

Elon Musk moves SpaceX incorporation to Texas after Delaware judge axed \$56bn Tesla pay

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Rocket company SpaceX has moved its state of incorporation to Texas from Delaware, CEO Elon Musk has announced. "SpaceX has moved its state of incorporation from Delaware to Texas! If your company is still incorporated in Delaware, I recommend moving to another state as soon as possible," Musk said on the platform. The move comes after a Delaware judge ruled last month in favor of Tesla investors who had launched a lawsuit to challenge Musk's \$56bn pay package as excessive. Musk, who is also CEO of Tesla said, earlier this month that he would hold a shareholder vote to move Tesla's state of incorporation to Texas as well. "The public vote is unequivocally in favor of Texas! Tesla will move immediately to hold a shareholder vote to transfer state of incorporation to Texas," Musk said on X earlier this month after holding a poll where 87% of respondents voted "yes" for Tesla's change of incorporation. In January, the Delaware judge found that Musk's compensation was inappropriately set by the electric-vehicle maker's board and struck down the package. The decision followed a lawsuit launched by Tesla shareholder Richard Tormetta five years ago, which accused Musk of improperly dictating negotiations around the compensation package, and claimed that the board had acted without independence. Tesla's agreement with Musk is by far the largest compensation deal ever for an executive and it contributes a significant part of his fortune, which is one of the world's largest. Musk testified during the compensation trial in November 2022 that the money would be used to finance interplanetary travel. Musk's brain-chip implant company, Neuralink, also changed its location of incorporation from Delaware to Nevada last week. Reuters contributed to this report