CITATION AND NOTIFICATION OF PENALTY

To:
Tesla, Inc.
and its successors
45500 Fremont Blvd.
Fremont, CA 94538

Inspection Site:
45500 Fremont Blvd.
Fremont, CA 94538

Inspection #: 1268303
Inspection Date(s): 10/04/2017 - 01/17/2018
Issuance Date: 01/17/2018
CSHO ID: Q7698
Optional Report #: 001-18
Reporting ID: 0950612

The violation(s) described in this Citation and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

This Citation and Notification of Penalty (hereinafter Citation) is being issued in accordance with California Labor Code Sections 6317 and 6320 for violations that were found during the inspection/ investigation. **This Citation or a copy must be prominently posted upon receipt by the employer at or near the location of each violation until the violative condition is corrected or for three working days, whichever is longer.** Violations of Title 8 of the California Code of Regulations or of the California Labor Code may result in some instances in prosecution for a misdemeanor.

YOU HAVE A RIGHT to contest this Citation and Notification of Penalty by filing an appeal with the Occupational Safety and Health Appeals Board. To initiate your appeal, you **must** contact the Appeals Board, in writing or by telephone, within 15 working days from the date of receipt of this Citation. If you miss the 15 working day deadline to appeal, the Citation and Notification of Penalty becomes a final order of the Appeals Board, not subject to review by any court or agency.

Informal Conference - You may request an informal conference with the manager of the district office which issued the Citation within 10 working days after receipt of the Citation. However, if the citation is appealed, you may request an informal conference at any time prior to the day of the hearing. Employers are encouraged to schedule a conference at the earliest possible time to assure an expeditious resolution of any issues. At the informal conference, you may discuss the existence of the alleged violation, classification of the violation, abatement date or proposed penalty.

See pages 1 through 5 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.
Citation and Notification of Penalty
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Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an agreement which resolves this matter without litigation or contest.

**APPEAL RIGHTS**

The Occupational Safety and Health Appeals Board (Appeals Board) consists of three members appointed by the Governor. The Appeals Board is a separate entity from the Division of Occupational Safety and Health (Division) and employs experienced attorneys as administrative law judges to hear appeals fairly and impartially. To initiate an appeal from a Citation and Notification of Penalty, you must contact the Appeals Board, in writing or by telephone, within 15 working days from the date of receipt of a Citation. After you have initiated your appeal, you must then file a completed appeal form with the Appeals Board, at the address listed below, for each contested citation. Failure to file a completed appeal form with the Appeals Board may result in dismissal of the appeal. Appeal forms are available from district offices of the Division, or from the Appeals Board:

**Occupational Safety and Health Appeals Board**
2520 Venture Oaks Way, Suite 300
Sacramento, CA 95833
Telephone: (916) 274-5751 or (877) 252-1987
Fax: (916) 274-5785

If the Citation you are appealing alleges more than one item, you must specify on the appeal form which items you are appealing. You must also attach to the appeal form a legible copy of the Citation you are appealing. In addition, please send a copy of Page 1 of this Citation and Notification of Penalty, the cover sheet.

Among the specific grounds for an appeal are the following: the safety order was not violated, the classification of the alleged violation (e.g., serious, repeat, willful) is incorrect, the abatement requirements are unreasonable or the proposed penalty is unreasonable.

**Important:** You must notify the Appeals Board, not the Division, of your intent to appeal within 15 working days from the date of receipt of the Citation. Otherwise, the Citation and Notification of Penalty becomes a final order of the Appeals Board not subject to review by any court or agency. An informal conference with the Division does not constitute an appeal and does not stay the 15 working day appeal period. If you have any questions concerning your appeal rights, call the Appeals Board, at (916) 274-5751 or (877) 252-1987.
PENALTY PAYMENT OPTIONS

For general/regulatory violations, and for serious violations that have been abated, penalties are due within 15 working days of receipt of this Citation and Notification of Penalty unless contested. If you are appealing any item of the citation, remittance is still due on all items described above that are not appealed. Enclosed for your use is a Penalty Remittance Form for payment.

For serious violations that are not abated, if a signed statement of abatement (as described under "Notification of Corrective Action", below) is not timely received or if the statement does not demonstrate acceptable abatement, penalties will be due within 15 working days after the date the signed statement was due, unless contested.

For serious violations for which a signed statement of abatement demonstrating acceptable abatement is timely received, the payment due date will be described in a Modified Citation and Notification of Penalty that you will receive reflecting a 50% abatement credit.

If you are paying electronically, please have the Penalty Remittance Form on-hand when you are ready to make your payment. The company name, inspection number, and Citation number(s) will be required in order to ensure that the payment is accurately posted to your account. Please go to www.dir.ca.gov/dosh/CalOSHA_PaymentOption.html to access the secure payment processing site. Additionally, you must also mail the Penalty Remittance Form to the address below.

If you are paying by check, return one copy of the Citation, along with the Notice of Proposed Penalties Sheet and the Penalty Remittance Form and mail to:

Department of Industrial Relations
Cashier, Accounting Office
P. O. Box 420603
San Francisco, CA 94142-0603

CAL/OSHA does not agree to any restrictions, conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

NOTIFICATION OF CORRECTIVE ACTION

For general/regulatory violations which you do not contest, you should notify the Division of Occupational Safety and Health promptly by letter that you have taken appropriate corrective action within the time frame set forth on this Citation and Notification of Penalty. Please inform the district office listed on the Citation by submitting the Cal/OSHA 160 form with the abatement steps you have taken and the date the violation was abated, together with adequate supporting documentation, e.g., drawings or photographs of corrected conditions, purchase/work orders related to abatement actions, air sampling results, etc. The adjusted penalty for general violations has already been reduced by 50% on the presumption that the employer will correct the violations by the abatement date. The adjusted penalty for serious violations that have been abated, if any, has already been reduced by 50% because abatement of those violations has been completed.
The adjusted penalty for serious violations that have not been abated will be reduced by 50% if the Division of Occupational Safety and Health receives from you within 10 working days following the abatement date a signed statement under penalty of perjury (Cal/OSHA form 161) and sufficient supporting evidence, when necessary to prove abatement, demonstrating abatement acceptable to the Division. If the Division does not receive the statement of abatement within 10 working days after the abatement date, the adjusted penalty will not be reduced by 50% - regardless of whether you appeal the serious citations.

Note: Return the Cal/OSHA 160/161 forms to the district office listed on the Citation and as shown below:

Division of Occupational Safety and Health
Fremont District Office
39141 Civic Center Drive, Suite 310
Fremont, CA 94538
Telephone: (510) 794-2521
Fax: (510) 794-3889

EMPLOYEE RIGHTS

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under Labor Code Section 6310 or 6311. An employee who believes that he/she has been discriminated against may file a complaint no later than six (6) months after the discrimination occurred with the Division of Labor Standards Enforcement.

Employee Appeals - An employee or authorized employee's representative may, within 15 working days of the issuance of a citation, special order, or order to take special action, appeal to the Occupational Safety and Health Appeals Board the reasonableness of the period of time fixed by the Division of Occupational Safety and Health (Division) for abatement. An employee appeal may be filed with the Appeals Board or with the Division. No particular format is necessary to initiate the appeal, but the notice of appeal must be in writing.

If an Employee Appeal is filed with the Division, the Division shall note on the face of the document the date of receipt, include any envelope or other proof of the date of mailing, and promptly transmit the document to the Appeals Board. The Division shall, no later than 10 working days from receipt of the Employee Appeal, file with the Appeals Board and serve on each party a clear and concise statement of the reasons why the abatement period prescribed by it is reasonable.

Employee Appeal Forms are available from the Appeals Board, or from a district office of the Division.

Employees Participation in Informal Conference - Affected employees or their representatives may notify the District Manager that they wish to attend the informal conference. If the employer objects, a separate informal conference will be held.
DISABILITY ACCOMMODATION

Disability accommodation is available upon request. Any person with a disability requiring an accommodation, auxiliary aid or service, or a modification of policies or procedures to ensure effective communication and access to the programs of the Division of Occupational Safety and Health, should contact the Disability Accommodation Coordinator at the local district office or the Statewide Disability Accommodation Coordinator at 1-866-326-1616 (toll free). The Statewide Coordinator can also be reached through the California Relay Service, by dialing 711 or 1-800-735-2929 (TTY) or 1-800-855-3000 (TTY - Spanish).

Accommodations can include modifications of policies or procedures or provision of auxiliary aids or services. Accommodations include, but are not limited to, an Assistive Listening System (ALS), a Computer-Aided Transcription System or Communication Access Realtime Translation (CART), a sign-language interpreter, documents in Braille, large print or on computer disk, and audio cassette recording. Accommodation requests should be made as soon as possible. Requests for an ALS or CART should be made no later than five (5) days before the hearing or conference.
Citation and Notification of Penalty

Company Name: Tesla, Inc.
Establishment DBA: and its successors
Inspection Site: 45500 Fremont Blvd.
Fremont, CA 94538

Citation 1 Item 1 Type of Violation: General

T8 CCR 3203:
(a) Effective July 1, 1991, every employer shall establish, implement and maintain an effective Injury and Illness Prevention Program (Program). The Program shall be in writing and, shall, at a minimum:
(3) Include a system for communicating with employees in a form readily understandable by all affected employees on matters relating to occupational safety and health, including provisions designed to encourage employees to inform the employer of hazards at the worksite without fear of reprisal. Substantial compliance with this provision includes meetings, training programs, posting, written communications, a system of anonymous notification by employees about hazards, labor/management safety and health committees, or any other means that ensures communication with employees.
(6) Include methods and/or procedures for correcting unsafe or unhealthy conditions, work practices and work procedures in a timely manner based on the severity of the hazard:
(A) When observed or discovered; and,
(B) When an imminent hazard exists which cannot be immediately abated without endangering employee[s] and/or property, remove all exposed personnel from the area except those necessary to correct the existing condition. Employees necessary to correct the hazardous condition shall be provided the necessary safeguards.

Prior to and during the course of inspection, the employer failed to implement an effective Injury and Illness Prevention Program in the following instances:

(1) The employer did not effectively communicate to all affected employees on matters relating to occupational safety and health, in that employees were unaware of the employers program for voluntary PPE use, employees do not receive effective communications on the hazards in their work areas and results of any air monitoring performed, and any communication on the corrective actions that are being taken to mitigate hazards in the workplace.

(2) On October 24, 2017, management did not effectively communicate to employees nor was there a system of communication to the Safety Department of the water leakage that occurred in the
paint department I-Line in which employees were exposed to standing water in their work areas.

(3) On October 24, 2017, the employer did not implement any corrective action to protect employees from exposure to the standing water in the paint department in a timely manner when it was first discovered and observed.

Corrected During Inspection

Date By Which Violation Must be Abated:  
Proposed Penalty:  

Corrected During Inspection  
$1060.00
Citation and Notification of Penalty

Company Name: Tesla, Inc.
Establishment DBA: and its successors
Inspection Site: 45500 Fremont Blvd.
Fremont, CA 94538

Citation 1 Item 2 Type of Violation: General

Title 8 CCR 5194:
(h) Employee Information and Training.
1. Employers shall provide employees with effective information and training on hazardous chemicals in their work area at the time of their initial assignment, and whenever a new chemical hazard is introduced into their work area. Information and training may relate to general classes of hazardous chemicals to the extent appropriate and related to reasonably foreseeable exposures of the job. Chemical-specific information must always be available through labels and safety data sheets.

Reference Subsection (2):
(2) Information and training shall consist of at least the following topics:
(A) Employees shall be informed of the requirements of this section.
(B) Employees shall be informed of any operations in their work area where hazardous chemicals are present.
(C) Employees shall be informed of the location and availability of the written hazard communication program, including the list[s] of hazardous chemicals and safety data sheets required by this section.
(D) Employees shall be trained in the methods and observations that may be used to detect the presence or release of a hazardous chemical in the work area (such as monitoring conducted by the employer, continuous monitoring devices, visual appearance or odor of hazardous chemicals when being released, etc.).
(E) Employees shall be trained in the physical, health, simple asphyxiation, combustible dust and pyrophoric gas hazards, as well as hazards not otherwise classified, of the chemicals in the work area, and the measures they can take to protect themselves from these hazards, including specific procedures the employer has implemented to protect employees from exposure to hazardous chemicals, such as appropriate work practices, emergency procedures, and personal protective equipment to be used.
(F) Employees shall be trained in the details of the hazard communication program developed by the employer, including an explanation of the labels received on shipped containers and the workplace labeling system used by their employer and the safety data sheet, and how employees can obtain and use the appropriate hazard information.
(G) Employers shall inform employees of the right:
1. To personally receive information regarding hazardous chemicals to which they may be exposed, according to the provisions of this section;
2. For their physician or collective bargaining agent to receive information regarding hazardous chemicals to which the employee may be exposed according to provisions of this section;
3. Against discharge or other discrimination due to the employee's exercise of the rights afforded pursuant to the provisions of the Hazardous Substances Information and Training Act.

Reference T8 CCR §5150[f]:
(f) Hazard communication. The employer shall include the potentially hazardous materials employed in fluxes, coatings, coverings, and filler metals, all of which are potentially used in welding and cutting, or are released to the atmosphere during welding and cutting, in the program established to comply with the Hazard Communication Standard (Section 5194). The employer shall ensure that each employee has access to labels on containers of such materials and safety data sheets, and is trained in accordance with the provisions of Section 5194. Potentially hazardous materials shall include but not be limited to the materials listed in Articles 107, 109 and 110 of these Orders.

(1) Additional considerations for hazard communication in welding, cutting, and brazing.
(A) The suppliers shall determine and shall label in accordance with Section 5194 any hazards associated with the use of their materials in welding, cutting, and brazing.
(B) In addition to any requirements imposed by Section 5194, all filler metals and fusible granular materials shall carry the following notice, as a minimum, on tags, boxes, or other containers:
(C) Where brazing (welding) filler metals contain cadmium in significant amounts, the labels shall indicate the hazards associated with cadmium including cancer, lung and kidney effects, and acute toxicity effects.
(D) Where brazing and gas welding fluxes contain fluorine compounds, the labels shall indicate the hazards associated with fluorine compounds including eye and respiratory tract effects.

Prior to and during the course of inspection, the employer failed to provide employees with effective information and training on hazardous chemicals in their work area to the extent appropriate and related to reasonably foreseeable exposures of the job to include but not limited to the following:

1) Employees were unaware of the location and availability of Safety Data Sheets and the written hazard communication program;

2) Employees were unaware of the results of any air monitoring that have been conducted currently or previously in the Body Center, Powertrain, and General Assembly work areas;

3) Employees did not receive information about the hazards of chemicals or substances and the protection the employer has implemented to protect employees from such exposures; and

4) Employees did not receive information about operations in their work areas or near their work areas, of the presence of hazardous chemicals and measures they can take to protect themselves from such.

Date By Which Violation Must be Abated: February 16, 2018
Proposed Penalty: $1060.00

See pages 1 through 5 of this Citation and Notification of Penalty for Information on employer and employee rights and responsibilities.
Citation and Notification of Penalty

Company Name: Tesla, Inc.
Establishment DBA: and its successors
Inspection Site: 45500 Fremont Blvd,
Fremont, CA 94538

Citation Item 3 Type of Violation: General

T8 CCR 3380:
(f) Hazard assessment and equipment selection.
(1) The employer shall assess the workplace to determine if hazards are present, or are likely to be present, which necessitate the use of personal protective equipment (PPE). If such hazards are present, or likely to be present, the employer shall:
(A) Select, and have each affected employee use, the types of PPE that will protect the affected employee from the hazards identified in the hazard assessment;
(B) Communicate selection decisions to each affected employee; and,
(C) Select PPE that properly fits each affected employee.

Prior to and during the course of inspection, the employer did not effectively assess the workplace, such as the Body in White Department, to determine the chemical hazards present, or are likely to be present, and select and communicate to employees the types of PPE to be used to protect employees from such hazards.

Date By Which Violation Must be Abated: February 16, 2018
Proposed Penalty: $635.00
Citation and Notification of Penalty

Company Name:  Tesla, Inc.
Establishment DBA:  and its successors
Inspection Site:  45500 Fremont Blvd.
                Fremont, CA  94538

Citation 1 Item 4  Type of Violation: General

T8 CCR 5049:
(f) Special custom design grabs, hooks, clamps, or other lifting accessories for such units as modular
panels, prefabricated structures and similar materials, shall be marked to indicate the safe working
loads and shall be proof-tested to 125 percent of the rated load prior to use.

Reference T8 CCR 5049(g)(1):
(g) Shackles. Employers must ensure that shackles: (1) Have permanently affixed and legible
identification markings as prescribed by the manufacturer that indicate the recommended safe
working load:

Prior to and during the course of inspection, the employer failed to ensure the custom designed
battery hook and the lifting assembly which includes several shackles and connectors used for lifting
battery pack modules was marked to indicate the safe workings loads and have permanently
affixed and legible identification markings as prescribed by the manufacturer.

Date By Which Violation Must be Abated:  February 16, 2018
Proposed Penalty:  $850.00
Citation and Notification of Penalty

Company Name: Tesla, Inc.
Establishment D&B: and its successors
Inspection Site: 45500 Fremont Blvd.
Fremont, CA 94538

Citation Item 5 Type of Violation: General

T8 CCR 5143:
(a) Design and Operation. The construction, installation, inspection, testing, and maintenance of exhaust systems shall conform to all requirements of Article 107. Additional guidance may be obtained from the American National Standard Fundamentals Governing the Design and Operation of Local Exhaust Systems, ANSI Z9.2-1971 and the Standard for the Installation of Blower and Exhaust Systems, NFPA No. 91-1973. Note: Ventilation requirements for control of flammable vapors are prescribed in Sections 5153(d) and 5416.

(5) The ventilation rate of every mechanical ventilation system used to prevent harmful exposure shall be tested after initial installation, alterations, or maintenance, and at least annually, by means of a pitot traverse of the exhaust duct or equivalent measurements. Records of these tests shall be retained for at least five years.

Prior to and during the course of inspection, the employer failed to test and keep records of the ventilation rate, by means of a pitot traverse or equivalent measurements of the local exhaust system of the cooling tube brazing machines after initial installation, alterations, or maintenance, and at least annually.

Corrected During Inspection

Date By Which Violation Must be Abated: Corrected During Inspection
Proposed Penalty: $850.00

Kelly Tatum
Compliance Officer / District Manager

See pages 1 through 5 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities. Citation and Notification of Penalty Page 12 of 15 Cal/OSHA-2 V2 Rev 2/2015
NOTICE OF PROPOSED PENALTIES

Company Name: Tesla, Inc.
Establishment DBA: and its successors
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538
Mailing Address: 45500 Fremont Blvd., Fremont, CA 94538
Issuance Date: 01/17/2018
Reporting ID: 0950612
CSHO ID: Q7698

Summary of Penalties for Inspection Number 1268303

| Citation 1 Item 1, General | $1060.00 |
| Citation 1 Item 2, General | $1060.00 |
| Citation 1 Item 3, General | $635.00  |
| Citation 1 Item 4, General | $850.00  |
| Citation 1 Item 5, General | $850.00  |

TOTAL PROPOSED PENALTIES: $4455.00

Penalties are due within 15 working days of receipt of this notification unless contested. If you are appealing any item of this citation, remittance is still due on all items that are not appealed. Enclosed for your use is a Penalty Remittance Form.

If you are paying electronically: Please have this form on-hand when you are ready to make your payment. The company name, reporting ID and Citation number(s) will be required to ensure that the payment is accurately posted to your account. Please go to www.dir.ca.gov/dosh/CalOSHA_PaymentOption.html to access the secure payment processing site. Additionally, you must also mail the Penalty Remittance Form to the address below.

If you are paying by check: Mail this Notice of Proposed Penalties, the Penalty Remittance Form, along with a copy of the Citation and Notification of Penalty to:

DEPARTMENT OF INDUSTRIAL RELATIONS
CASHIER, ACCOUNTING OFFICE
P. O. BOX 420603
SAN FRANCISCO, CA 94142-0603

Cal/OSHA does not agree to any restrictions, conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions or endorsements do not exist.