claim of wrongful conduct.

You are included in the Settlement Class if you purchased Enhanced Autopilot in connection with the purchase or lease of a Tesla Hardware 2 Model S or Model X vehicle that was delivered to you on or before September 30, 2017, provided that you do not exclude yourself from the Settlement as detailed below.

If the Court approves the Settlement, Tesla will create a \$5,415,280 Settlement Fund, from which eligible Settlement Class Members will receive payment. Your payment amount will depend on factors including: (1) Tesla's representations regarding Enhanced Autopilot at the time you purchased or leased your vehicle, (2) the timing and content of Tesla's releases of Enhanced Autopilot software upgrades, and (3) the total number of months up to and including September 30, 2017 during which you were in possession of your vehicle. Attorneys' fees and costs and service awards to the Class Representatives will be deducted from the Settlement Fund before the balance is distributed to Settlement Class Members. Payments to Settlement Class Members will range from approximately \$20 to \$280. Tesla also reaffirms its commitment to release any Enhanced Autopilot features that as of the Effective Date of the Settlement are not already released in Tesla Hardware 2 Vehicles.

Please read this Notice carefully. Whether you act or not, your legal rights as a Settlement Class Member are affected by the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

PARTICIPATE IN THE SETTLEMENT (DO NOTHING)	If you do nothing, a check will automatically be mailed to you after the Settlement becomes final. You will be bound by all the terms of the Settlement, and you won't be able to sue Tesla in a future lawsuit about the issues covered by the Settlement. You will not need to do anything to receive your payment.
EXCLUDE YOURSELF	You will receive no payment, but you will retain any right you currently have to sue Tesla about the issues covered by the Settlement.
OBJECT	Write to the Court explaining why you don't like the Settlement. You may object only if you do not exclude yourself from the Settlement Class.
ATTEND THE FINAL APPROVAL HEARING	If you object, you may also ask to speak in court about the fairness of the Settlement.

These rights and options—and the deadlines to exercise them—are explained in this Notice.

The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be provided only after any issues with the Settlement are resolved. Please be patient.

BASIC INFORMATION

1. Why was this Notice issued?

A Court authorized this Notice to let you know about a proposed Settlement with the Defendant. You have legal rights and options that you may act on before the Court decides whether to approve the proposed Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Beth Labson Freeman of the U.S. District Court for the Northern District of California is overseeing this class action. The case is known as *Sheikh, et al. v. Tesla, Inc.*, No. 5:17-CV-02193-BLF. The people who sued are called Plaintiffs or Class Representatives. The company they sued, Tesla, Inc., is called the Defendant.

2. What is a class action lawsuit?

In a class action, one or more people called Plaintiffs or Class Representatives sue on behalf of a group of people who have similar claims. In this case, these people are together called a Settlement Class or Settlement Class Members. In a class action, the court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class. After the Parties reached an agreement to settle this case, the Court recognized it as a case that may be treated as a class action for settlement purposes.

THE CLAIMS IN THE LAWSUIT AND THE SETTLEMENT

3. What is this lawsuit about?

The lawsuit alleges, among other things, that Tesla did not release Enhanced Autopilot features with capabilities that corresponded to the schedule it had previously indicated to its customers. While Tesla acknowledges that it took longer than it initially expected to roll out these features, and it has thus agreed to a settlement, it strongly denies any claim of wrongful conduct.

More information about the Complaint in the lawsuit can be found at the Settlement website, www.autopilotsettlement.com.

4. Why is there a Settlement?

The Court has not decided whether the Plaintiffs or the Defendant should win this case. Instead, both sides agreed to a settlement. The Class Representatives and their attorneys (“Class Counsel”) believe that the Settlement is in the best interests of the Settlement Class Members.

WHO’S INCLUDED IN THE SETTLEMENT?

5. How do I know if I am in the Settlement Class?

The Court decided that this Settlement includes a Settlement Class of all U.S. residents who purchased Enhanced Autopilot in connection with their purchase or lease of a Tesla Hardware 2 Model S or Model X vehicle delivered to them on or before September 30, 2017. (A “Tesla Hardware 2 Model S or Model X vehicle” is a Tesla Model S or X vehicle equipped with Hardware 2 that Tesla commenced shipping in October 2016.) Everyone who fits this description is a member of the Settlement Class.

If you received a postcard about this class action, you may be a member of the Settlement Class.

THE SETTLEMENT BENEFITS

6. What does the Settlement provide?

As part of the Settlement, Tesla has agreed to create a \$5,415,280 Settlement Fund. The Settlement Fund will be used to pay all Settlement Class Members’ allocated share of the Settlement Class Recovery, attorneys’ fees and costs, and any service awards to the Class Representatives. Any attorneys’ fees and costs and service awards to the Class Representatives authorized by the Court will be deducted from the Settlement Fund before the balance is distributed to Settlement Class Members. Each Settlement Class Member’s allocated share of the balance (“Settlement Class Recovery”) will be calculated by the Settlement Administrator based upon a formula reflecting: (1) Tesla’s representations regarding Enhanced Autopilot at the time the Settlement Class Member purchased or leased the vehicle, (2) the timing and content of Tesla’s releases of Enhanced Autopilot software upgrades, and (3) the total number of months up to and including September 30, 2017 during which the Settlement Class Member was in possession of the vehicle. Each Settlement Class Member’s estimated allocated share of the Settlement Class Recovery, based on a Settlement Class Recovery of Four Million Four Hundred Fifteen Thousand Two Hundred and Eighty Dollars (\$4,415,280), is set forth in the following chart. The actual allocation will be adjusted in proportion to the actual Settlement Class Recovery, the final number of Settlement Class Members, and other factors.

Month class member took delivery	Oct-16	Nov-16	Dec-16	Jan-2017	Feb-2017	Mar-2017	Apr-2017	May-2017	Jun-2017	Jul-2017	Aug-2017	Sep-2017
Class members who purchased prior to January 24, 2017	\$280	\$280	\$280	\$280	\$225	\$200	\$150	\$125	\$100	\$75	\$50	\$25
Class members who purchased January 24, 2017 or later	NA	NA	NA	\$210	\$170	\$150	\$115	\$95	\$75	\$55	\$40	\$20

QUESTIONS? CALL 1-855-201-3575 OR VISIT WWW.AUTOPILOTSETTLEMENT.COM

Under the Settlement Agreement, Settlement Class Members will be paid by check with no requirement that they submit a claim.

As part of the Settlement, Tesla also reaffirms its commitment to release any Enhanced Autopilot features that as of the Effective Date of the Settlement are not already released in Tesla Hardware 2 Vehicles.

HOW TO GET BENEFITS

7. How do I make a claim?

You do not need to submit a claim to receive the benefits of the proposed Settlement. If the proposed Settlement is finally approved, and you are a Settlement Class Member, you will be bound by the Court's Final Judgment and the release of claims explained in the Settlement Agreement.

8. When will I get my payment?

The Final Approval Hearing to consider the final fairness of the Settlement is scheduled for **9:00 AM on October 17, 2018**. If the Court approves the Settlement, and after any appeals process is completed, eligible Settlement Class Members will be sent a check in the mail. Please be patient. All checks will expire and become void 90 days after they are issued.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

Yes, the Court has appointed lawyers Steve W. Berman, Thomas E. Loeser, and Robert F. Lopez of Hagens Berman Sobol Shapiro LLP as the attorneys to represent you and other Settlement Class Members. These attorneys are called "Class Counsel." In addition, the Court appointed Plaintiffs Dean Sheikh, John Kelner, Tom Milone, Daury Lamarche and Michael Verdolin to serve as the Class Representatives. They are Settlement Class Members like you. Class Counsel's contact information is as follows: (206) 623-7292 or Hagens Berman Sobol Shapiro LLP, 1918 Eighth Avenue, Suite 3300, Seattle, WA 98101.

10. Should I get my own lawyer?

You don't need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask your lawyer to appear in Court for you at your own expense if you want someone other than Class Counsel to represent you.

11. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and costs totaling up to \$976,000, and will also request an award of up to \$4,800 for each of the five Class Representatives. The Court may award less than the amounts requested by Class Counsel and the Class Representatives, and any money not awarded from these requests will stay in the Settlement Fund to pay Settlement Class Members.

YOUR RIGHTS AND OPTIONS

12. What happens if I do nothing?

If you do nothing, you will be in the Settlement Class, and, if the Court approves the Settlement, a check will automatically be mailed to you after the Settlement becomes final. You will also be bound by all orders and judgments of the Court. Unless you exclude yourself, you won't be able to start a lawsuit or be part of any other lawsuit against Tesla for the claims being resolved by this Settlement.

13. What happens if I ask to be excluded?

If you exclude yourself from the Settlement, you will not receive any money or benefits as a result of the Settlement. You will not be bound by any orders and judgments of the Court. You will be able to start a lawsuit or be part of any other lawsuit against Tesla for the claims being resolved by this Settlement.

14. How do I ask to be excluded?

You can ask to be excluded from the Settlement. To do so, you must send a letter clearly stating that you want to be excluded from the Settlement in *Sheikh, et al. v. Tesla, Inc.*, No. 5:17-CV-02193-BLF. Your letter must also include your name, address, and your signature. You must mail your exclusion request no later than **September 6, 2018** to:

Sheikh, et al. v. Tesla, Inc. Settlement
P.O. Box 404000
Louisville, KY 40233-4000

You can't exclude yourself via phone, fax, or email.

15. If I don't exclude myself, can I sue the Defendant for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Tesla for the claims being resolved by this Settlement.

16. If I exclude myself, can I get anything from this Settlement?

No. If you exclude yourself, you give up any right to receive money from the Settlement.

17. How do I object to the Settlement?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you can object to the Settlement if you don't like any part of it. You can also object to Class Counsel's request for attorneys' fees and costs and/or to the service awards for the Class Representatives. The Court will consider your views.

Your objection and supporting papers must (1) be in writing; (2) contain a caption or title that identifies it as "Objection to Class Settlement in *Sheikh, et al. v. Tesla, Inc.*, Case No. 5:17-CV-02193-BLF;" (3) provide the additional information identified in the next paragraph; (4) be submitted to the Court either by mailing it to the Class Action Clerk, United States District Court for the Northern District of California, 280 S. 1st Street, San Jose, CA 91513, or by filing it in person at any location of the United States District Court for the Northern District of California; and (5) be filed or postmarked on or before **September 6, 2018**.

The objection shall contain the following information: (1) your name, address, and telephone number; (2) all grounds for the objection, with any factual and legal support for each stated ground; (3) the identity of any witnesses you may call to testify; (4) copies of any exhibits that you intend to introduce into evidence at the Final Approval Hearing; and (5) a statement of whether or not you intend to appear at the Final Approval Hearing with or without counsel. If you do not timely file with the Court a written objection in accordance with these requirements, your objection will be considered invalid and waived, and you will be bound by all the terms of the Settlement and by all proceedings, orders, and judgments in the Action.

Class Counsel will file with the Court and post on the Settlement website its request for attorneys' fees and costs and service awards on August 23, 2018.

18. What's the difference between objecting and excluding myself from the Settlement?

Objecting simply means telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class (i.e., you don't exclude yourself from the Settlement). Excluding yourself from the Settlement Class is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

19. When and where will the Court hold the Final Approval Hearing on the fairness of the Settlement?

The Final Approval Hearing has been set for **9:00 AM on October 17, 2018**, before the Honorable Beth Labson Freeman at the San Jose Courthouse, Courtroom 3, 5th Floor, 280 S. 1st Street, San Jose, CA 95113. At the Final Approval Hearing, the Court will hear any objections and arguments concerning the fairness of the proposed Settlement, including the amount requested by Class Counsel for attorneys' fees and costs and the service awards to the Class Representatives.

Note: The date and time of the Final Approval Hearing are subject to change by Court order, but any changes will be posted at the Settlement website, www.autopilotsettlement.com, or through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>.

20. Do I have to come to the Final Approval Hearing?

No. Class Counsel will answer any questions the Court may have, but you are welcome to come at your own expense. If you send an objection, you don't have to come to court to talk about it. As long as your written objection was filed with the Court on time and meets the other criteria described above, the Court will consider it. You may also pay another lawyer to attend, but you don't have to.

21. May I speak at the Final Approval Hearing?

If you do not exclude yourself from the Settlement Class, you may ask the Court for permission to speak at the Final Approval Hearing concerning any part of the proposed Settlement by asking to speak in your objection by following the instructions above in Section 17.

GETTING MORE INFORMATION

22. Where can I get additional information?

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at www.autopilotsettlement.com, contact Class Counsel at (206) 623-7292, access the Court docket in this case through the Court's PACER system at <https://ecf.cand.uscourts.gov>, or visit the Office of the Clerk of the Court for the United States District Court for the Northern District of California, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

More information about the Settlement is available at www.autopilotsettlement.com, toll-free at 1-855-201-3575, or by contacting Class Counsel.

**PLEASE DO NOT CONTACT THE COURT, THE JUDGE, OR THE DEFENDANT
WITH QUESTIONS ABOUT THE SETTLEMENT OR CLAIMS PROCESS.**