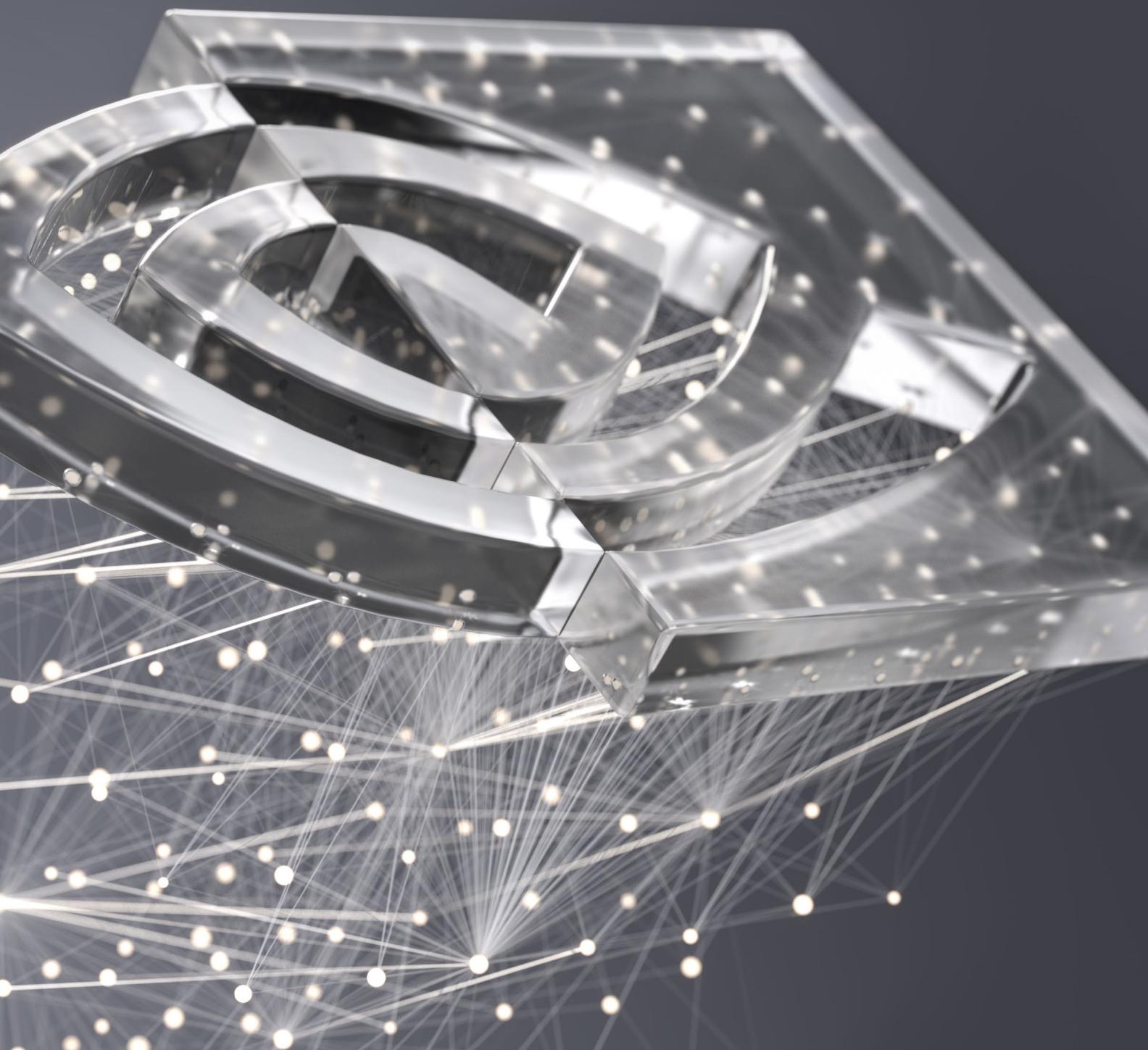


2019 ANNUAL REVIEW

NOTICE OF ANNUAL MEETING
PROXY STATEMENT
FORM 10-K



“IN A VERY REAL WAY, THE COMPANY IS CREATING MAGIC”

IT BUSINESS EDGE

High-performance computers are essential instruments of scientists, researchers, artists, and creators. We make tools with amazing and incredible possibilities. Like a time machine, we make computers for the Einsteins and da Vincis of our time to help them see and create the future. Few companies stand at this intersection. It inspires us and is our core purpose. I can't imagine more important work.

JENSEN HUANG

CEO and Founder, NVIDIA





“NVIDIA IS BRINGING REAL-TIME RAY TRACING TO THE MASSES”

ENGADGET

The evolution of modern PC games has pushed the limits of what's possible in photorealistic computer graphics. The Turing architecture has arrived to blow those limits away. Turing-based GeForce RTX simulates the behavior of light in real time to create beautiful graphics and impossibly real gaming experiences. And with Microsoft DXR, gamers can enjoy ray-traced graphics across Microsoft's wide gaming ecosystem.

With more than 200 million gamers, GeForce is PC gaming's largest platform. GeForce RTX GPUs and GeForce Experience turn average PCs into powerful gaming machines. And technologies like ultra-thin Max-Q laptops and GeForce NOW cloud-based gaming are giving rise to an entirely new generation of gamers.



Battlefield V was captured by NVIDIA Ansel RTX, a powerful in-game camera that lets users take professional-grade photographs of their games.



“PUSHING THE BOUNDARIES OF PHOTOREALISM”

TECHCRUNCH

The Turing architecture is changing the game for designers and creators. Quadro RTX delivers photoreal graphics that creators didn't expect for another 5-10 years. Quadro RTX GPUs can now accelerate photoreal rendering for large industries such as film, animation, architecture, and product design, that previously only used CPU server farms. NVIDIA has reinvented computer graphics, again.



From *The Speed of Light*, a real-time cinematic experience using NVIDIA Turing architecture, RTX technology, and new Unreal Engine rendering advancements, featuring the Porsche 911 Speedster Concept.



“NVIDIA HAS A 10-YEAR LEAD WHEN IT COMES TO SOFTWARE FOR HPC AND AI”

NETWORK WORLD

A new era of high performance computing has emerged in today's datacenters. The new HPC is defined by three computing workloads: hyperscale applications run by cloud service providers, scientific computing in supercomputing labs, and enterprise data analytics and machine learning across industries like retail, healthcare, and financial services.

NVIDIA T4 GPUs and TensorRT inference software deliver significant inference capabilities for hyperscale. T4 is a universal cloud GPU that accelerates deep learning inference, as well as training, machine learning, data analytics, and graphics.

NVIDIA DGX-2 is the first 2-petaflops computer, combining 16 fully interconnected GPUs for 10X the deep learning performance.

In December 2018, DGX-2 achieved first place in six categories of the first-ever objective third-party AI benchmark, called MLPerf. The DGX platform has been adopted by all leading computer makers and cloud service providers.

NVIDIA now powers the fastest supercomputers in the United States, Europe, and Japan. The U.S.-based Summit supercomputer—the world's fastest—uses more than 27,000 NVIDIA V100 GPUs to achieve 144 petaflops of performance. On the most recent TOP500 list, NVIDIA added 41 new systems for a total of 127 supercomputers accelerated by NVIDIA.



The NVIDIA T4 GPU accelerates diverse cloud workloads, including high performance computing, deep learning training and inference, machine learning, data analytics, and graphics. T4 is optimized for scale-out computing environments and features multi-precision Turing Tensor Cores and new RT Cores.





“NVIDIA IS TAKING OVER THE AUTONOMOUS DRIVING INDUSTRY”

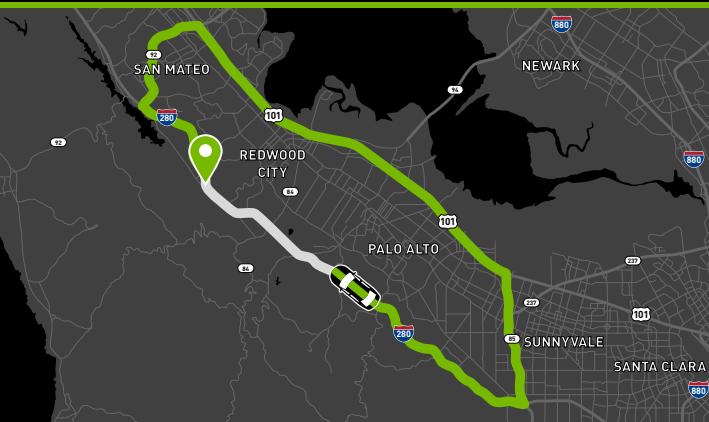
THE STREET

With production cars planned for 2020, autonomous vehicles are right around the corner.

NVIDIA DRIVE is a scalable AI car platform for the deployment of smart, safe self-driving cars. It's an end-to-end platform that includes the powerful DRIVE AGX in-car computer, software trained on DGX-2 supercomputers, and DRIVE Constellation, a VR simulator where autonomous vehicles can safely drive billions of miles in the datacenter.

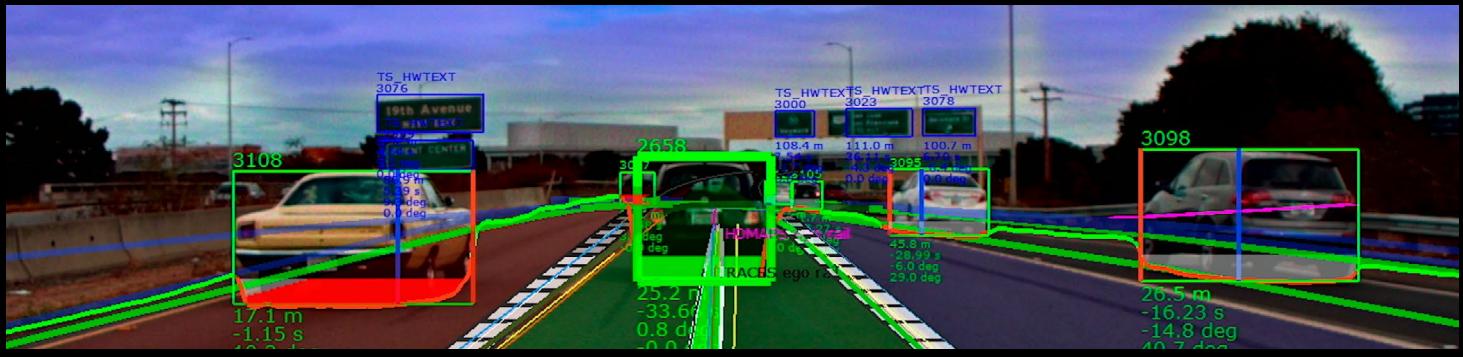
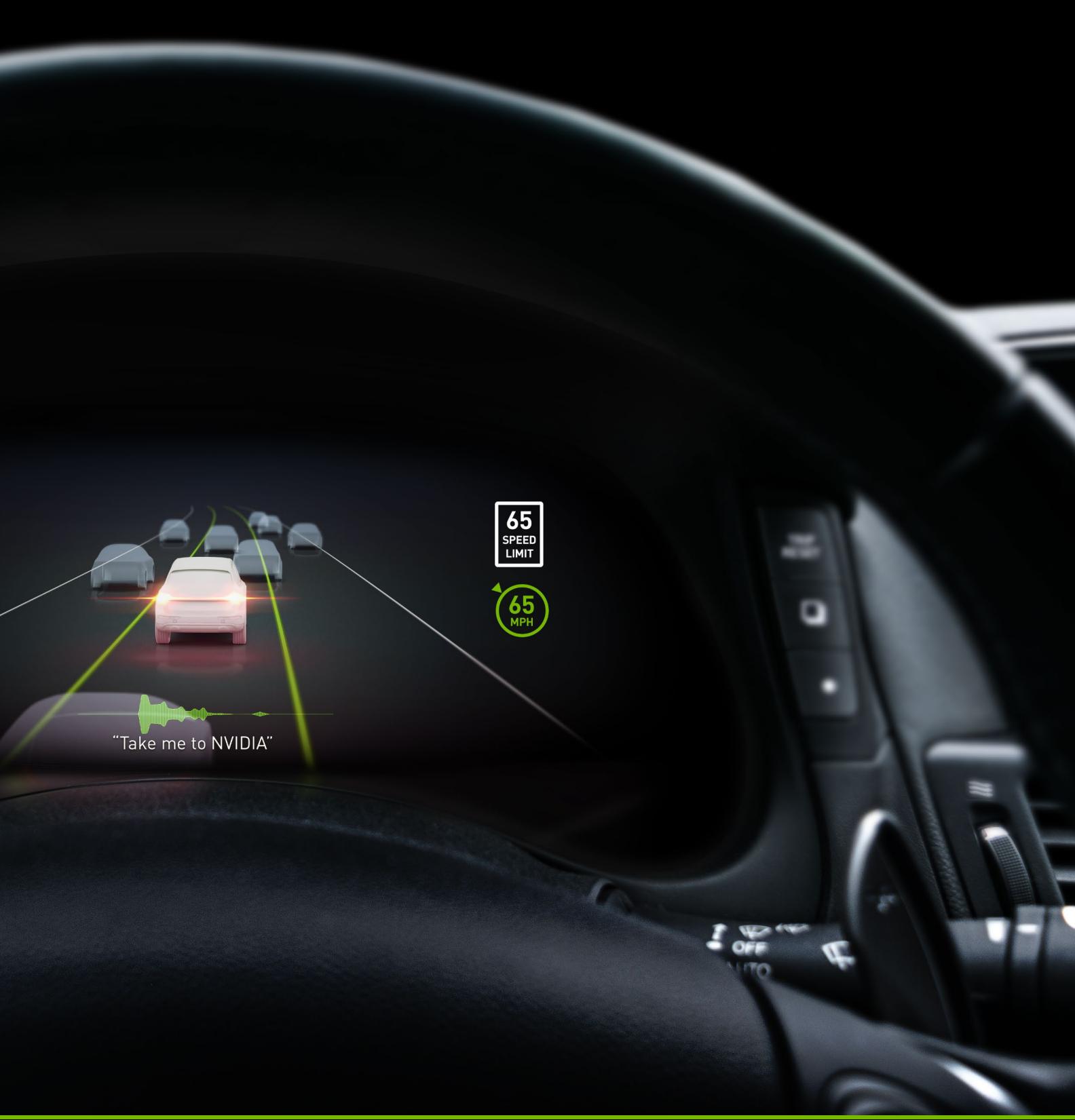
DRIVE AutoPilot is the world's first commercially available Level 2-plus self-driving car computer. It combines world-class autonomous driving perception and a cockpit rich in AI capabilities, significantly surpassing today's ADAS offerings.

58
MPH



50-MILE DRIVE

In October 2018, NVIDIA's own self-driving car, BB8, completed a milestone 50-mile loop around the San Francisco Bay Area without its safety driver ever taking control. The car handled highway on- and off-ramps and numerous lane changes entirely on its own, marking a significant step toward a self-driving future.



ADVANCING GPU COMPUTING THROUGH TURBULENT TIMES

DEAR NVIDIAANS AND STAKEHOLDERS,

This was an extraordinary year. We achieved records in each of our businesses. It was also a challenging, turbulent year, particularly in the third and fourth quarters as the cryptocurrency boom ended sharply and datacenter customers became more cautious amid economic uncertainties. In the face of these headwinds, we made giant strides in advancing computer graphics, high-performance datacenter computing, and AI. We are well positioned to continue our growth.

Revenue rose 21 percent to \$11.72 billion, and gross margins expanded to 61.2 percent. GAAP earnings per share were \$6.63, up 38 percent. And we returned \$1.95 billion to shareholders through dividends and share repurchases.

Turing has arrived and is reinventing computer graphics. We name our new GPU architectures after great inventors, scientists, and artists. We name them after the people for whom we create our computers. Turing is our newest architecture. Turing-based GeForce RTX GPUs make possible real-time ray tracing, a method of creating photorealistic graphics that has been a dream our industry has pursued for nearly four decades. Turing makes this dream possible by combining inventions in ray tracing, AI, and programmable shading in a new approach to graphics we named RTX. For gamers, it's a giant leap from Pascal. Once you experience the heart-pounding

realism of real-time ray-traced graphics, you can't go back. Microsoft has adopted ray tracing in the next major Windows API, called Microsoft DirectX Raytracing, or DXR. Next-generation games can easily adopt ray tracing, and they'll be beautiful.

At CES 2019, we rounded out our RTX lineup with the GeForce RTX 2060, the first Turing GPU for the mass market and a major upgrade opportunity for millions of gamers. And we announced more than 40 new models of GeForce RTX gaming notebooks, addressing one of the fastest-growing segments in PC gaming today. Combining the incredible energy efficiency of our GPUs with our Max-Q system power optimization technologies, RTX notebooks are powerful yet thin-and-sleek gaming machines.

Our gaming business grew 13 percent this year to a record \$6.25 billion. With the cryptocurrency turbulence behind us and dazzling ray-traced games ahead, we expect the RTX lineup to drive sustained growth for our GeForce business.

We believe that one day everyone will be a gamer. Some will want to play on powerful gaming systems. Others will prefer the convenience to play anywhere and anytime there is a moment to spare. To expand the reach of games, we've been working for more than five years on a cloud gaming system—a virtual gaming PC in the cloud—called GeForce NOW.

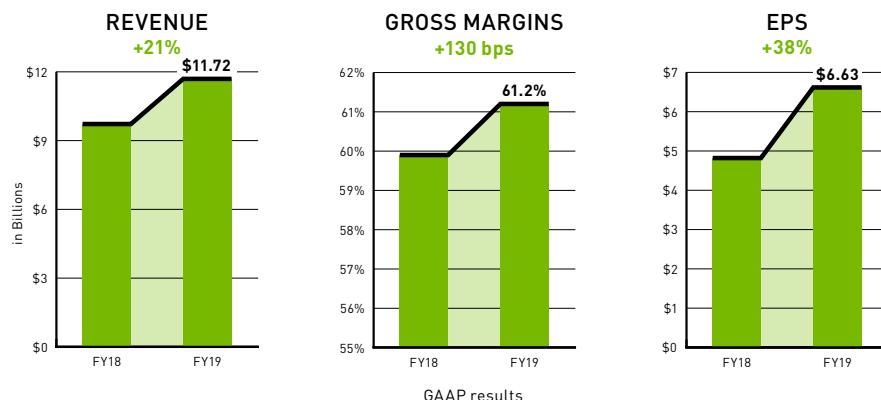
In beta for about a year as we optimize the challenging performance and latency of cloud gaming, GeForce NOW has hundreds of thousands of registered users and a waitlist of a million more.

Turing opens the \$250 billion visual effects markets for our professional visualization business. Our pro workstation business achieved another record this year, growing 21 percent to \$1.13 billion. We're excited for the future as the Turing-based Quadro RTX is the most significant workstation GPU upgrade in a decade.

Quadro RTX excels at new applications like photorealistic rendering, data science, AI, and VR. Tens of millions of designers and creative artists will enjoy a boost in productivity and an array of all-new capabilities. Imagine walking through a photorealistic rendering of a new building in VR. Or having an AI program assist you by automatically creating parts of the building's design using generative-design technology. Partners like Dell, HP, and Lenovo have already announced workstations powered by Quadro RTX.

And with Turing's RTX ray-tracing capability, film studios can finally install NVIDIA GPUs in their render farms—providing a long-awaited performance leap to the graphics rendering process of modern filmmaking. Nearly every movie today includes some special effects and image enhancement. Our Quadro RTX server will accelerate this tedious process, delivering 4X the performance and one-third the cost compared to CPU render farms.

AI adoption by hyperscalers, cloud, and enterprises drove growth of 52 percent in our datacenter business, reaching \$2.93 billion for the year. We didn't meet our growth expectations for the fourth quarter as datacenter customers slowed purchases. The quarter overshadowed what was otherwise a year of great expansion of our datacenter portfolio.



NVIDIA accelerates three broad workloads of computing in “the new HPC” market: AI applications run by cloud service providers, scientific computing in supercomputing labs, and enterprise data analytics and machine learning across industries like retail, healthcare, and financial services.

It was a landmark year for NVIDIA in supercomputing. We now power the fastest supercomputers in the United States, Europe, and Japan. The U.S.-based Summit supercomputer—the world’s fastest—uses more than 27,000 NVIDIA V100 GPUs to achieve 144 petaflops of performance. On the most recent TOP500 list, we added 41 new systems for a total of 127 supercomputers accelerated by NVIDIA. The GPU-accelerated computing approach NVIDIA pioneered has proven to be the best path forward as the era of exponential scaling of the CPU ends.

Cloud service providers use state-of-the-art AI technologies when Google enhances and sorts your vacation photos, when Alexa answers questions or plays your song requests, or when Netflix recommends a movie for you to enjoy. These AI programs learned from examples and were written by giant computers.

NVIDIA’s GPUs and CUDA AI platform power many of these computers and are used by researchers, developers, and service operators around the world to create and deploy AI services. This year, we announced our second-generation Tensor Core GPU, called T4. It’s the most energy-efficient GPU and is designed for easy adoption by hyperscale and enterprise datacenters. T4 is super versatile, able to accelerate deep learning training and inference, machine learning, data analytics, and cloud graphics. Adoption of T4 during the year was terrific. In January 2019, Google Cloud announced availability of T4 GPUs in its datacenters in the U.S., Europe, Brazil, India, Singapore, and Tokyo. T4 is designed for scale-out computing—the architecture used by hyperscalers and enterprises—and optimized for computing services where many users share a datacenter as a utility.

We also announced a breakthrough in scale-up computing, where one computer is dedicated to a few people to achieve the fastest possible turnaround time. We launched NVIDIA DGX-2, the world’s first single-node computer to deliver two petaflops of deep learning performance. DGX-2 is powered by 16 fully interconnected Volta GPUs, pre-integrated with system software, and connected to the NGC cloud



Image courtesy of GamesBeat

store of accelerated applications. It’s a great example of NVIDIA’s transformation into a computing company. In December 2018, DGX-2 achieved first place in six categories of the first-ever objective third-party AI benchmark, called MLPerf. The DGX platform has been adopted by all leading computer makers and cloud service providers.

This year, we entered a new high performance computing market with the launch of the RAPIDS acceleration libraries for data analytics and machine learning. Developed with the open-source community, RAPIDS is a large suite of CUDA acceleration libraries that does for data scientists what we’ve done for deep learning developers. Data science is a field of computer science that applies algorithms to discover important insights from the seas of data collected by companies in healthcare, financial services, retail, and telecommunications. Companies use data science to forecast inventory, detect fraud and security breaches, connect riders to drivers, predict delivery arrival times, and help with lab experiments in drug discovery. Because of the vast amount of data involved, data science is one of the newest and most intensive HPC applications. We can help data scientists discover insights faster and work on much larger data sets with our computers.

We fueled innovation on and off the road with the NVIDIA DRIVE platform. Our auto business grew 15 percent this year to a record \$641 million, driven by the adoption of next-generation AI capabilities under the hood and inside the cockpit.

Our strategy is not to build self-driving cars, but to create a platform for every transportation company in the world to

build them. To do so, we built our own self-driving car to create the end-to-end systems that we offer to customers. The NVIDIA DRIVE platform includes DGX-based AI development systems, the DRIVE Constellation virtual reality simulator, our DRIVE AP2X autopilot computer, the full self-driving car and driver interaction software stacks DRIVE AV and DRIVE IX, and the fleet of mapping and testing cars called BB8.

Tier one partners rolled out new Xavier-based DRIVE AGX car computers, we brought functional safety to the DRIVE platform, and we completed our first hands-free, 50-mile loop around the San Francisco Bay Area with BB8.

At CES, we announced DRIVE AutoPilot, the world’s first commercially available Level 2-plus self-driving car computer. DRIVE AutoPilot uses deep learning networks, features surround camera perception both in and outside of the car, and boasts world-leading AI processing capabilities. It significantly surpasses today’s ADAS offerings. Already, Volvo, Continental, and ZF have selected DRIVE AutoPilot to power autonomous vehicles.

To accelerate the path to safe autonomous driving, we introduced DRIVE Constellation, a VR simulator where autonomous vehicles can safely drive billions of miles in the datacenter.

The world of autonomous machines extends well beyond self-driving cars. Eventually, every machine that moves will be autonomous—including hundreds of millions of warehouse forklifts, farming machines, and delivery robots.

CARING FOR OUR COMMUNITIES

The highest purpose of a company is to make a positive impact in the world. At the global level, we do so with our inventions and ideas. Across our sites around the world, we also contribute to making our local communities better. We balance our near-term business goals with long-term commitments to improving lives, protecting our environment, and creating new technologies that benefit society and raise the ladder of science ever higher.

We're proud to be recognized as one of the nation's best employers and most socially responsible companies by such lists as Fortune's Best Places to Work, the Corporate Equality Index, and the Dow Jones Sustainability Index. We debuted in FY19 on Barron's 100 Most Sustainable Companies list and Equileap's Gender Equality Index.



NVIDIANs are passionate about giving back through volunteerism and generosity. Our philanthropic giving this year, through contributions and community partnerships, exceeded \$5.3 million. And 73 percent of our offices around the world held fundraisers or volunteered in their communities during the year.

To date, the NVIDIA Foundation's Compute the Cure initiative has directed more than \$5 million to the fight against cancer, including more than \$365,000 raised by our employees last year for cancer organizations around the world.

BUILDING THE FUTURE



We started NVIDIA to solve real-time 3D graphics. Creating a realistic computer-simulated world is one of the greatest challenges in computing. After a quarter century of relentless pursuit, we're still working on it. We believed in the beginning that the endeavor would create one of the world's leading technology companies. We believe it now. Through our work we pioneered GPU computing and evolved it over the decades to advance the fields of computer graphics, high performance computing, and AI. Fundamentally, these areas share similar challenges. Each breakthrough opened the door to new and impactful challenges to tackle next.

Our NVIDIA Research team broke new ground this year in AI-based graphics technologies. Their work with GAN algorithms was particularly exciting, creating the first AI-rendered interactive virtual world.

We also opened a new AI Robotics Research lab in Seattle. The lab is working on a wide array of research projects, including robots that can mimic human motion, adapt to unstable surfaces, and even assist with kitchen tasks.

Technologies in our virtual robot training environment—where robots learned to putt a golf ball—are being applied to autonomous-vehicle simulators to improve the safety of tomorrow's self-driving cars. Our work in robotics will revolutionize manufacturing, agriculture, and space exploration. Robotics will even make future games more fun with AI characters that interact with you in make-believe worlds.

Our work is reshaping trillion-dollar industries like transportation, healthcare, and manufacturing, and fostering entirely new industries just taking root.

In healthcare, research doctors use our systems to develop deep learning AI techniques that detect diabetic retinopathy and cancer, study chest CT scans, or find hairline bone fractures. These AI models can work alongside radiologists to increase accuracy. We created the NVIDIA Clara computing platform, named after Red Cross founder Clara Barton, for researchers and imaging equipment makers. Clara unifies the computational pipeline of medical imaging systems so that these new algorithms can be more easily deployed in hospitals.

The computers NVIDIA makes are the essential instruments of scientists, researchers, artists, and creators. We make tools with amazing and incredible possibilities. Like a time machine, we make computers for the Einsteins and da Vincis of our time to help them see and create the future. Few companies stand at this intersection. It inspires us and is our core purpose. I can't imagine more important work.

This year will stand as one of the most extraordinary in our company's history. It was surely turbulent. Yet it was a year when we did some of our best work ever. The strides we made this year have positioned us solidly for the future. We look forward to tackling the exciting challenges ahead and making a positive impact on how the future turns out for generations to come.



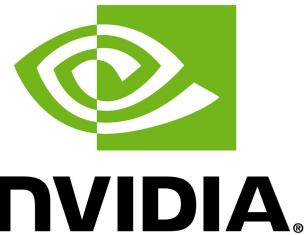
Jensen Huang
CEO and Founder, NVIDIA
April 2019

NVIDIA CORPORATION

NOTICE OF 2019 ANNUAL MEETING PROXY STATEMENT AND FORM 10-K

FORWARD-LOOKING STATEMENTS

Certain statements in this document including, but not limited to, statements as to: the impact, benefits, abilities, features and performance of our products and technologies; NVIDIA being well positioned to continue its growth; Turing reinventing computer graphics and making ray tracing possible; next-generation games being able to easily adopt ray tracing and their beauty; GeForce RTX 2060 being a major upgrade opportunity for millions of gamers; our expectation that the RTX lineup will drive sustained growth for our business; our belief that one day everyone will be a gamer, and how and where they will want to play; the benefits and market opportunity for Turing and our professional visualization business; Quadro RTX being the most significant workstation GPU upgrade in a decade; Quadro RTX enabling tens of millions of designers and creative artists to enjoy a boost in productivity and capabilities and its ability to deliver increased performance and reduced costs from CPU render farms; NVIDIA accelerating three broad workloads in the new HPC market; NVIDIA's GPU-accelerated computing approach being the best path forward as the era of exponential scaling of CPUs ends; data science being one of the newest and most intensive HPC applications and how NVIDIA can help data scientists to discover insights faster and work on much larger data sets; NVIDIA's strategy to create a platform for transportation companies to build self-driving cars; that every machine that moves will eventually be autonomous; NVIDIA working on creating realistic computer-simulated worlds and our belief that this will create one of the world's leading technology companies; NVIDIA's work in robotics revolutionizing manufacturing, agriculture and space exploration; robotics making future games more fun with AI characters that interact with you in make-believe worlds; NVIDIA's work and GPU computing reshaping trillion-dollar industries and fostering entirely new industries; looking forward to tackling the exciting challenges ahead and making a positive impact on how the future turns out for generations; NVIDIA's products serving as gaming's largest platform and giving rise to an entirely new generation of gamers; Quadro RTX's delivering graphics that creators didn't expect for another 5-10 years; autonomous vehicles being right around the corner; and our market position and strategies are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of new products and technologies or enhancements to our existing products and technologies; market acceptance of our products or our partners' products; design, manufacturing or software defects; changes in consumer preferences or demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems; as well as other factors detailed from time to time in the reports NVIDIA files with the Securities and Exchange Commission, or SEC, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of April 12, 2019, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.



NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

Date and time: Wednesday, May 22, 2019 at 10:30 a.m. Pacific Daylight Time

Location: Online at www.virtualshareholdermeeting.com/NVIDIA2019

- Items of business:**
- Election of twelve directors nominated by the Board of Directors
 - Approval of our executive compensation
 - Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2020
 - Approval of an amendment and restatement of our Certificate of Incorporation to eliminate supermajority voting to remove a director without cause

Transaction of other business properly brought before the meeting

Record date: You can attend, and vote at, the annual meeting if you were a stockholder of record at the close of business on March 25, 2019.

Virtual meeting admission: We will be holding our annual meeting online only this year at www.virtualshareholdermeeting.com/NVIDIA2019. To participate in the annual meeting, you will need the control number included on your notice of proxy materials or printed proxy card.

Pre-meeting forum: In order to allow for communication with our stockholders in connection with the annual meeting, we have established a pre-meeting forum located at www.proxyvote.com where you can submit advance questions to us.

Your vote is very important. Whether or not you plan to attend the virtual meeting, **PLEASE VOTE YOUR SHARES**. As an alternative to voting online at the meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card.

Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 22, 2019. This Notice, our Proxy Statement, our Annual Report on Form 10-K, and our Annual Review are available at www.nvidia.com/proxy.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "T S Teter".

Timothy S. Teter

Secretary

Santa Clara, California

April 12, 2019

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DEFINITIONS

2007 Plan	NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan
2012 ESPP	NVIDIA Corporation Amended and Restated 2012 Employee Stock Purchase Plan
2019 A&R Charter	The Company's proposed Amended and Restated Charter
AC	Audit Committee
Base Operating Plan	Performance goal necessary to earn the target award under the Variable Cash Plan and for the target number of SY PSUs to become eligible to vest
Board	The Company's Board of Directors
CC	Compensation Committee
CD&A	Compensation Discussion and Analysis
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Charter	The Company's Amended and Restated Certificate of Incorporation
Company	NVIDIA Corporation, a Delaware corporation
Control Number	Identification number for each stockholder included in Notice or proxy card
Dodd Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
Exchange Act	Securities Exchange Act of 1934, as amended
Exequity	Exequity LLP, the CC's independent compensation consultant
FASB	Financial Accounting Standards Board
Fiscal 20__	The Company's fiscal year ended on the last Sunday in January of the stated year
Form 10-K	The Company's Annual Report on Form 10-K for Fiscal 2019 filed with the SEC on February 21, 2019
GAAP	Generally accepted accounting principles
Internal Revenue Code	U.S. Internal Revenue Code of 1986, as amended
Lead Director	Lead independent director
Meeting	Annual Meeting of Stockholders
MY PSUs	Multi-year PSUs with a three-year performance metric
Nasdaq	The Nasdaq Stock Market LLC
NCGC	Nominating and Corporate Governance Committee
NEOs	Named Executive Officers consisting of our CEO, our CFO, and our other three most highly compensated executive officers as of the end of Fiscal 2019
Non-GAAP Operating Income	GAAP operating income adjusted for stock-based compensation expense, acquisition-related and other costs, and legal settlement costs, as the Company reports in its respective earnings materials. The net aggregate adjustment to GAAP operating income for these items for Fiscal 2019 was \$603 million and for Fiscal 2018 was \$407 million. Please see <i>Reconciliation of Non-GAAP Financial Measures</i> in our CD&A for a reconciliation between the non-GAAP measures and GAAP results
Notice	Notice of Internet Availability of Proxy Materials
NYSE	New York Stock Exchange
PSUs	Performance stock units
PwC	PricewaterhouseCoopers LLP
RSUs	Restricted stock units
S&P 500	Standard & Poor's 500 Composite Index
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Stretch	Performance goal necessary for the maximum number of MY PSUs to become eligible to vest
Stretch Operating Plan	Performance goal necessary to earn the maximum award under the Variable Cash Plan and for the maximum number of SY PSUs to become eligible to vest
SY PSUs	PSUs with a single-year performance metric, vesting over four years
Target	Performance goal necessary for the target number of MY PSUs to become eligible to vest
Threshold	Minimum performance goal necessary to earn an award under the Variable Cash Plan and for SY PSUs and MY PSUs to become eligible to vest
TSR	Total shareholder return
Variable Cash Plan	The Company's variable cash compensation plan

PROXY SUMMARY

This summary highlights information contained elsewhere in the proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

2019 Annual Meeting of Stockholders

Date and time:	Wednesday, May 22, 2019 at 10:30 a.m. Pacific Daylight Time
Location:	Online at www.virtualshareholdermeeting.com/NVIDIA2019
Record date:	Stockholders as of March 25, 2019 are entitled to vote
Admission to meeting:	You will need your Control Number to attend the annual meeting

Voting Matters and Board Recommendations

A summary of the 2019 Meeting proposals is below. **Every stockholder's vote is important. Our Board urges you to vote your shares FOR each of the proposals.**

Matter	Page	Board Recommendation	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
Management Proposals:					
Election of twelve directors	8	FOR each director nominee	More FOR than WITHHOLD votes	None	None
Approval of our executive compensation	24	FOR	Majority of shares present	Against	None
Ratification of the selection of PwC as our independent registered public accounting firm for Fiscal 2020	47	FOR	Majority of shares present	Against	None
Approval of an amendment and restatement of our Charter to eliminate supermajority voting to remove a director without cause	50	FOR	66 2/3% of shares outstanding	Against	Against

Election of Directors (Proposal 1)

The following table provides summary information about each director nominee:

Name	Age	Director Since	Occupation	Financial Expert	Committee Membership
Robert K. Burgess	61	2011	Independent Consultant	✓	CC
Tench Coxe	61	1993	Managing Director, Sutter Hill Ventures		CC
Persis S. Drell	63	2015	Provost, Stanford University		CC
James C. Gaither	81	1998	Managing Director, Sutter Hill Ventures		NCGC
Jen-Hsun Huang	56	1993	President & CEO, NVIDIA Corporation		
Dawn Hudson	61	2013	Independent Consultant	✓	AC
Harvey C. Jones	66	1993	Managing Partner, Square Wave Ventures	✓	CC, NCGC
Michael G. McCaffery	65	2015	Chairman & Managing Director, Makena Capital Management	✓	AC
Stephen C. Neal	70	2019	Chairman, Cooley LLP		
Mark L. Perry ⁽¹⁾	63	2005	Independent Consultant	✓	AC, NCGC
A. Brooke Seawell	71	1997	Venture Partner, New Enterprise Associates	✓	CC
Mark A. Stevens	59	2008 ⁽²⁾	Managing Partner, S-Cubed Capital		AC, NCGC

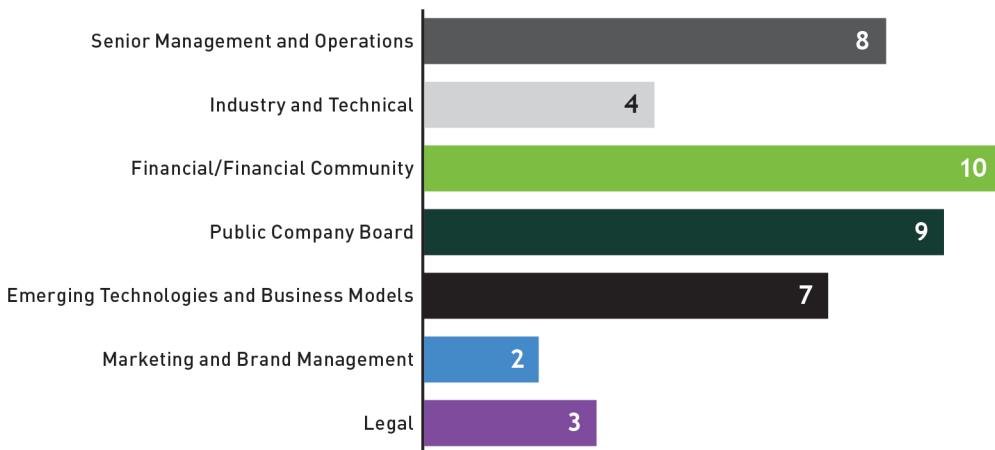
⁽¹⁾ Lead Director

⁽²⁾ Mr. Stevens previously served as a member of our Board from 1993 until 2006

Board Overview and Recent Refreshment

Our director nominees exhibit a variety of competencies, professional experience, and backgrounds, and contribute diverse viewpoints and perspectives to our Board. While the Board benefits from the experience and institutional knowledge that our longer-serving directors bring, it has also brought in new perspectives and ideas by appointing three new directors in the last four years, including, most recently in 2019, Stephen C. Neal, a veteran attorney and corporate advisor. Below are the skills and competencies that our NCGC and Board consider important for our directors to have in light of our current business and future market opportunities, and the number of directors who possess them:

COMPETENCIES



Our NCGC and Board also consider diversity in business experience, professional expertise, gender and ethnic background among Board members in recommending nominees to serve as directors.

Corporate Governance Highlights

Our Board is committed to strong corporate governance to promote the long-term interests of NVIDIA and our stockholders. We seek a collaborative approach to stockholder issues that affect our business and to ensure that our stockholders see our governance and executive pay practices as well-structured. In the Fall of 2018, we contacted stockholders holding approximately 1% or more of our common stock (except for brokerage firms and index funds who we know do not engage in individual conversations with companies), representing an aggregate ownership of 27%, to gain insights into their views on corporate governance, executive compensation and environmental, social and corporate governance issues. Our management and a member of our Board met with stockholders holding, in total, 26% of our common stock.

Highlights of our corporate governance practices include:

- ✓ Proxy access
- ✓ Declassified Board
- ✓ Majority voting for directors
- ✓ Active Board oversight of risk and risk management
- ✓ All Board members independent, except for our CEO
- ✓ Independent Lead Director
- ✓ 75% or greater attendance by each Board member at meetings of the Board and applicable committees
- ✓ Independent directors frequently meet in executive sessions
- ✓ At least annual Board and committee self-assessments
- ✓ Annual stockholder outreach, including NCGC participation
- ✓ Stock ownership guidelines for our directors and executive officers

Approval of Executive Compensation for Fiscal 2019 (Proposal 2)

We are asking our stockholders to cast a non-binding vote, also known as "say-on-pay," to approve our NEOs' compensation. The Board believes that our compensation policies and practices are effective in achieving our goals of attracting, motivating and retaining a high-caliber executive team; rewarding financial and operating performance; and aligning our executives' interests with those of our stockholders to create long-term value. The Board and our stockholders have approved holding our "say-on-pay" votes annually.

Executive Compensation Highlights

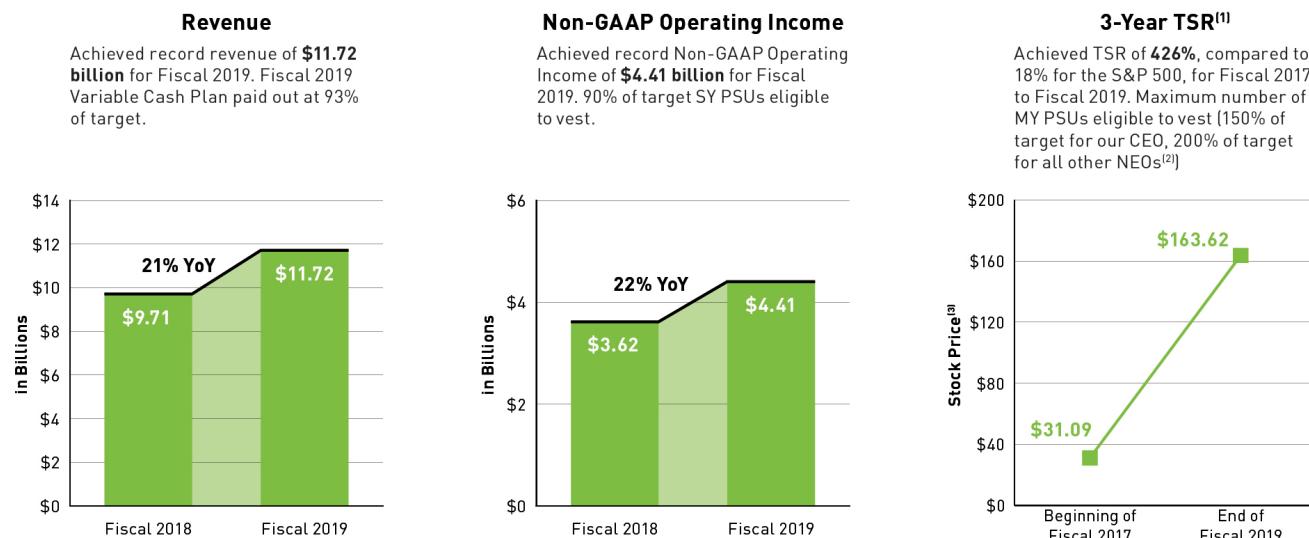
Our executive compensation program is designed to pay for performance. We utilize compensation elements that align our NEOs' interests with those of our stockholders to create long-term value. Our NEO pay is heavily weighted toward

performance-based, "at-risk" variable cash and long-term equity awards that are only earned if the Company achieves pre-established corporate financial metrics, but capped at a maximum of 200% of target (or 150% of target for our CEO's PSUs). For the last several years, approximately 90% of our CEO's, and over 50% of our other NEOs', target pay has been performance-based and at-risk, and 100% of our CEO's equity awards have been in the form of PSUs only.

At our 2018 Meeting, over 97% of the votes cast approved the compensation paid to our NEOs for Fiscal 2018. After considering this advisory vote and feedback from our annual stockholder outreach, our CC concluded that our program effectively aligned executive pay with stockholder interests. Therefore, the CC maintained the same general executive compensation structure for Fiscal 2019, but increased the rigor of the target performance goals for revenue and Non-GAAP Operating Income by setting them aggressively above Fiscal 2018 actual achievement in order to motivate our executives.

Financial Highlights and Link to Executive Pay

Starting with a focus on PC graphics, NVIDIA invented the graphics processing unit to solve some of the most complex problems in computer science. We have extended our focus in recent years to the revolutionary field of artificial intelligence. Our platform strategy combines hardware, system software, programmable algorithms, libraries, systems, and services to create unique value for the Gaming, Professional Visualization, Datacenter, and Automotive markets. As described above, a significant portion of our executive pay opportunities are tied to achievement of rigorous financial measures that drive business value and contribute to our long-term success. The charts below show our achievement for each of these measures for the applicable period ended Fiscal 2019, and their respective impact on our executive pay.



⁽¹⁾ Calculated based on the average prices of NVIDIA's common stock during the 60-trading day window that ended on the last trading day before the start of Fiscal 2017 and on the last trading day of Fiscal 2019, assuming all dividends were reinvested on the ex-dividend date.

⁽²⁾ Excludes Mr. Teter, who joined NVIDIA in late Fiscal 2017.

⁽³⁾ Includes dividends paid during the period beginning with Fiscal 2017 and ending with Fiscal 2019.

Please see *Reconciliation of Non-GAAP Financial Measures* in our *CD&A* for a reconciliation between the non-GAAP measures and GAAP results.

Ratification of the Selection of PwC as our Independent Registered Public Accounting Firm for Fiscal 2020 (Proposal 3)

Although not required, we are asking our stockholders to ratify the AC's selection of PwC as our independent registered public accounting firm for Fiscal 2020 because we believe it is a matter of good corporate practice. If our stockholders do not ratify the selection, the AC will reconsider the appointment, but may nevertheless retain PwC. Even if the selection is ratified, the AC may select a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of NVIDIA and our stockholders.

Approval of an Amendment and Restatement of our Charter (Proposal 4)

We are asking our stockholders to approve an amendment and restatement of our Charter to eliminate a supermajority vote to remove a director without cause. The Board recommends a vote FOR this proposal because it is committed to good corporate governance and stockholder rights and believes that permitting director removal without cause by a simple majority vote is consistent with industry practice.



NVIDIA CORPORATION
2788 SAN TOMAS EXPRESSWAY
SANTA CLARA, CALIFORNIA 95051
(408) 486-2000

PROXY STATEMENT FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS - MAY 22, 2019

INFORMATION ABOUT THE MEETING

Your proxy is being solicited for use at the 2019 Meeting on behalf of the Board. Our 2019 Meeting will take place on Wednesday, May 22, 2019 at 10:30 a.m. Pacific Daylight Time.

Meeting Attendance

If you were an NVIDIA stockholder as of the close of business on the March 25, 2019 record date, or if you hold a valid proxy, you can attend, ask questions during, and vote at our 2019 Meeting at www.virtualshareholdermeeting.com/NVIDIA2019. Our 2019 Meeting will be held entirely online. Use the Control Number included on your Notice or printed proxy card to enter the meeting. Anyone can also listen to the 2019 Meeting live at www.virtualshareholdermeeting.com/NVIDIA2019. An archived copy of the webcast will be available at www.nvidia.com/proxy through June 5, 2019.

Even if you plan to attend the 2019 Meeting online, we recommend that you also vote by proxy as described below so that your vote will be counted if you later decide not to attend.

Virtual Meeting Philosophy and Benefits

The Board believes that holding the 2019 Meeting in a virtual format invites participation by a broader group of stockholders, while reducing the costs associated with an in-person meeting. This balance allows the 2019 Meeting to remain focused on matters directly relevant to the interests of stockholders in a way that makes efficient use of Company resources. To provide our stockholders with a similar level of transparency to the in-person meeting format, we will provide stockholders with the opportunity to submit questions through our pre-meeting forum located at www.proxyvote.com (using the Control Number included on your Notice or printed proxy card) and during the 2019 Meeting through the 2019 Meeting website.

Quorum and Voting

To hold our 2019 Meeting, we need a majority of the outstanding shares entitled to vote at the close of business on the March 25, 2019 record date, or a quorum, represented at the 2019 Meeting either by attendance online or by proxy. On March 25, 2019, there were 608,494,376 shares of common stock outstanding and entitled to vote, meaning that 304,247,189 shares must be represented at the 2019 Meeting or by proxy to have a quorum. A list of stockholders entitled to vote will be available for 10 days prior to the 2019 Meeting at our headquarters, 2788 San Tomas Expressway, Santa Clara, California. If you would like to view the stockholder list, please contact our Investor Relations Department with an electronic mail message to NVIDIAInvestorRelations@nvidia.com or at (408) 486-2000 to schedule an appointment.

Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the 2019 Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is not a quorum, a majority of the votes present may adjourn the 2019 Meeting to another date.

You may vote **FOR** any nominee to the Board, you may **WITHHOLD** your vote for any nominee or you may **ABSTAIN** from voting. For each other matter to be voted on, you may vote **FOR** or **AGAINST** or **ABSTAIN** from voting.

Stockholder of Record

You are a stockholder of record if your shares were registered directly in your name with our transfer agent, Computershare, on March 25, 2019, and can vote shares in any of the following ways:

- By attending the 2019 Meeting online and voting during the meeting;
- Via mail, by signing and mailing your proxy card to us before the 2019 Meeting; or
- By telephone or via the Internet, by following the instructions provided in the Notice or your proxy materials.

You may change your vote or revoke your proxy before the final vote at the 2019 Meeting in any of the following ways:

- Attend the 2019 Meeting online and vote during the meeting;
- Submit another proxy by telephone or via the Internet after you have already provided an earlier proxy;
- Submit another properly completed proxy card with a later date; or
- Send a written notice that you are revoking your proxy to NVIDIA Corporation, 2788 San Tomas Expressway, Santa Clara, California 95051, Attention: Timothy S. Teter, Secretary

If you do not vote using any of the ways described above, your shares will **not** be voted.

Street Name Holder

If your shares are held through a nominee, such as a bank or broker, as of March 25, 2019, then you are the beneficial owner of shares held in "street name," and you have the right to direct the nominee how to vote those shares for the 2019 Meeting. The nominee should provide you a separate Notice or voting instructions, and you should follow those instructions to tell the nominee how to vote. To vote by attending the 2019 Meeting online, you must obtain a valid proxy from your nominee.

If you are a beneficial holder and do not provide voting instructions to your nominee, the nominee will not be authorized to vote your shares on "non-routine" matters, including elections of directors (even if not contested), executive compensation (including any advisory stockholder votes on executive compensation) and amendments of charter documents. This is called a "broker non-vote." However, the nominee can still register your shares as being present at the 2019 Meeting for determining quorum, and the nominee will have discretion to vote for matters considered by the NYSE to be "routine," including the ratification of our independent registered public accounting firm. **Therefore, you MUST give your nominee instructions in order for your vote to be counted on the proposals to elect directors, to conduct an advisory approval of our executive compensation, and to amend and restate our Charter. We strongly encourage you to vote.**

Note that under the rules of the national stock exchanges, any NVIDIA stockholder whose shares are held in street name by a member brokerage firm may revoke a proxy and vote his or her shares at the 2019 Meeting only in accordance with applicable rules and procedures of those exchanges, as employed by the street name holder's brokerage firm.

Vote Count

On each matter to be voted upon, stockholders have one vote for each share of NVIDIA common stock owned as of March 25, 2019. Votes will be counted by the inspector of election as follows:

Proposal Number	Proposal Description	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
1	Election of twelve directors	Directors are elected if they receive more FOR votes than WITHHOLD votes	None	None
2	Approval of our executive compensation	FOR votes from the holders of a majority of shares present and entitled to vote on this matter	Against	None
3	Ratification of the selection of PwC as our independent registered public accounting firm for Fiscal 2020	FOR votes from the holders of a majority of shares present and entitled to vote on this matter	Against	None
4	Approval of an amendment and restatement of our Charter to eliminate supermajority voting for removal of a director without cause	FOR votes from the holders of at least 66 2/3% of outstanding shares	Against	Against

If you are a stockholder of record and you return a signed proxy card without marking any selections, your shares will be voted **FOR** each of the nominees listed in Proposal 1 and **FOR** the other proposals. If any other matter is properly presented at the 2019 Meeting, Jen-Hsun Huang or Timothy S. Teter as your proxyholder will vote your shares using his best judgment.

Vote Results

Preliminary voting results will be announced at the 2019 Meeting. Final voting results will be published in a current report on Form 8-K, which will be filed with the SEC by May 29, 2019.

Proxy Materials

As permitted by SEC rules, we are making our proxy materials available to stockholders electronically via the Internet at www.nvidia.com/proxy. On or about April 12, 2019, we sent stockholders who own our common stock at the close of business on March 25, 2019 (other than those who previously requested electronic or paper delivery) a Notice containing instructions on how to access our proxy materials, vote via the Internet or by telephone, and elect to receive future proxy materials electronically or in printed form by mail.

If you choose to receive future proxy materials electronically (via www.proxyvote.com for stockholders of record and www.icsdelivery.com/nvda for street name holders), you will receive an email next year with links to the proxy materials and proxy voting site.

SEC rules also permit companies and intermediaries, such as brokers, to satisfy Notice and proxy material delivery requirements for multiple stockholders with the same address by delivering a single Notice or set of proxy materials addressed to those stockholders. We follow this practice, known as "householding," unless we have received contrary instructions from any stockholder at that address.

If you received more than one Notice or full set of proxy materials, then your shares are either registered in more than one name or are held in different accounts. Please vote the shares covered by each Notice or proxy card. To modify your instructions so that you receive one Notice or proxy card for each account or name, please contact your broker. Your "householding" election will continue until you are notified otherwise or until you revoke your consent.

To make a change regarding the form in which you receive proxy materials (electronically or in print), or to request receipt of a separate set of documents to a household, contact our Investor Relations Department (through our website at www.nvidia.com, with an electronic mail message to NVIDIAInvestorRelations@nvidia.com, or by mail at 2788 San Tomas Expressway, Santa Clara, California 95051).

We will pay the entire cost of soliciting proxies. Our directors and employees may also solicit proxies in person, by telephone, by mail, via the Internet or by other means of communication. Our directors and employees will not be paid any additional compensation for soliciting proxies. We have also retained MacKenzie Partners on an advisory basis for a fee not expected to exceed \$20,000 and they may help us solicit proxies from brokers, bank nominees and other institutional owners. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

2020 Meeting Stockholder Proposals

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 14, 2019 to NVIDIA Corporation, 2788 San Tomas Expressway, Santa Clara, California 95051, Attention: Timothy S. Teter, Secretary and must comply with all applicable requirements of Rule 14a-8 promulgated under the Exchange Act. However, if we do not hold our 2020 Meeting between April 22, 2020 and June 21, 2020, then the deadline is a reasonable time before we begin to print and send our proxy materials. If you wish to submit a proposal for consideration at the 2020 Meeting that is not to be included in next year's proxy materials, you must do so in writing following the above instructions not later than the close of business on February 22, 2020, and not earlier than January 23, 2020. We also advise you to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Proposal 1—Election of Directors

What am I voting on? Electing the 12 director nominees identified below to hold office until the 2020 Meeting and until his or her successor is elected or appointed.

Vote required: Directors are elected if they receive more **FOR** votes than **WITHHOLD** votes.

Our Board has 12 members. All of our directors have one-year terms and stand for election annually. Our nominees include 11 independent directors, as defined by the rules and regulations of Nasdaq, and one NVIDIA officer: Mr. Huang, who serves as our President and CEO. Each of the nominees listed below, other than Mr. Neal, is currently a director of NVIDIA previously elected by our stockholders.

The Board expects the nominees will be available for election. If a nominee declines or is unable to act as a director, your proxy may be voted for any substitute nominee proposed by the Board or the size of the Board may be reduced.

Recommendation of the Board

The Board recommends that you vote **FOR** the election of each of the following nominees:

Name	Age	Director Since	Occupation	Independent	Other Public Company Boards
Robert K. Burgess	61	2011	Independent Consultant	✓	2 ⁽²⁾
Tench Coxe	61	1993	Managing Director, Sutter Hill Ventures	✓	1
Persis S. Drell	63	2015	Provost, Stanford University	✓	—
James C. Gaither	81	1998	Managing Director, Sutter Hill Ventures	✓	—
Jen-Hsun Huang	56	1993	President & CEO, NVIDIA Corporation	—	
Dawn Hudson	61	2013	Independent Consultant	✓	1
Harvey C. Jones	66	1993	Managing Partner, Square Wave Ventures	✓	—
Michael G. McCaffery	65	2015	Chairman & Managing Director, Makena Capital Management	✓	—
Stephen C. Neal	70	2019	Chairman, Cooley LLP	✓	1
Mark L. Perry ⁽¹⁾	63	2005	Independent Consultant	✓	2
A. Brooke Seawell	71	1997	Venture Partner, New Enterprise Associates	✓	2
Mark A. Stevens	59	2008 ⁽³⁾	Managing Partner, S-Cubed Capital	✓	1

⁽¹⁾ Lead Director

⁽²⁾ Mr. Burgess is not seeking re-election to Adobe Inc.'s board of directors effective as of Adobe's 2019 annual meeting

⁽³⁾ Mr. Stevens previously served as a member of our Board from 1993 until 2006

Director Qualifications and Nomination of Directors

The NCGC identifies, reviews and assesses the qualifications of existing and potential directors and selects nominees for recommendation to the Board for approval. They seek to ensure that the Board is composed of directors who exhibit a variety of skills, education, professional experience and backgrounds, as well as bring diverse viewpoints and perspectives. The NCGC may conduct any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates. The NCGC may also engage a professional search firm to identify and assist the NCGC in identifying, evaluating, and conducting due diligence on potential director nominees. The NCGC has not established specific age, gender, education, experience, or skill requirements for potential members, and instead considers numerous factors regarding the nominee in light of our current and future business models, including the following:

- Integrity and candor
- Independence
- Senior management and operational experience
- Professional, technical and industry knowledge
- Financial expertise
- Financial community experience (including as an investor in other companies)
- Marketing and brand management
- Public company board experience
- Experience with emerging technologies and new business models
- Legal expertise
- Diversity, including gender and ethnic background
- Experience in academia
- Willingness and ability to devote substantial time and effort to Board responsibilities and Company oversight
- Ability to represent the interests of the stockholders as a whole rather than special interest groups or constituencies
- All relationships between the proposed nominee and any of our stockholders, competitors, customers, suppliers or other persons with a relationship to NVIDIA
- Overall service to NVIDIA, including past attendance at Board and committee meetings and participation and contributions to the activities of the Board

The NCGC and the Board understand the importance of Board refreshment, and strive to maintain an appropriate balance of tenure, diversity, and skills on the Board. While the Board benefits from the experience and institutional knowledge that our longer-serving directors bring, it has also brought in new perspectives and ideas by appointing three new directors in the last four years, including, most recently in 2019, Mr. Neal, a veteran attorney and corporate advisor. Our longer-tenured directors are familiar with our operations and business areas and have the perspective of overseeing our activities from a variety of economic and competitive environments. Our newer directors bring expertise in consumer marketing, branding, technology developments at leading academic institutions, and deep knowledge from decades of advising numerous companies that are important to supporting NVIDIA as it competes in new markets and as it faces new regulatory and legal challenges. Each year, the NCGC and Board review each director's individual performance, including the director's past contributions, outside experiences and activities, and committee participation, and make a determination concerning how his or her experience and skills continue to add value to NVIDIA and the Board.

The following chart summarizes the skills and competencies of each director nominee that led our Board to conclude that he or she is qualified to serve on our Board. The lack of a check does not mean the director lacks that skill or qualification; rather, a check indicates a specific area of focus or expertise for which the Board relies on such director nominee most.

	Senior Management and Operations <i>provides experienced oversight of our business and with new insights</i>	Industry and Technical <i>facilitates an understanding of innovations and a technical assessment of our products and services</i>	Financial/Financial Community <i>assists with review of our operations and financial matters; those with a venture capital background offer shareholder perspectives</i>	Public Company Board <i>helps identify challenges and risks we face as a public company</i>	Emerging Technologies and Business Models <i>integral to our growth strategies given our unique business model</i>	Marketing and Brand Management <i>offers guidance on our products directly marketed to consumers</i>	Legal <i>important as we are subject to multiple lawsuits, regulatory matters, and new regulations</i>
Burgess	✓		✓	✓	✓		
Coxe			✓	✓	✓		
Drell		✓					
Gaither			✓		✓		✓
Huang	✓	✓	✓		✓	✓	
Hudson	✓		✓	✓		✓	
Jones	✓	✓	✓	✓	✓		
McCaffery	✓		✓	✓			
Neal	✓			✓			✓
Perry	✓		✓	✓			✓
Seawell	✓		✓	✓	✓		
Stevens		✓	✓	✓	✓		

The NCGC evaluates candidates proposed by stockholders using the same criteria as it uses for other candidates. Stockholders seeking to recommend a prospective nominee should follow the instructions under *Stockholder Communications with the Board of Directors* below. Stockholder submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

In addition, our Board voluntarily adopted proxy access. As a result, our Bylaws provide that under certain circumstances, information regarding a director candidate or candidates nominated by a stockholder or group of stockholders will be included in our proxy statement. Information will be included regarding the greater of two candidates or 20% of the number of directors in office on the last day that a submission may be delivered, if nominated by a stockholder (or group of up to 20 stockholders) owning at least 3% of the voting power of our outstanding capital stock, continuously for at least three years. The stockholder or group must provide timely written notice of such nomination and the stockholder(s) and nominee must satisfy the other requirements specified in our Bylaws.

The above summary of our proxy access rules is not intended to be complete and is subject to limitations set forth in our Bylaws and Corporate Governance Policies. Stockholders are advised to review these documents, which contain the requirements for director nominations. The NCGC did not receive any stockholder nominations during Fiscal 2019.

Our Director Nominees

The biographies below include information, as of the date of this proxy statement, regarding the particular experience, qualifications, attributes or skills of each director, relative to the skills matrix above, that led the NCGC and Board to believe that he or she should continue to serve on the Board.



ROBERT K. BURGESS
Independent Consultant
Age: 61
Director Since: 2011
Committees: CC
Independent Director
Financial Expert

Robert K. Burgess has served as an independent investor and board member to technology companies since 2005. He was chief executive officer from 1996 to 2005 of Macromedia, Inc., a provider of internet and multimedia software, which was acquired by Adobe Systems Incorporated; he also served from 1996 to 2005 on its board of directors, as chairman of its board of directors from 1998 to 2005 and as executive chairman for his final year. Previously, he held key executive positions from 1984 to 1991 at Silicon Graphics, Inc. (SGI), a graphics and computing company; from 1991 to 1995, served as chief executive officer and a board member of Alias Research, Inc., a publicly traded 3D software company, until its acquisition by SGI; and resumed executive positions at SGI during 1996. Mr. Burgess serves on the board of Adobe⁽¹⁾ and Rogers Communications Inc., a communications and media company, and has served on the boards of several privately-held companies. He was a director of IMRIS Inc., a provider of image guided therapy solutions, from 2010 until 2013. He holds a BCom degree from McMaster University.

Mr. Burgess brings to the Board senior management and operating experience and expertise in the areas of financial- and risk-management. He has a broad understanding of the roles and responsibilities of a corporate board and provides valuable insight on a range of issues in the technology industry.

⁽¹⁾ Mr. Burgess is not seeking re-election to Adobe's board of directors effective as of Adobe's 2019 annual meeting



TENCH COXE

**Managing Director,
Sutter Hill Ventures**

Age: 61

Director Since: 1993

Committees: CC

Independent Director

Tench Coxe has been a managing director of Sutter Hill Ventures, a venture capital investment firm, since 1989, where he focuses on investments in the IT sector. Prior to joining Sutter Hill Ventures in 1987, he was director of marketing and MIS at Digital Communication Associates. He serves on the board of directors of Artisan Partners Asset Management Inc., an institutional money management firm, and several privately held technology companies. He served on the board of directors of Mattersight Corp., a customer loyalty software firm from 2000 to 2018. Mr. Coxe holds a BA degree in Economics from Dartmouth College and an MBA degree from Harvard Business School.

Mr. Coxe brings to the Board expertise in financial and transactional analysis and provides valuable perspectives on corporate strategy and emerging technology trends. His significant financial community experience gives the Board an understanding of the methods by which companies can increase value for their stockholders.



PERSIS S. DRELL

Provost, Stanford University

Age: 63

Director Since: 2015

Committees: CC

Independent Director

Persis S. Drell has been the Provost of Stanford University since 2017. A Professor of Materials Science and Engineering and Professor of Physics, Dr. Drell has been on the faculty at Stanford since 2002, and was the Dean of the Stanford School of Engineering from 2014 to 2017. She served as the Director of the U.S. Department of Energy SLAC National Accelerator Laboratory from 2007 to 2012. Dr. Drell is a member of the National Academy of Sciences and the American Academy of Arts and Sciences, and is a fellow of the American Physical Society. She has been the recipient of a Guggenheim Fellowship and a National Science Foundation Presidential Young Investigator Award. Dr. Drell holds a Ph.D. from the University of California Berkeley and an AB degree in Mathematics and Physics from Wellesley College.

An accomplished researcher and educator, Dr. Drell brings to the Board expert leadership in guiding innovation in science and technology.



JAMES C. GAITHER

**Managing Director, Sutter
Hill Ventures**

Age: 81

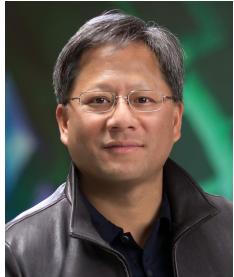
Director Since: 1998

Committees: NCGC

Independent Director

James C. Gaither has been a partner of Sutter Hill Ventures, a venture capital investment firm, since 2000. He was a partner in the law firm Cooley LLP from 1971 to 2000 and senior counsel to the firm from 2000 to 2003. Prior to practicing law, he served as a law clerk to The Honorable Earl Warren, Chief Justice of the United States Supreme Court, special assistant to the Assistant Attorney General in the U.S. Department of Justice and staff assistant to U.S. President Lyndon Johnson. Mr. Gaither is a former president of the Board of Trustees at Stanford University, former vice chairman of the board of directors of The William and Flora Hewlett Foundation and past chairman of the Board of Trustees of the Carnegie Endowment for International Peace. Mr. Gaither holds a BA degree in Economics from Princeton University and a JD degree from Stanford University Law School.

Mr. Gaither brings to the Board expertise in corporate strategy and negotiating complex transactions. He also provides valuable perspectives on the roles and responsibilities of a corporate board, including oversight of a public company's legal and regulatory compliance and engagement with regulatory authorities. His significant financial community experience gives the Board an understanding of the methods by which companies can increase value for their stockholders.



JEN-HSUN HUANG

President and Chief Executive Officer, NVIDIA Corporation

Age: 56

Director Since: 1993

Committees: None

Jen-Hsun Huang co-founded NVIDIA in 1993 and has since served as president, chief executive officer, and a member of the board of directors. Mr. Huang held a variety of positions from 1985 to 1993 at LSI Logic Corp., a computer chip manufacturer, including leading the business unit responsible for the company's system-on-a-chip strategy. He was a microprocessor designer from 1984 to 1985 at Advanced Micro Devices, Inc., a semiconductor company. Mr. Huang holds a BSEE degree from Oregon State University and an MSEE degree from Stanford University.

Mr. Huang is one of the technology industry's most respected executives, having taken NVIDIA from a startup to a world leader in visual computing. Under his guidance, NVIDIA has compiled a record of consistent innovation and sharp execution, marked by products that have gained strong market share.



DAWN HUDSON

Independent Consultant

Age: 61

Director Since: 2013

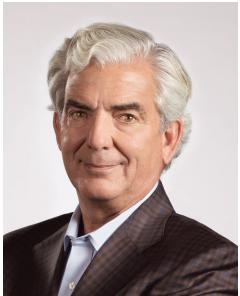
Committees: AC

Independent Director

Financial Expert

Dawn Hudson serves on the boards of various companies. From 2014 to 2018, Ms. Hudson served as Chief Marketing Officer for the National Football League. Previously, she served from 2009 to 2014 as vice chairman of The Parthenon Group, an advisory firm focused on strategy consulting. She was president and chief executive officer of Pepsi-Cola North America, the beverage division of PepsiCo, Inc. for the U.S. and Canada, from 2005 to 2007 and president from 2002, and simultaneously served as chief executive officer of the foodservice division of PepsiCo, Inc. from 2005 to 2007. Previously, she spent 13 years in marketing, advertising and branding strategy, holding leadership positions at major agencies, such as D'Arcy Masius Benton & Bowles and Omnicom. Ms. Hudson currently serves on the board of directors of The Interpublic Group of Companies, Inc., an advertising holding company. She was a director of P.F. Chang's China Bistro, Inc., a restaurant chain, from 2010 until 2012; of Allergan, Inc., a biopharmaceutical company, from 2008 until 2014; of Lowes Companies, Inc., a home improvement retailer, from 2001 until 2015; and of Amplify Snack Brands, Inc., a snack food company, from 2014 until 2018. She holds a BA degree in English from Dartmouth College.

Ms. Hudson brings to the board experience in executive leadership. As a longtime marketing executive, she has valuable expertise and insights in leveraging brands, brand development and consumer behavior. She also has considerable corporate governance experience, gained from more than 10 years of serving on the boards of public companies.

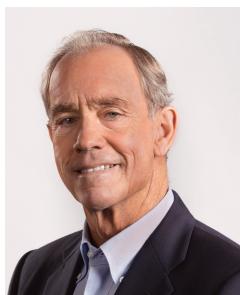


HARVEY C. JONES

Managing Partner, Square Wave Ventures
Age: 66
Director Since: 1993
Committees: CC, NCGC
Independent Director
Financial Expert

Harvey C. Jones has been the managing partner of Square Wave Ventures, a private investment firm, since 2004. Mr. Jones has been an entrepreneur, high technology executive and active venture investor for over 30 years. In 1981, he co-founded Daisy Systems Corp., a computer-aided engineering company, ultimately serving as its president and chief executive officer until 1987. Between 1987 and 1998, he led Synopsys, Inc., a major electronic design automation company, serving as its chief executive officer for seven years and then as executive chairman. In 1997, Mr. Jones co-founded Tensilica Inc., a privately held technology IP company that developed and licensed high performance embedded processing cores. He served as chairman of the Tensilica board of directors from inception through its 2013 acquisition by Cadence Design Systems, Inc. In 2016, Mr. Jones joined the board of directors of and invested in TempoQuest, a private company seeking to develop advanced weather forecasting systems that exploit accelerated GPU technology. He was a director of Tintri Inc., a company that builds data storage solutions for virtual and cloud environments, from 2014 until 2018. Mr. Jones holds a BS degree in Mathematics and Computer Sciences from Georgetown University and an MS degree in Management from Massachusetts Institute of Technology.

Mr. Jones brings to the board an executive management background, an understanding of semiconductor technologies and complex system design. He provides valuable insight into innovation strategies, research and development efforts, as well as management and development of our technical employees. His significant financial community experience gives the Board an understanding of the methods by which companies can increase value for their stockholders.



MICHAEL G. McCAFFERY

Chairman and Managing Director, Makena Capital Management
Age: 65
Director Since: 2015
Committees: AC
Independent Director
Financial Expert

Michael G. McCaffery is the Chairman and a Managing Director of Makena Capital Management, an investment management firm. From 2005 to 2013, he was the Chief Executive Officer of Makena Capital Management. From 2000 to 2006, he was the President and Chief Executive Officer of the Stanford Management Company, the university subsidiary charged with managing Stanford University's financial and real estate investments. Prior to Stanford Management Company, Mr. McCaffery was President and Chief Executive Officer of Robertson Stephens and Company, a San Francisco-based investment bank and investment management firm, from 1993 to 2009, and also served as Chairman in 2000. Mr. McCaffery serves on the board of directors, or on the advisory boards, of several privately held companies and non-profits. He was a director of KB Home, a homebuilding company, from 2003 until 2015. He holds a BA degree from the Woodrow Wilson School of Public and International Affairs at Princeton University, a BA Honours degree and an MA degree in Politics, Philosophy and Economics from Merton College, Oxford University, Oxford, England, and an MBA degree from the Stanford Graduate School of Business.

Mr. McCaffery brings to the Board a broad array of business, investment and real estate experience and recognized expertise in financial matters, as well as a demonstrated commitment to good corporate governance.



STEPHEN C. NEAL

Chairman, Cooley LLP

Age: 70

Director Since: 2019

Committees: None

Independent Director

Stephen C. Neal serves as Chairman of the law firm Cooley LLP, where he was also Chief Executive Officer from 2001 until 2008. In addition to his extensive experience as a trial lawyer on a broad range of corporate issues, Mr. Neal has represented and advised numerous boards of directors, special committees of boards and individual directors on corporate governance and other legal matters. Prior to joining Cooley in 1995, Mr. Neal was a partner of the law firm Kirkland & Ellis LLP. Mr. Neal serves as Chairman of the board of directors of Levi Strauss & Co., an apparel company. Mr. Neal holds an AB degree from Harvard University and a JD degree from Stanford Law School.

Mr. Neal brings to the Board deep knowledge and broad experience in corporate governance as well as his perspectives drawn from advising many companies throughout his career.



MARK L. PERRY

Independent Consultant

Age: 63

Director Since: 2005

Committees: AC, NCGC

Lead Independent Director

Financial Expert

Mark L. Perry serves on the boards of, and consults for, various companies and non-profit organizations. From 2012 to 2013, Mr. Perry served as an Entrepreneur-in-Residence at Third Rock Ventures, a venture capital firm. He served from 2007 to 2011 as president and chief executive officer of Aerovance, Inc., a biopharmaceutical company. He was an executive officer from 1994 to 2004 at Gilead Sciences, Inc., a biopharmaceutical company, serving in a variety of capacities, including general counsel, chief financial officer, and executive vice president of operations, responsible for worldwide sales and marketing, legal, manufacturing and facilities; he was also its senior business advisor until 2007. From 1981 to 1994, Mr. Perry was with the law firm Cooley LLP, where he was a partner for seven years. He serves on the board of directors and as lead independent director of Global Blood Therapeutics, Inc. and on the board of directors and as chairman of MyoKardia, Inc., both biopharmaceutical companies. Mr. Perry holds a BA degree in History from the University of California, Berkeley, and a JD degree from the University of California, Davis.

Mr. Perry brings to the Board operating and finance experience gained in a large corporate setting. He has varied experience in legal affairs and corporate governance, and a deep understanding of the roles and responsibilities of a corporate board.



A. BROOKE SEAWELL

Venture Partner, New Enterprise Associates

Age: 71

Director Since: 1997

Committees: CC

Independent Director

Financial Expert

A. Brooke Seawell has served since 2005 as a venture partner at New Enterprise Associates, and was a partner from 2000 to 2005 at Technology Crossover Ventures. He was executive vice president from 1997 to 1998 at NetDynamics, Inc., an application server software company, which was acquired by Sun Microsystems, Inc. He was senior vice president and chief financial officer from 1991 to 1997 of Synopsys, Inc., an electronic design automation software company. He serves on the board of directors of Tableau Software, Inc., a business intelligence software company, Tenable, Inc., a cybersecurity company, and several privately held companies. Mr. Seawell served on the board of directors of Glu Mobile, Inc., a publisher of mobile games, from 2006 to 2014, and of Informatica Corp., a data integration software company, from 1997 to 2015. He also previously served as a member of the Stanford University Athletic Board and on the Management Board of the Stanford Graduate School of Business. Mr. Seawell holds a BA degree in Economics and an MBA degree in Finance from Stanford University.

Mr. Seawell brings to the Board operational expertise and senior management experience, including knowledge of the complex issues facing public companies, and a deep understanding of accounting principles and financial reporting. His significant financial community experience gives the Board an understanding of the methods by which companies can increase value for their stockholders.



MARK A. STEVENS

Managing Partner, S-Cubed Capital

Age: 59

Director Since: 2008
(previously served
1993-2006)

Committees: AC, NCGC

Independent Director

Mark A. Stevens has been the managing partner of S-Cubed Capital, a private family office investment firm, since 2012. He was a managing partner from 1993 to 2011 of Sequoia Capital, a venture capital investment firm, where he had been an associate for the preceding four years. Previously, he held technical sales and marketing positions at Intel Corporation, and was a member of the technical staff at Hughes Aircraft Co. Mr. Stevens serves as a member of the board of directors of Quantenna Communications, Inc., a provider of Wi-Fi solutions and is a Trustee of the University of Southern California. Mr. Stevens holds a BSEE degree, a BA degree in Economics and an MS degree in Computer Engineering from the University of Southern California and an MBA degree from Harvard Business School.

Mr. Stevens brings to the Board a deep understanding of the technology industry, and the drivers of structural change and high-growth opportunities. He provides valuable insight regarding corporate strategy development and the analysis of acquisitions and divestitures. His significant financial community experience gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Information About the Board of Directors and Corporate Governance

Independence of the Members of the Board of Directors

Nasdaq rules and our Corporate Governance Policies require that a majority of our directors not have a relationship that would interfere with their exercise of independent judgment in carrying out their responsibilities and meet any other qualification requirements required by the SEC and Nasdaq. After considering all relevant relationships and transactions, our Board determined that all of our directors are "independent" as defined by Nasdaq's rules and regulations, except for Mr. Huang. The Board also determined that all members of our AC, CC and NCGC are independent under applicable Nasdaq listing standards. In addition, Messrs. McCaffery and Perry and Ms. Hudson of the AC are "audit committee financial experts" based on SEC rules.

Board Leadership Structure

Our Board believes that all of its members should have an equal voice in the affairs and the management of NVIDIA, and therefore, our stockholders are best served at this time by having an independent Lead Director, who is an integral part of our Board structure and a critical aspect of our effective corporate governance, rather than having a chairperson. The independent directors consider the role and designation of the Lead Director on an annual basis, and Mr. Perry was appointed as our Lead Director in 2018. In addition, Mr. Perry serves on both the NCGC and the AC, which affords him increased engagement with Board governance and composition as well as with risk assessment and management, and financial and regulatory matters of the Company. While the CEO has primary responsibility for preparing the agendas for Board meetings and presiding over the portion of the meetings of the Board where he is present, our Lead Director has significant responsibilities, which are set forth in our Corporate Governance Policies, and include, in part:

- Determining an appropriate schedule of Board meetings, and seeking to ensure that the independent members of the Board can perform their duties responsibly while not interfering with the flow of our operations;
- Working with the CEO, and seeking input from all directors and other relevant management, as to the preparation of the agendas for Board meetings;
- Advising the CEO on a regular basis as to the quality, quantity and timeliness of the flow of information requested by the Board from our management with the goal of providing what is necessary for the independent members of the Board to effectively and responsibly perform their duties, and, although our management is responsible for the preparation of materials for the Board, the Lead Director may specifically request the inclusion of certain material; and
- Coordinating, developing the agenda for, and moderating executive sessions of the independent members of the Board, and acting as principal liaison between them and the CEO on sensitive issues.

The active involvement of our independent directors, combined with the qualifications and significant responsibilities of our Lead Director, provide balance on the Board and promote strong, independent oversight of our management and affairs.

Role of the Board in Risk Oversight

The Board is responsible for overseeing risk management at NVIDIA and delegates oversight of appropriate topics to its committees. Our AC has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The AC also monitors compliance with certain legal and regulatory requirements and oversees the performance of our internal audit function. Our NCGC monitors the effectiveness of our anonymous tip process and corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct, and oversees environmental, social and corporate governance risks, ranging from artificial intelligence to diversity and inclusion. Our CC assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. The Board exercises direct oversight of strategic risks to NVIDIA and other risk areas not delegated to one of its committees, including business continuity and cybersecurity.

Management periodically provides information, including guidance on risk management and mitigation, to the Board or a relevant committee. Each committee also reports to the Board on those matters.

Corporate Governance Policies of the Board of Directors

The Board has documented our governance practices by adopting Corporate Governance Policies to ensure that the Board will have the necessary authority and processes in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. Our Corporate Governance Policies set forth the practices the Board follows with respect to board composition and selection, regular evaluations of the Board and its committees, board meetings and involvement of senior management, chief executive officer performance evaluation, and board committees and compensation. Our Corporate Governance Policies may be viewed under Corporate Governance in the Investor Relations section of our website at www.nvidia.com.

Executive Sessions of the Board

As required under Nasdaq's listing standards, our independent directors have in the past met, and will continue to meet, regularly in scheduled executive sessions at which only independent directors are present. In Fiscal 2019, our independent directors met in executive session at all four of our scheduled quarterly Board meetings.

In addition, independent directors have in the past met, and will continue to meet, regularly in scheduled executive sessions with our CEO. In Fiscal 2019, our independent directors met in executive session with the CEO at all four of our scheduled quarterly Board meetings.

Director Attendance at Annual Meeting

We do not have a formal policy regarding attendance by members of the Board at our annual meetings. We generally schedule a Board meeting in conjunction with our annual meeting and expect that all of our directors will attend each annual meeting, absent a valid reason. All of our Board members as of the 2018 Meeting attended our 2018 Meeting.

Board Self-Assessments

In Fiscal 2019, the NCGC oversaw an evaluation process, conducted at least annually, whereby outside corporate counsel for NVIDIA interviewed each director to obtain his or her evaluation of the Board as a whole, and of the committees on which he or she serves. The interviews solicited ideas from the directors about, among other things, improving quality of Board and/or committee oversight effectiveness regarding strategic direction, financial and audit matters, executive compensation and other key matters. The interviews also focused on Board process and identifying specific issues which should be discussed in the future. After these evaluations were complete, our outside corporate counsel summarized the results, reviewed with our Lead Director, and then submitted the summary for discussion by the NCGC.

In response to the evaluations conducted in Fiscal 2019, director recruitment was prioritized and resulted in the appointment of Mr. Neal in March 2019.

Director Orientation and Continuing Education

The NCGC and our General Counsel are responsible for director orientation programs and for director continuing education programs. Continuing education programs for directors may include a combination of internally developed materials and presentations, programs presented by third parties, and financial and administrative support for attendance at qualifying academic or other independent programs.

Director Stock Ownership Guidelines

The Board believes that directors should hold a significant equity interest in NVIDIA. Our Corporate Governance Policies require each non-employee director to hold a number of shares of our common stock with a value equal to six times the annual cash retainer for Board service during the period in which he or she serves as a director (or six times the base salary, in the case of the CEO). The shares may include vested deferred stock, shares held in trust and shares held by immediate family members. Non-employee directors have five years after their Board appointment to reach the ownership threshold. Our stock ownership guidelines are intended to further align director interests with stockholder interests.

Each of our non-employee directors and Mr. Huang currently meets or exceeds the stock ownership requirements, with the exception of Mr. Neal, who joined our Board in March 2019.

Hedging and Pledging Policy

Our directors and executive officers may not hedge their ownership of NVIDIA stock, including trading in options, puts, calls, or other derivative instruments related to NVIDIA stock or debt. Directors and executive officers may not purchase NVIDIA stock on margin, borrow against NVIDIA stock held in a margin account, or pledge NVIDIA stock as collateral for a loan.

Outside Advisors

The Board and each of its principal committees may retain outside advisors and consultants of their choosing at our expense. The Board need not obtain management's consent to retain outside advisors. In addition, the principal committees need not obtain either the Board's or management's consent to retain outside advisors.

Code of Conduct

We expect our directors, executives and employees to conduct themselves with the highest degree of integrity, ethics and honesty. Our credibility and reputation depend upon the good judgment, ethical standards and personal integrity of each director, executive and employee. We have a Code of Conduct that applies to our executive officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. We also have a Financial Team Code of Conduct that applies to our executive officers, directors and members of our finance department. We regularly review our Code of Conduct and related policies to ensure that they provide clear guidance to our directors, executives and employees.

The Code of Conduct and the Financial Team Code of Conduct are available under Corporate Governance in the Investor Relations section of our website at www.nvidia.com. If we make any amendments to the Code of Conduct or the Financial Team Code of Conduct or grant any waiver from a provision of either code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

Corporate Hotline

We have established an independent corporate hotline to allow any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, Code of Conduct or other matter of concern (unless prohibited by local privacy laws for employees located in the European Union).

Stockholder Communications with the Board of Directors

Stockholders who wish to communicate with the Board regarding nominations of directors or other matters may do so by sending written communications addressed to Timothy S. Teter, our Secretary, at NVIDIA Corporation, 2788 San Tomas Expressway, Santa Clara, California 95051. All stockholder communications we receive that are addressed to the Board will be compiled by our Secretary. If no particular director is named, letters will be forwarded, depending on the subject matter, to the chairperson of the AC, CC or NCGC. Matters put forth by our stockholders will be reviewed by the NCGC, which will determine whether these matters should be presented to the Board. The NCGC will give serious consideration to all such matters and will make its determination in accordance with its charter and applicable laws.

Majority Vote Standard

Our Bylaws provide that in a non-contested election if the votes cast **FOR** an incumbent director do not exceed the number of **WITHHOLD** votes, such incumbent director shall promptly tender his or her resignation to the Board. The NCGC will then review the circumstances surrounding the **WITHHOLD** vote and promptly make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. The Board will act on the NCGC's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of certification of the stockholder vote.

In a contested election, which is an election in which the number of nominees exceeds the number of directors to be elected, our directors will be elected by a plurality of the shares represented at any such meeting or by proxy and entitled to vote on the election of directors at that meeting. Under this provision, the directors receiving the greatest number of **FOR** votes will be elected.

Board Meeting Information

The Board met seven times during Fiscal 2019, including meetings during which the Board discussed the strategic direction of NVIDIA, explored and discussed new business opportunities and the product roadmap, and other matters facing NVIDIA. We expect each Board member to attend each meeting of the Board and the committees on which he or she serves. Each Board member attended 75% or more of the meetings of the Board and of each committee on which he or she served.

Committees of the Board of Directors

The Board has three standing committees: an AC, a CC and a NCGC. Each of these committees operates under a written charter, which may be viewed under Corporate Governance in the Investor Relations section of our website at www.nvidia.com.

The composition and various functions of our committees are set forth below. Committee assignments are determined based on background and the expertise which individual directors can bring to a committee. Our Board believes that rotations among committees are a good corporate governance practice which both allows its members to be more fully informed regarding the full scope of the Board and our activities, and benefits each committee and the Board as a whole, as a result of diverse perspectives and ideas that are introduced through new committee formations. In February 2019, upon the recommendations of the NCGC, the Board examined the composition and chairmanship of the Board's committees and determined to maintain the current composition of the Board's committees for Fiscal 2020. The Board intends to make periodic rotations in the future.

AC

Michael G. McCaffery (Chair), Dawn Hudson, Mark L. Perry, and Mark A. Stevens

In Fiscal 2019, the AC met 7 times and selected highlights from its agenda topics included: discussions on the impact of tax reform, the Company's cash usage and strategy, oversight of PwC's partner rotation, and facilities and information technology reviews.

Committee Role and Responsibilities

- Oversees our corporate accounting and financial reporting process;
- Oversees our internal audit function;
- Determines and approves the engagement, retention and termination of the independent registered public accounting firm, or any new independent registered public accounting firm;
- Evaluates the performance of and assesses the qualifications of our independent registered public accounting firm;
- Reviews and approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;
- Confers with management and our independent registered public accounting firm regarding the results of the annual audit, the results of our quarterly financial statements and the effectiveness of internal control over financial reporting;
- Reviews the financial statements to be included in our quarterly report on Form 10-Q and annual report on Form 10-K;
- Reviews earnings press releases, as well as the substance of financial information and earnings guidance provided to analysts on our quarterly earnings calls;
- Prepares the report required to be included by SEC rules in our annual proxy statement or Form 10-K; and
- Establishes procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

CC

Robert K. Burgess (Chair), Tench Coxe, Persis S. Drell, Harvey C. Jones, and A. Brooke Seawell

In Fiscal 2019, the CC met 5 times and selected highlights from its agenda topics included: executive and employee compensation practices, particularly in light of fluctuating market conditions, and the Company's share usage and strategy.

Committee Role and Responsibilities

- Reviews and approves our overall compensation strategy and policies;
- Reviews and recommends to the Board the compensation of our Board members;
- Reviews and approves the compensation and other terms of employment of Mr. Huang and other executive officers;
- Reviews and approves corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management;
- Reviews and approves the disclosure contained in CD&A and for inclusion in the proxy statement and Form 10-K;
- Administers our stock purchase plans, variable compensation plans and other similar programs; and
- Assesses and monitors whether our compensation policies and programs have the potential to encourage excessive risk-taking.

NCGC

Harvey C. Jones (Chair), James C. Gaither, Mark L. Perry, and Mark A. Stevens

In Fiscal 2019, the NCGC met 4 times and selected highlights from its agenda topics included: consideration of Board recruiting matters; the Company's environmental, social, and corporate governance efforts, particularly with respect to artificial intelligence; and addressing stockholder concerns. In early Fiscal 2020, the NCGC also reviewed the Company's diversity and inclusion initiatives and prioritized director recruiting, resulting in the appointment of Mr. Neal to our Board.

Committee Role and Responsibilities

- Identifies, reviews and evaluates candidates to serve as directors;
- Recommends candidates for election to our Board;
- Makes recommendations to the Board regarding committee membership and chairs;
- Assesses the performance of the Board and its committees;
- Reviews and assesses our corporate governance principles and practices;
- Monitors changes in corporate governance practices and rules and regulations;
- Approves related party transactions;
- Reviews and assesses our environmental, social and corporate governance matters periodically;
- Establishes procedures for the receipt, retention and treatment of complaints we receive regarding violations of our Code of Conduct; and
- Monitors the effectiveness of our anonymous tip process.

Director Compensation

The CC reviews our non-employee director compensation program each year with the assistance of Exequity, who prepares a comprehensive assessment of our program, including comparison to our Fiscal 2018 peer group used for executive compensation purposes, an update on recent trends in director compensation, and a review of related corporate governance best practices. Following this review, the CC recommended no changes to our non-employee director compensation program for the year starting on the date of our 2018 Meeting.

The CC subsequently recommended, and the Board approved, a mix of cash and equity awards with an approximate annual value of \$300,000, which was slightly below the median total annual compensation paid by similarly-sized technology peer companies to their non-employee directors. We do not pay additional fees for serving as a chairperson or member of Board committees or for meeting attendance. Directors who are also employees do not receive fees or equity compensation for service on the Board. Discussion of Mr. Neal's compensation is not included, as he was appointed to our Board in March 2019.

Cash Compensation

The cash portion of the annual retainer, representing \$75,000 on an annualized basis, was paid quarterly.

Equity Compensation

The value of the equity award, in the form of RSUs, was \$225,000. The number of shares subject to each RSU award equaled this value, divided by the average closing market price of our common stock over the 60 calendar days ending the business day before the 2018 Meeting. The RSUs were granted on the first trading day following the date of our 2018 Meeting.

To correlate the vesting of the RSUs to the non-employee directors' service on the Board and its committees over the following year, the RSUs vested as to 50% on November 21, 2018 (the third Wednesday in November 2018) and will vest as to the remaining 50% on May 15, 2019 (the third Wednesday in May 2019). If a non-employee director's service terminates due to death, his or her RSU grants will immediately vest in full for the benefit of his or her beneficiary. Non-employee directors do not receive dividend equivalents on unvested RSUs.

Deferral of Settlement

Non-employee directors could elect to defer settlement of RSUs upon vesting, to be issued on the earliest of (a) the date of the director's "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)), unless a six month delay would be required under such Section, (b) the date of a change in control of NVIDIA that also would constitute a "change in control event" (as defined under Treasury Regulation Section 1.409A-3(i)(5)), and (c) the third Wednesday in March of the year elected by the director, which year must have been no earlier than 2020. Messrs. Gaither, Jones, and McCaffery, Dr. Drell, and Ms. Hudson elected to defer settlement of the RSUs granted to them in Fiscal 2019.

Other Compensation/Benefits

Our non-employee directors are reimbursed for expenses incurred in attending Board and committee meetings and continuing educational programs pursuant to our Corporate Governance Policies. However, we do not offer change-in-control benefits to our directors, except for the vesting acceleration provisions in our equity plans that apply to all holders of stock awards under such plans in the event that an acquirer does not assume or substitute for such awards.

Director Compensation for Fiscal 2019

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)*	Total (\$)
Robert K. Burgess	75,000	237,977	312,977
Tench Coxe	75,000	237,977	312,977
Persis S. Drell	75,000	237,977	312,977
James C. Gaither	75,000	237,977	312,977
Dawn Hudson	75,000	237,977	312,977
Harvey C. Jones	75,000	237,977	312,977
Michael G. McCaffery	75,000	237,977	312,977
Mark L. Perry	75,000	237,977	312,977
A. Brooke Seawell	75,000	237,977	312,977
Mark A. Stevens	75,000	237,977	312,977

* On May 17, 2018, each non-employee director received his or her RSU grant for 963 shares. Amounts shown in this column do not reflect dollar amounts actually received by the director. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB Accounting Standards Codification Topic 718, or FASB ASC Topic 718, for awards granted during Fiscal 2019. The assumptions used in the calculation of values of the awards are set forth under Note 3 to our consolidated financial statements titled *Stock-Based Compensation* in our Form 10-K. The grant date fair value per share for these awards as determined under FASB ASC Topic 718 was \$247.12.

The following table provides information regarding the aggregate number of RSUs and stock options held by each of our non-employee directors as of January 27, 2019:

Name	RSUs	Stock Options	Name	RSUs	Stock Options
Robert K. Burgess	6,695	66,041	Harvey C. Jones	3,021	—
Tench Coxe	482	—	Michael G. McCaffery	13,677	—
Persis S. Drell	11,619	—	Mark L. Perry	482	—
James C. Gaither	3,021	—	A. Brooke Seawell	482	50,000
Dawn Hudson	26,727	90,177	Mark A. Stevens	482	—

6,213 RSUs for which settlement was previously deferred were ultimately issued in Fiscal 2019 to each of Messrs. Gaither, Jones, and McCaffery.

Review of Transactions with Related Persons

It is our policy that all employees, officers and directors must avoid any activity that is in conflict with, or has the appearance of conflicting with, our interests. This policy is included in our Code of Conduct and our Financial Team Code of Conduct. We conduct a review of all related party transactions for potential conflict of interest situations on an ongoing basis and all transactions involving executive officers or directors must be approved by the NCGC or another independent body of the Board. Except as discussed below, we did not conduct any transactions with related persons in Fiscal 2019 that would require disclosure in this proxy statement or approval by the NCGC.

Transactions with Related Persons

We have entered into indemnity agreements with our executive officers and directors which provide, among other things, that we will indemnify such executive officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his or her position as a director, executive officer or other agent of NVIDIA, and otherwise to the fullest extent permitted under Delaware law and our Bylaws. We intend to execute similar agreements with our future executive officers and directors.

See the section below titled *Employment, Severance and Change-in-Control Arrangements* for a description of the terms of the 2007 Plan, related to a change-in-control of NVIDIA.

During Fiscal 2019, we granted RSUs to our non-employee directors, and RSUs and PSUs to our executive officers. See the section above titled *Director Compensation* and the section below titled *Executive Compensation*.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of January 27, 2019 as to shares of our common stock beneficially owned by each of our NEOs, each of our directors, all of our directors and executive officers as a group, and all known by us to be beneficial owners of 5% or more of our common stock. Beneficial ownership is determined in accordance with the SEC's rules and generally includes voting or investment power with respect to securities as well as shares of common stock subject to options exercisable, or PSUs or RSUs that will vest, within 60 days of January 27, 2019.

This table is based upon information provided to us by our executive officers and directors. Information about principal stockholders, other than percentages of beneficial ownership, is based solely on Schedules 13G/A filed with the SEC. Unless otherwise indicated and subject to community property laws where applicable, we believe that each of the stockholders named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned. Percentages are based on 605,855,447 shares of our common stock outstanding as of January 27, 2019, adjusted as required by SEC rules.

Name of Beneficial Owner	Shares Owned	Shares Issuable Within 60 Days	Total Shares Beneficially Owned	Percent
NEOs:				
Jen-Hsun Huang	21,400,033 ⁽¹⁾	2,062,329	23,462,362	3.87%
Colette M. Kress	105,122	60,112	165,234	*
Ajay K. Puri	137,243 ⁽²⁾	62,331	199,574	*
Debora Shoquist	71,424	42,644	114,068	*
Timothy S. Teter	11,256	6,219	17,475	*
Directors, not including Mr. Huang:				
Robert K. Burgess	5,941	72,254	78,195	*
Tench Coxe	1,265,485 ⁽³⁾	—	1,265,485	*
Persis S. Drell	10,307	10,656	20,963	*
James C. Gaither	109,961 ⁽⁴⁾	2,058	112,019	*
Dawn Hudson	3,052	90,177	93,229	*
Harvey C. Jones	355,674 ⁽⁵⁾	—	355,674	*
Michael G. McCaffery	18,857	12,714	31,571	*
Stephen C. Neal ⁽⁶⁾	—	—	—	*
Mark L. Perry	71,243 ⁽⁷⁾	—	71,243	*
A. Brooke Seawell	130,481 ⁽⁸⁾	50,000	180,481	*
Mark A. Stevens	1,945,117 ⁽⁹⁾	—	1,945,117	*
Directors and executive officers as a group (16 persons)	25,641,196 ⁽¹⁰⁾	2,471,494	28,112,690	4.64%
5% Stockholders:				
FMR LLC	49,039,241 ⁽¹¹⁾	—	49,039,241	8.09%
The Vanguard Group, Inc.	45,427,711 ⁽¹²⁾	—	45,427,711	7.50%
BlackRock, Inc.	39,307,194 ⁽¹³⁾	—	39,307,194	6.49%

* Represents less than 1% of the outstanding shares of our common stock.

⁽¹⁾ Includes (a) 15,784,382 shares of common stock held by Jen-Hsun Huang and Lori Huang, as co-trustees of the Jen-Hsun and Lori Huang Living Trust, u/a/d May 1, 1995, or the Huang Trust; (b) 1,237,239 shares of common stock held by J. and L. Huang Investments, L.P., of which the Huang Trust is the general partner; (c) 557,000 shares of common stock held by The Huang 2012 Irrevocable Trust, of which Mr. Huang and his wife are co-trustees; (d) 680,650 shares of common stock held by The Jen-Hsun Huang 2016 Annuity Trust I, of which Mr. Huang is trustee; (e) 756,356 shares of common stock held by The Jen-Hsun Huang 2016 Annuity Trust II, of which Mr. Huang is trustee; (f) 680,650 shares of common stock held by The Lori Lynn Huang 2016 Annuity Trust I, of which Mr. Huang's wife is trustee; and (g) 756,356 shares of common stock held by The Lori Lynn Huang 2016 Annuity Trust II, of which Mr. Huang's wife is trustee. By virtue of their status as co-trustees of the Huang Trust and The Huang 2012 Irrevocable Trust, each of Mr. Huang and his wife may be deemed to have shared beneficial ownership of the shares referenced in (a) - (c), and to have shared power to vote or to direct the vote or to dispose of or direct the disposition of such shares.

- (2) Includes 51,371 shares of common stock held by the Ajay K Puri Revocable Trust dtd 12/10/2015, of which Mr. Puri is the trustee and of which Mr. Puri exercises sole voting and investment power.
- (3) Includes (a) 171,312 shares of common stock held in a retirement trust over which Mr. Coxe exercises sole voting and investment power, and (b) 1,085,421 shares of common stock held in The Coxe Revocable Trust, of which Mr. Coxe and his wife are co-trustees and of which Mr. Coxe exercises shared voting and investment power. Mr. Coxe disclaims beneficial ownership in the shares held by The Coxe Revocable Trust, except to the extent of his pecuniary interest therein.
- (4) Includes 109,961 shares of common stock held by the James C. Gaither Revocable Trust U/A/D 9/28/2000, of which Mr. Gaither is the trustee and of which Mr. Gaither exercises sole voting and investment power.
- (5) Includes 326,970 shares of common stock held in the H.C. Jones Living Trust, of which Mr. Jones is trustee and of which Mr. Jones exercises sole voting and investment power.
- (6) Mr. Neal joined our Board in March 2019.
- (7) Includes 40,000 shares of common stock held by The Perry & Pena Family Trust, of which Mr. Perry and his wife are co-trustees and of which Mr. Perry exercises shared voting and investment power.
- (8) Includes 130,000 shares of common stock held by the Rosemary & A. Brooke Seawell Revocable Trust U/A dated 1/20/2009, of which Mr. Seawell and his wife are co-trustees and of which Mr. Seawell exercises shared voting and investment power.
- (9) Includes 1,786,312 shares of common stock held by the 3rd Millennium Trust, of which Mr. Stevens and his wife are co-trustees and of which Mr. Stevens exercises shared voting and investment power.
- (10) Includes shares owned by all directors and executive officers.
- (11) This information is based solely on a Schedule 13G/A, dated February 13, 2019, filed with the SEC on February 13, 2019 by FMR LLC reporting its beneficial ownership as of December 31, 2018. The Schedule 13G/A reports that FMR has sole voting power with respect to 11,243,324 shares and sole dispositive power with respect to 49,039,241 shares. FMR is located at 245 Summer Street, Boston, Massachusetts 02210.
- (12) This information is based solely on a Schedule 13G/A, dated February 11, 2019, filed with the SEC on February 11, 2019 by The Vanguard Group, Inc. reporting its beneficial ownership as of December 31, 2018. The Schedule 13G/A reports that Vanguard has sole voting power with respect to 735,877 shares and sole dispositive power with respect to 44,581,921 shares. Vanguard is located at 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (13) This information is based solely on a Schedule 13G/A, dated February 5, 2019, filed with the SEC on February 6, 2019 by BlackRock, Inc. reporting its beneficial ownership as of December 31, 2018. The Schedule 13G/A reports that BlackRock has sole voting power with respect to 34,113,066 shares and sole dispositive power with respect to 39,307,194 shares. BlackRock is located at 55 East 52nd Street, New York, New York 10055.

Proposal 2—Approval of Executive Compensation

What am I voting on? A non-binding vote, known as “say-on-pay,” to approve our Fiscal 2019 NEO compensation.

Vote required: A majority of the shares present or represented by proxy.

Effect of abstentions: Same as a vote AGAINST.

Effect of broker non-votes: None.

In accordance with Section 14A of the Exchange Act, we are asking our stockholders to vote on an advisory basis, commonly referred to as “say-on-pay”, to approve the compensation paid to our NEOs as disclosed in the CD&A, the compensation tables and the related narrative disclosure contained in this proxy statement. In response to our stockholders’ preference, our Board has adopted a policy of providing for annual “say-on-pay” votes. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this proxy statement.

This advisory proposal is not binding on the Board or us. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the CC intend to consider the results of this vote in making determinations in the future regarding NEO compensation arrangements.

Recommendation of the Board

The Board recommends that our stockholders adopt the following resolution:

“RESOLVED, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby **APPROVED.**”

Executive Compensation

Compensation Discussion and Analysis

This section describes the Fiscal 2019 executive compensation for our NEOs, who were:

Name	Current Title
Jen-Hsun Huang	President and CEO
Colette M. Kress	Executive Vice President and CFO
Ajay K. Puri	Executive Vice President, Worldwide Field Operations
Debora Shoquist	Executive Vice President, Operations
Timothy S. Teter	Executive Vice President, General Counsel and Secretary

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Executive Summary

Executive Compensation Goals

We design our executive compensation program to pay for performance; to attract, motivate and retain a high-caliber executive team; and to align our NEOs' interests with those of our stockholders. NEO pay is heavily weighted toward performance-based variable cash and long-term equity awards that are only earned if the Company achieves certain pre-established corporate financial metrics.

Stockholder Feedback

In recent years, our CC has modified our executive compensation program in response to stockholder feedback, which we solicit annually, including:

- Moving Mr. Huang's equity compensation to 100% PSUs and increasing the proportion of PSUs for our other NEOs;
- Increasing the proportion of at-risk compensation to total target pay;
- Introducing PSUs that are based on relative TSR, with a multi-year performance period; and
- Establishing and maintaining separate financial metrics for each type of performance-based compensation

Our Fiscal 2018 executive compensation program received over 97% "say-on-pay" approval from our stockholders. After considering this advisory vote and feedback from our annual stockholder outreach, our CC concluded that our program effectively aligned executive pay with stockholder interests. Therefore, the CC maintained the same general executive compensation structure for Fiscal 2019, but increased the rigor of the target performance goals for revenue and Non-GAAP Operating Income by setting them aggressively above Fiscal 2018 actual achievement in order to motivate our executives.

Executive Compensation Program

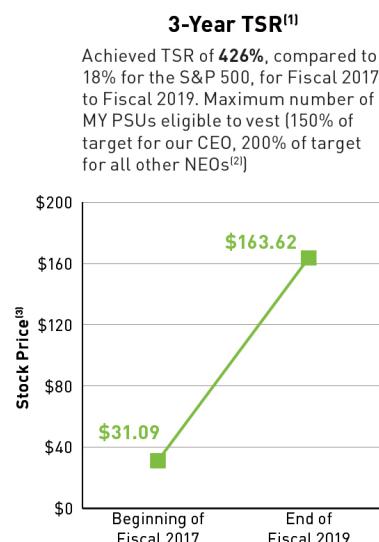
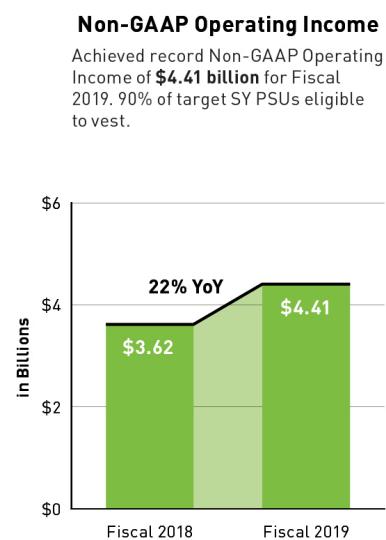
Our CC oversees our executive compensation program, determines pay components and target compensation for our NEOs, and certifies corporate achievement. Our Fiscal 2019 executive compensation consisted primarily of the following elements:

Compensation Element	Purpose	Fixed or At-Risk	Performance Measure	% of Fiscal 2019 Target Pay [*]	
				CEO	Other NEOs
CASH					
Base Salary	Compensate for expected day-to-day performance	Fixed	N/A	8%	22%
Variable Cash	Motivate and reward for annual corporate financial performance	At-Risk	Annual Revenue	9%	9%
EQUITY INCENTIVES					
RSUs	Align with stockholder interests by linking NEO pay to the performance of our common stock	At-Risk	N/A	N/A	24%
SY PSUs	Align with short-term stockholder interests by linking NEO pay to annual operational performance	At-Risk	Annual Non-GAAP Operating Income	55%	41%
MY PSUs	Align with long-term stockholder interests by linking NEO pay to multi-year shareholder return	At-Risk	3-Year TSR Relative to S&P 500	28%	4%
% OF PERFORMANCE-BASED PAY:				92%	54%
% OF AT-RISK PAY:				92%	78%

* Calculations based on total target pay as approved by the CC, consisting of base salary, target opportunity under our Variable Cash Plan, and target value of equity opportunities the CC intended to deliver.

Financial Highlights and Link to Executive Pay

Starting with a focus on PC graphics, NVIDIA invented the graphics processing unit to solve some of the most complex problems in computer science. We have extended our focus in recent years to the revolutionary field of artificial intelligence. Our platform strategy brings together hardware, system software, programmable algorithms, libraries, systems, and services to create unique value for the Gaming, Professional Visualization, Datacenter, and Automotive markets. As described above, a significant portion of our executive pay opportunities are tied to achievement of rigorous financial measures that drive business value and contribute to our long-term success. The charts below show our achievement for each of these measures for the applicable period ended Fiscal 2019, and their respective impact on our executive pay.



⁽¹⁾ Calculated based on the average prices of NVIDIA's common stock during the 60-trading day window that ended on the last trading day before the start of Fiscal 2017 and on the last trading day of Fiscal 2019, assuming all dividends were reinvested on the ex-dividend date.

⁽²⁾ Excludes Mr. Teter, who joined NVIDIA in late Fiscal 2017.

⁽³⁾ Includes dividends paid during the period beginning with Fiscal 2017 and ending with Fiscal 2019.

See Reconciliation of Non-GAAP Financial Measures in this CD&A for a reconciliation between the non-GAAP measures and GAAP results.

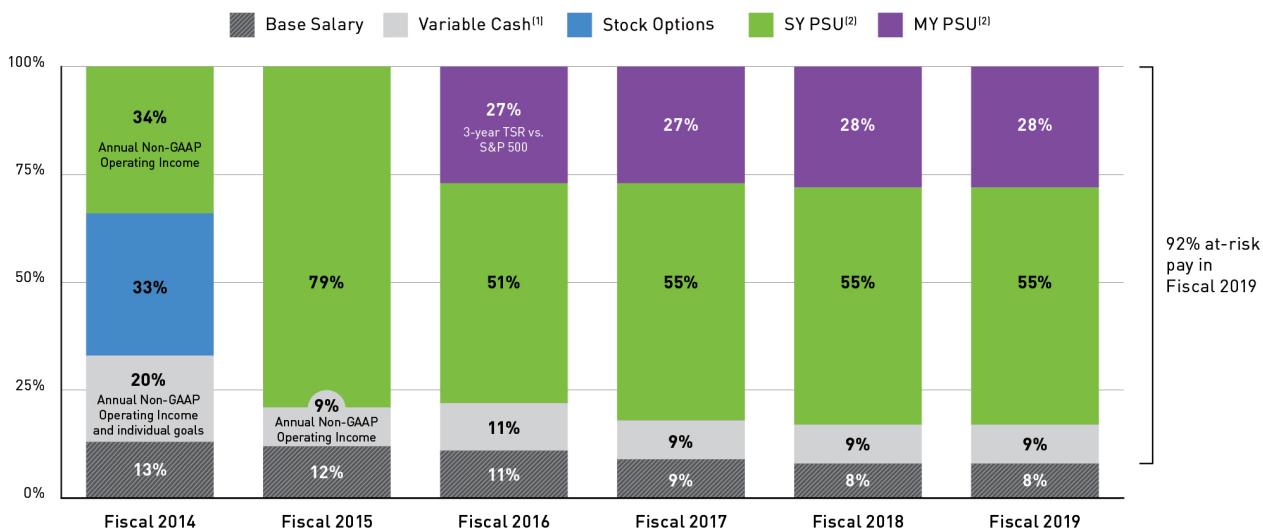
The Evolution of Our Executive Pay Program

Our CC has evolved our executive compensation program over the last several years in response to stockholder feedback as well as to further strengthen the link between our corporate performance and our NEO pay. Key changes to NEO compensation since Fiscal 2014 include:

- Transitioning equity compensation to 100% PSUs for our CEO, and 100% RSUs and PSUs for our other NEOs;
- Increasing the proportion of “at-risk,” performance-based compensation to total target pay;
- Introducing MY PSUs based on TSR, with a 3-year performance period; and
- Establishing separate financial metrics for each distinct type of performance-based compensation

The charts below identify the components of our CEO’s and other NEOs’ pay and show the performance metrics for applicable awards, as well the first year of any change to those metrics since Fiscal 2014.

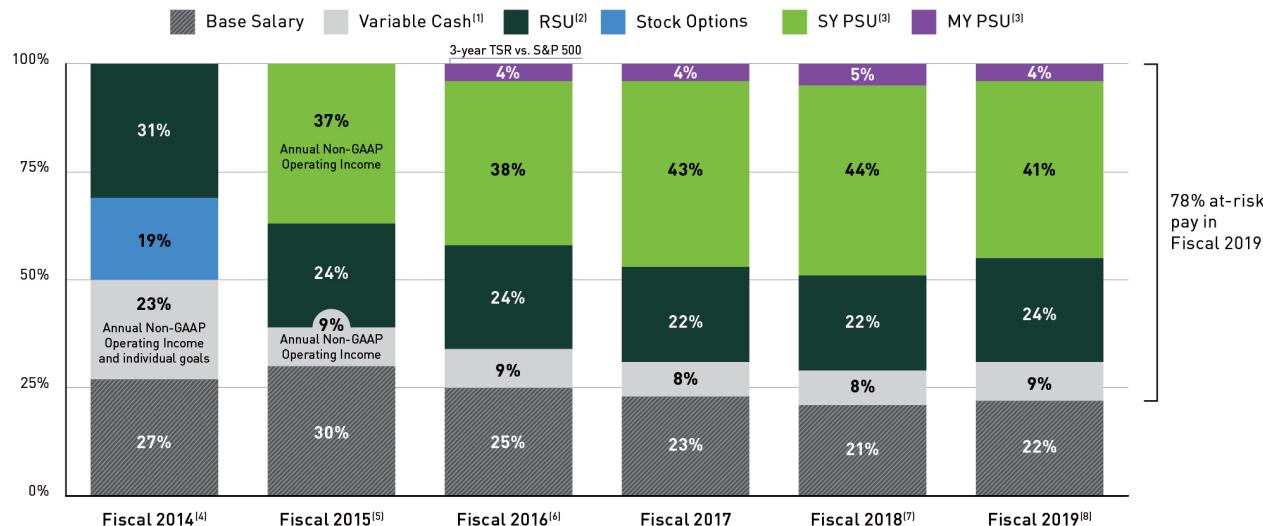
CEO Compensation



⁽¹⁾ Represents the cash payable under the Variable Cash Plan for Base Operating Plan performance on the applicable goal.

⁽²⁾ Represents the aggregate fair value of the amount of the equity awards the CC intended to deliver, when approved by the CC, for Base Operating Plan performance on the annual Non-GAAP Operating Income goal for SY PSUs and for Target performance on the relative 3-year TSR goal for MY PSUs.

Other NEO Compensation



⁽¹⁾ Represents the cash payable under the Variable Cash Plan for Base Operating Plan performance on the applicable goal.

⁽²⁾ Represents the aggregate fair value of the equity awards the CC intended to deliver, when approved by the CC.

⁽³⁾ Represents the aggregate fair value of the amount of the equity awards the CC intended to deliver, when approved by the CC, for Base Operating Plan performance on the annual Non-GAAP Operating Income goal for SY PSUs and for Target performance on the relative 3-year TSR goal for MY PSUs.

⁽⁴⁾ Includes compensation for Karen Burns, our then-interim Chief Financial Officer, instead of Ms. Kress, who was appointed Chief Financial Officer partway through Fiscal 2014.

⁽⁵⁾ Excludes a one-time sign-on bonus paid in Fiscal 2014 to Ms. Kress pursuant to her offer letter, and earned in Fiscal 2015 when Ms. Kress reached her anniversary of employment with us.

⁽⁶⁾ Excludes a one-time anniversary bonus paid in Fiscal 2015 to Ms. Kress pursuant to her offer letter, and earned in Fiscal 2016 when Ms. Kress reached her second anniversary of employment with us.

⁽⁷⁾ Excludes the impact of Mr. Teter's new-hire RSU award granted in Fiscal 2018, which our CC assessed was necessary to recruit him and to provide him with an opportunity to earn a significant ownership stake in the Company.

⁽⁸⁾ Excludes a one-time anniversary bonus paid in Fiscal 2018 to Mr. Teter pursuant to his offer letter, and earned in Fiscal 2019 when Mr. Teter reached his second anniversary of employment with us.

Our Compensation Practices

Our executive compensation program adheres to the following practices:

What We Do

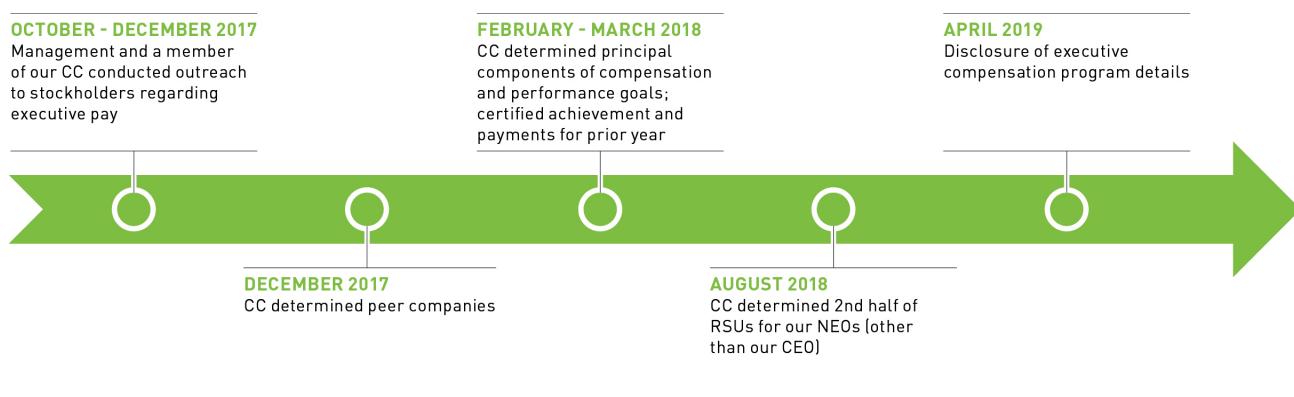
- ✓ Emphasize at-risk, performance-based compensation, with objective and distinct goals for each such component
- ✓ Include multi-year PSU awards
- ✓ Use objective annual and 3-year performance targets to determine SY PSU and MY PSU awards earned, respectively
- ✓ Require NEOs to provide continuous service for 12 months to vest in any equity awards and 4 years to fully vest in SY PSU and RSU awards
- ✓ Reevaluate and adjust our program annually based on stockholder and corporate governance group feedback
- ✓ Minimize inappropriate risk-taking
- ✓ Cap performance-based variable cash and PSU payouts
- ✓ Retain an independent compensation consultant reporting directly to the CC
- ✓ Require NEOs to maintain meaningful stock ownership
- ✓ Enforce "no-hedging" and "no-pledging" policies
- ✓ Maintain a clawback policy for performance-based compensation

What We Don't Do

- ✗ Enter into agreements with NEOs providing for specific terms of employment or severance benefits
- ✗ Give our executive officers special change-in-control benefits
- ✗ Provide automatic equity vesting upon a change-in-control (except for the provisions in our equity plans that apply to all employees if an acquiring company does not assume or substitute our outstanding stock awards)
- ✗ Give NEOs supplemental retirement benefits or perquisites that are not available to all employees
- ✗ Provide tax gross-ups
- ✗ Reprice stock options without stockholder approval
- ✗ Use discretion in performance incentive award determination
- ✗ Pay dividends or the equivalent on unearned or unvested shares

How We Determine Executive Compensation

Our CC manages our executive compensation program according to the cycle below:



In the Fall of 2018, management and a member of our Board again conducted outreach to stockholders regarding executive pay, which the CC considered as it determined our Fiscal 2020 compensation program. Feedback from conversations with our stockholders is further described in *Compensation Actions and Achievements* below.

Roles of the CC, Compensation Consultant and Management

Our CC solicits the input of Mr. Huang and the CC's independent compensation consultant, Exequity, which reports directly to our CC. The roles of our CC, Exequity, and management, including our CEO, CFO, and Human Resources and Legal departments, in setting our Fiscal 2019 NEO compensation program are summarized below.

At the CC's direction, Exequity and management recommended a peer group for our program, which was approved by the CC. Management then gathered peer data from the Radford Global Technology Survey, which was considered by Exequity in its analysis of Mr. Huang's compensation, and by Mr. Huang in his recommendations on our other NEOs' compensation, for Fiscal 2019. The CC considered Exequity's advice, Mr. Huang's recommendations, and management's proposed Fiscal 2019 performance goals prior to making its final and sole decision on all Fiscal 2019 NEO compensation. The CC also certified performance-based Fiscal 2018 compensation payouts. Additionally, Exequity advised the CC on the compensation risk analysis prepared by management.

During Fiscal 2019, our CC continued to use Exequity for its experience working with our CC and with compensation committees at other technology companies. Our CC analyzed whether Exequity's role in Fiscal 2019 raised any conflict of interest, considering: (i) Exequity does not provide any services directly to NVIDIA (although we pay Exequity on the CC's behalf), (ii) the percentage of Exequity's total revenue resulting from fees paid by us on the CC's behalf, (iii) Exequity's conflict of interest policies and procedures, (iv) any business or personal relationship between Exequity and an NEO, or between Exequity's individual compensation advisors and an NEO or any member of our CC, and (v) any NVIDIA stock owned by Exequity or its individual compensation advisors. After considering these factors, our CC determined that Exequity's work did not create any conflict of interest.

Peer Companies and Market Compensation Data

Our Fiscal 2019 peer companies (1) compete with us for executive talent; (2) have established businesses, market presence, and complexity similar to us; and (3) are generally of similar size to us, as measured by revenue and/or market capitalization at roughly 0.5-3.5x of us; however, all of our Fiscal 2019 peers had market capitalizations which were lower than ours, which the CC determined was fair given our market capitalization volatility at the time of approval. Our peer group for Fiscal 2019 remained the same as it was for Fiscal 2018, except as noted below:

Fiscal 2019 Peer Group ⁽¹⁾

Activision Blizzard	Analog Devices, Inc.	eBay	Lam Research	Salesforce ⁽²⁾	Texas Instruments
Adobe Systems, Inc.	Applied Materials	Electronic Arts, Inc.	Micron Technology, Inc.	Symantec Corp.	VMware
Advanced Micro Devices	Broadcom Limited ⁽²⁾	Intuit, Inc.	QUALCOMM ⁽²⁾	Tesla Motors, Inc.	Western Digital

⁽¹⁾ Autodesk, Inc., Network Appliance, Inc., and Xilinx, each a Fiscal 2018 peer, were removed for Fiscal 2019 because their respective revenue and market capitalization fell below our targeted range.

⁽²⁾ Added for similar industry and similar market capitalization to us.

The CC determined our Fiscal 2019 peer group in December 2017. At that time, our Fiscal 2018 revenue and market capitalization compared to our peer group companies as follows:

	Revenue	Market Capitalization
Fiscal 2019 Peer Group	\$3.42 billion - \$23.55 billion	\$12.07 billion - \$98.95 billion
NVIDIA	\$9.50 billion	\$119.00 billion

Our CC reviews market practices and compensation data from the Radford survey for peer companies' comparably-situated executives when determining the components of our executive compensation program as well as total compensation. The CC compares the total compensation opportunity for our NEOs and similarly-situated executives at the 25th, 50th and 75th percentiles of peer company data, and also considers the factors below in determining NEO compensation opportunities.

Factors Used in Determining Executive Compensation

In addition to peer data, our CC considers the following factors in making executive compensation decisions. The weight given to each factor may differ among NEOs and each component of pay, and is subject to the CC's sole discretion.

- ✓ The need to attract and retain talent in a highly competitive industry
- ✓ Stockholder feedback regarding our executive pay
- ✓ An NEO's past performance and anticipated future contributions
- ✓ Our financial performance and forecasted results
- ✓ The need to motivate NEOs to address new business challenges
- ✓ Each NEO's current total compensation
- ✓ Each NEO's unvested equity
- ✓ Internal pay equity relative to similarly situated executives and the scope and complexity of the department or function the NEO manages
- ✓ Our CEO's recommendations for the other NEOs, including his understanding of each NEO's performance, capabilities, contributions
- ✓ Our CC's independent judgment
- ✓ Our philosophy that an NEO's total compensation opportunity and percentage of at-risk pay should increase with responsibility
- ✓ The total compensation cost and stockholder dilution from executive compensation, to maintain a responsible cost structure for our compensation programs*

* See Note 3, *Stock-Based Compensation* of our Form 10-K consolidated financial statements for a discussion of stock-based compensation cost.

Components of Pay

The primary components of NVIDIA's Fiscal 2019 executive compensation program are summarized below:

	Fixed Compensation		At-Risk Compensation		
	Base Salary	Variable Cash	SY PSUs	MY PSUs	RSUs*
Form	Cash	Cash	Equity	Equity	Equity
Who Receives	NEOs	NEOs	NEOs	NEOs	NEOs except Mr. Huang
When Granted or Determined	Annually in Fiscal Q1	Annually in Fiscal Q1	On the 6th business day of March	On the 6th business day of March	On the 6th business days of March and September
When Paid, Earned, or Issued	Paid retroactively to start of fiscal year, via biweekly payroll	If Threshold achieved, earned after fiscal year end, paid in March	Shares eligible to vest determined after fiscal year end based on performance metric achievement; issued on each vesting date, subject to the NEO's continued service on each such date	Shares eligible to vest determined after 3rd fiscal year end based on performance metric achievement; issued on each vesting date, subject to the NEO's continued service on each such date	Issued on each vesting date, subject to the NEO's continued service on each such date
Performance Measure	N/A	Revenue (determines cash payout)	Non-GAAP Operating Income (determines number of shares eligible to vest)	TSR relative to the S&P 500 (determines number of shares eligible to vest)	N/A
Performance Period	N/A	1 year	1 year	3 years	N/A
Vesting Period	N/A	N/A	4 years	3 years	4 years
Vesting Terms	N/A	N/A	If Threshold achieved, 25% on approximately the 1-year anniversary of the date of grant; 6.25% quarterly thereafter	If Threshold achieved, 100% on approximately the 3-year anniversary of the date of grant	25% on approximately the 1-year anniversary of the date of grant; 6.25% quarterly thereafter
Timeframe Emphasized	Annual	Annual	Long-term	Long-term	Long-term
Maximum Amount That Can Be Earned	N/A	200% of target award opportunity under our Variable Cash Plan	150% of Mr. Huang's SY PSU target opportunity and 200% of our other NEOs' respective SY PSU target opportunity Ultimate value delivered depends on stock price on date earned shares vest	150% of Mr. Huang's MY PSU target opportunity and 200% of our other NEOs' respective MY PSU target opportunity Ultimate value delivered depends on stock price on date earned shares vest	100% of grant Ultimate value delivered depends on stock price on date shares vest

* Our CC considers RSUs to be at-risk pay because the realized value depends on our stock price, which is a financial performance measure.

In addition, we maintain medical, vision, dental, and accidental death and disability insurance as well as time off and paid holidays for all of our NEOs, on the same basis as our other employees. Like our other full-time employees, our NEOs are eligible to participate in our 2012 ESPP, unless otherwise prohibited by the rules of the Internal Revenue Service, and our 401(k) plan, which included a Company match of salary deferral contributions of up to \$6,000 for calendar 2018. Each of our NEOs received a \$6,000 401(k) match in calendar 2018.

Compensation Actions and Achievements

Stockholder Outreach

We value stockholder feedback and conduct an annual stockholder outreach program. During the Fall of 2017, in preparing for Fiscal 2019 compensation decisions, we contacted our top 30 institutional stockholders (except for brokerage firms and index funds who we know do not engage in direct conversations with companies), representing an aggregate ownership of approximately 39% of our shares. A member of our Board and members of management ultimately discussed executive compensation with representatives of stockholders holding an aggregate of approximately 33% of our common stock.

Our stockholders generally provided positive feedback on our executive pay practices. They commended our proportion of variable versus fixed pay, our use of multiple performance metrics in determining pay, as well as the specific metrics we employ for determining variable pay. While some stockholders encouraged our use of TSR as a relative performance figure and its tie to a transparent index, others expressed reservations about TSR due to NVIDIA's lack of control over stock price.

After considering their feedback, our CC concluded that the use of our multi-year relative TSR performance metric continued to, in combination with our annual performance metrics of revenue and Non-GAAP Operating Income, effectively align executive compensation with stockholder interests. Therefore, rather than make major structural changes, the CC refined

our Fiscal 2019 program to increase the rigor of the target performance goals for revenue and Non-GAAP Operating Income by setting them aggressively above Fiscal 2018 actual achievement in order to motivate our executives.

In the Fall of 2018, our management and a member of our Board again engaged in stockholder outreach. The CC considered the feedback from these meetings in making decisions regarding our Fiscal 2020 executive compensation program.

Total Target Compensation Approach

In deciding Fiscal 2019 compensation, our CC reviewed and considered each NEO's total target pay opportunity, as well as how that opportunity was distributed across different pay elements. As part of that process, our CC compared Mr. Huang's base salary, target variable cash opportunity, target equity opportunity, and total target pay against chief executives of our peer companies. For our other NEOs, our CC reviewed their respective total target pay against similarly situated executives of our peers. The CC also considered the factors discussed above in *Factors Used in Determining Executive Compensation*, the CC's specific compensation objectives for Fiscal 2019 and, for our NEOs other than our CEO, Mr. Huang's recommendation. Our CC did not use a single formula or assign a specific weight to any one factor in determining each NEO's target pay. Rather, our CC used its business judgment and experience to set total target compensation, mix of cash and equity, and fixed and at-risk pay opportunities for each NEO to achieve our program's objectives. When the CC set each element of pay for an NEO, it considered that change in the context of the levels of the other pay elements, and the resulting total target pay for such NEO. These amounts and structure allowed our NEOs to realize above-market value from equity awards and variable cash incentives only upon exceptional corporate performance.

The CC did not approve material increases in our NEOs' target pay for Fiscal 2019. There were no increases to base salaries or variable cash targets and only minor adjustments to target equity values, with the exception of Mr. Teter, whose total target compensation decreased significantly from Fiscal 2018, which had included special new-hire compensation.

Continued Emphasis on Long-Term, At-Risk, Performance-Based Equity Awards

For Fiscal 2019, the CC decided that long-term, at-risk, performance-based equity awards would again comprise a meaningful portion of NEO total target compensation. Accordingly, our NEOs received a substantial proportion of their total target compensation in the form of at-risk, performance-based equity awards. The CC continued to emphasize long-term equity awards by structuring them as the largest portion of NEO target pay. The CC believes this emphasis on long-term, at-risk opportunities drives results and increases NEO and stockholder alignment, while providing sufficient annual cash compensation to be competitive and retain our NEOs. The PSUs and RSUs provide long-term incentives and retention benefits because our NEOs must achieve, for PSUs, the predetermined performance goal and also, for both PSUs and RSUs, remain with us for a multi-year period (3 years for MY PSUs and 4 years for SY PSUs and RSUs) to fully vest in the awards.

The CC concluded that a majority of the NEOs' target equity opportunity should be at-risk and performance-based, and that, given Mr. Huang's position as CEO, 100% of his grant should be at-risk and performance-based, tightly aligning his interests with stockholders. For our other NEOs, the CC decided to provide roughly 65% of the target equity opportunity in the form of PSUs and 35% of the target equity opportunity in the form of RSUs, subject to individual adjustments determined appropriate by the CC. The CC decided to grant Mr. Huang's target equity opportunity 100% in the form of SY PSUs (which value is aligned with our Non-GAAP Operating Income performance) and MY PSUs (which value is aligned with our relative stock price performance).

The CC evaluated market positioning, internal pay equity, individual performance, and level of unvested equity to determine a target equity opportunity value for our NEOs, which was set substantially equivalently to the target values for Fiscal 2018, with the exception of Mr. Teter, whose target equity opportunity was lower because he received a new-hire equity award in Fiscal 2018. To determine actual shares awarded to achieve the target value, the CC used the 120-day trailing average of our stock price, as opposed to our stock price on the grant date, reducing the impact of daily volatility on compensation decisions. This average determined the number of RSUs and the target number of SY PSUs and MY PSUs. Despite the fact that the CC did not approve material increases to the NEO target equity opportunities, the value of our NEOs' Fiscal 2019 equity awards reported in the *Summary Compensation Table* is higher than the values reported for Fiscal 2018 (other than for Mr. Teter) because the grant date fair value of the equity awards required to be reported is calculated based on our stock price on the grant date and other accounting assumptions.

Our CC structured RSUs grants to the NEOs other than Mr. Huang in two installments in order to re-assess our executive equity compensation mid-year. At the beginning of Fiscal 2019, the CC determined a total annual RSU award value for each of our NEOs other than Mr. Huang and made initial grants of RSUs representing 50% of that value. In mid-Fiscal 2019, the CC reduced the number of RSUs awarded in the second biannual grant by approximately 12%, which they believed appropriately adjusted for the increase in our stock price since early Fiscal 2019.

The target numbers of SY PSU and MY PSU shares were the numbers of shares eligible to vest upon our achievement of the Base Operating Plan Non-GAAP Operating Income performance goal for Fiscal 2019, and the Target TSR performance goal relative to the S&P 500 over a 3-year period starting at the beginning of Fiscal 2019, respectively. No shares were eligible to vest if Threshold performance was not achieved. Shares underlying any PSUs that are not earned are cancelled.

If the Company achieved at least Threshold performance, the minimum number of shares eligible to vest was 50% of the SY PSU target opportunity and 25% of the MY PSU target opportunity. If the Company achieved Stretch Operating Plan performance for SY PSUs and Stretch performance for MY PSUs, the maximum number of shares eligible to vest was capped at 150% of Mr. Huang's, and 200% of our other NEOs' respective, SY PSU and MY PSU target opportunities. 25% of the eligible SY PSU shares would vest on approximately the one-year anniversary of the grant date and 6.25% would vest every quarter thereafter over the next three years. All of the eligible MY PSUs would vest following the end of the 3-year performance period.

Goals for Certain Performance-Based Compensation

Based on the Fiscal 2019 strategic plan as approved by the Board, the CC set the following performance metrics and goals:

Metric	Variable Cash Plan	SY PSUs	MY PSUs
Metric	Revenue	Non-GAAP Operating Income	TSR relative to the S&P 500
Timeframe	1 year	1 year	3 years
CC's Rationale for Metric	<p>Key indicator of our annual performance which drives value and contributes to Company's long-term success</p> <p>Our executive team focuses on growth in the Company's specialized markets where our technologies did not previously exist; revenue growth is a strong predictor of the Company's future success</p> <p>Distinct, separate metric from Non-GAAP Operating Income</p>	<p>Key indicator of our annual performance which drives value and contributes to Company's long-term success</p> <p>Reflects both our annual revenue generation and effective management of operating expenses</p> <p>To ensure long-term performance emphasis, structured to vest over a 4-year period</p>	<p>Aligns directly with shareholder value creation over a lengthy period</p> <p>Provides direct comparison of our stock price performance (including dividends) against an index that represents a broader capital market with which we compete</p> <p>Relative (as opposed to absolute) nature of goals accounts for macroeconomic factors impacting the broader market</p>
	Performance Goal	Payout as a % of Target Opportunity ⁽¹⁾	Shares Eligible to Vest as a % of Target Opportunity ⁽¹⁾
Threshold	\$10.00 billion	50%	\$3.45 billion
Base Operating Plan (Target for MY PSUs)	\$12.00 billion	100%	\$4.65 billion
Stretch Operating Plan (Stretch for MY PSUs)	\$14.00 billion	200%	\$5.89 billion 150% for Mr. Huang; 200% for our other NEOs
			25 th percentile
			50 th percentile
			75 th percentile
			150% for Mr. Huang; 200% for our other NEOs
	Performance Goal	Shares Eligible to Vest as a % of Target Opportunity ⁽¹⁾	Shares Eligible to Vest as a % of Target Opportunity ⁽¹⁾

⁽¹⁾ For achievement between Threshold and Base Operating Plan (or Target for MY PSUs) and between Base Operating Plan (or Target for MY PSUs) and Stretch Operating Plan (or Stretch for MY PSUs), payouts would be determined using straight-line interpolation. Achievement less than the Threshold goal would result in no payout. Achievement exceeding the Stretch Operating Plan (or Stretch for PSUs) goal would result in a capped payout as indicated.

CC's Rationale for Performance Goals

The CC set performance goals to achieve the program's objectives, with the following rationales:

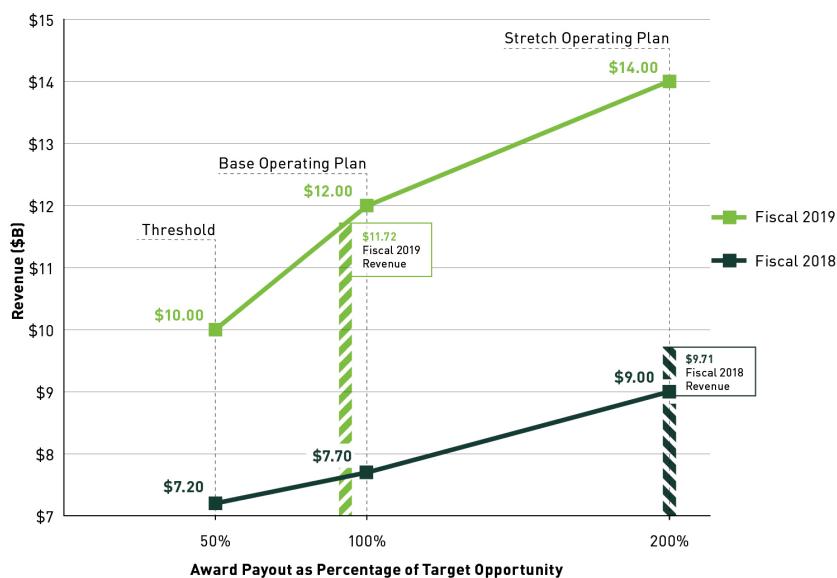
	Variable Cash Plan	SY PSUs	MY PSUs
Stretch Operating Plan (or Stretch for MY PSUs) goals required significant achievement; only possible with strong market factors and a very high level of management execution and corporate performance	✓	✓	✓
Base Operating Plan (or Target for MY PSUs) goals:			
• Uncertain, but attainable with significant effort and execution success	✓	✓	✓
• Included budgeted investments in future growth businesses and revenue growth (and, for SY PSUs and MY PSUs, gross margin growth) considering both macroeconomic conditions and reasonable but challenging growth estimates for our ongoing and new businesses	✓	✓	✓
• Set higher than Fiscal 2018 actual revenue and actual Non-GAAP Operating Income, as applicable, to recognize strong growth performance	✓	✓	
• Required relative TSR performance to be at or above 50 th percentile of market to earn awards at competitive compensation levels			✓
Threshold goals appropriately decelerated payout for performance below Base Operating Plan (or Target for MY PSUs); uncertain, but attainable and high enough to create modest value	✓	✓	✓

Fiscal 2019 Achievement

The CC reviewed our Fiscal 2019 financial results against the performance goals set at the beginning of the year for our Variable Cash Plan, SY PSUs, and MY PSUs:

Variable Cash Plan

For Fiscal 2019, although we reported record revenue of \$11.72 billion, due to the rigor of the performance goal, our Fiscal 2019 Variable Cash Plan paid out at 93% of the target opportunity.



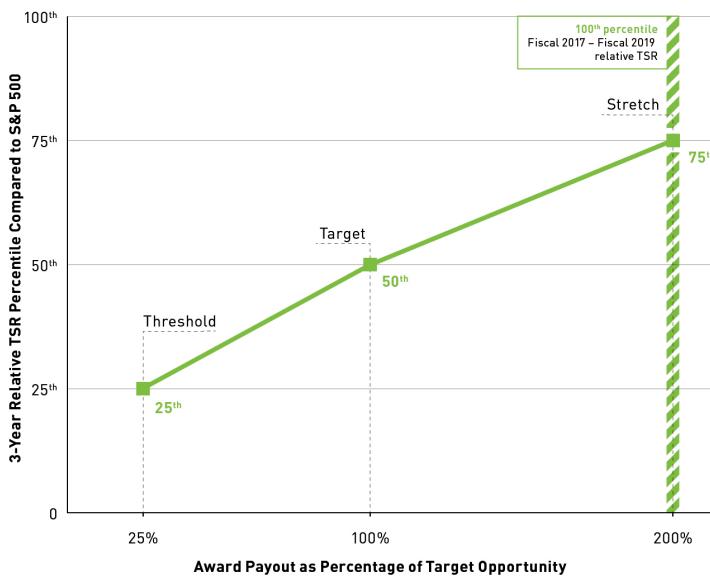
SY PSUs

For Fiscal 2019, although we reported record Non-GAAP Operating Income of \$4.41 billion, due to the rigor of the performance goal, 90% of the SY PSUs granted in Fiscal 2019 became eligible to vest. 25% of the eligible shares vested on March 20, 2019 and 6.25% of the eligible shares vest quarterly thereafter. The remaining portion of each SY PSU which was not eligible to vest was cancelled on February 15, 2019.



MY PSUs

The MY PSUs granted in Fiscal 2017 completed the three-year performance measurement period on January 27, 2019. NVIDIA's TSR over this period was 426%, representing the 100th percentile of companies in the S&P 500, resulting in the maximum number of MY PSUs becoming eligible to vest at 150% of Mr. Huang's MY PSU target opportunity and 200% of our other NEOs' respective MY PSU target opportunity. 100% of the eligible shares vested on March 20, 2019.



Achievement of the MY PSU goals for grants made in Fiscal 2018 will be determined after January 26, 2020, the ending date of the three-year measurement period for the MY PSUs granted in Fiscal 2018.

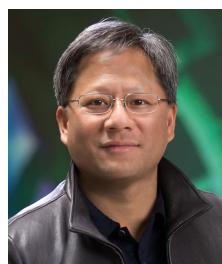
Achievement of the MY PSU goals for grants made in Fiscal 2019 will be determined after January 31, 2021, the ending date of the three-year measurement period for the MY PSUs granted in Fiscal 2019.

Target Fiscal 2019 Compensation Actions

The CC's target Fiscal 2019 compensation actions are summarized below for each NEO, reflecting the target value of the variable cash and equity opportunities the CC intended to deliver. The CC considered the factors set forth in *Factors Used in Determining Executive Compensation* above and focused primarily on the total target pay opportunity for each NEO.

JEN-HSUN HUANG

President, CEO & Director



	Target Pay (\$)	Fiscal 2019 Compensation Actions
Base Salary	1,000,000	No change from Fiscal 2018
Variable Cash	1,100,000	No change from Fiscal 2018 target; earned at \$1,021,900
Equity	9,883,200	Flat with Fiscal 2018
SY PSUs	6,603,000	Target award opportunity of 31,000 shares; 27,861 shares became eligible to vest
MY PSUs	3,280,200	Target award opportunity of 15,400 shares
Total	11,983,200	Flat with Fiscal 2018, consistent with all our other NEOs who were also flat (or down) for Fiscal 2018

COLETTE M. KRESS

EVP & CFO



	Target Pay (\$)	Fiscal 2019 Compensation Actions
Base Salary	900,000	No change from Fiscal 2018
Variable Cash	300,000	No change from Fiscal 2018 target; earned at \$278,700
Equity	3,292,695	Flat with Fiscal 2018
SY PSUs	1,917,000	Target award opportunity of 9,000 shares; 8,089 shares became eligible to vest
MY PSUs	191,700	Target award opportunity of 900 shares
RSUs	1,183,995	Granted 5,215 shares
Total	4,492,695	Flat with Fiscal 2018, consistent with all our other NEOs who were also flat (or down) for Fiscal 2018

AJAY K. PURI

EVP, WW Field Operations



	Target Pay (\$)	Fiscal 2019 Compensation Actions
Base Salary	950,000	No change from Fiscal 2018
Variable Cash	650,000	No change from Fiscal 2018 target; earned at \$603,850
Equity	3,388,650	Flat with Fiscal 2018
SY PSUs	1,959,600	Target award opportunity of 9,200 shares; 8,269 shares became eligible to vest
MY PSUs	191,700	Target award opportunity of 900 shares
RSUs	1,237,350	Granted 5,450 shares
Total	4,988,650	Flat with Fiscal 2018, consistent with all our other NEOs who were also flat (or down) for Fiscal 2018

DEBORA SHOQUIST

EVP, Operations



	Target Pay (\$)	Fiscal 2019 Compensation Actions
Base Salary	850,000	No change from Fiscal 2018
Variable Cash	250,000	No change from Fiscal 2018 target; earned at \$232,250
Equity	2,407,080	Flat with Fiscal 2018
SY PSUs	1,427,100	Target award opportunity of 6,700 shares; 6,022 shares became eligible to vest
MY PSUs	149,100	Target award opportunity of 700 shares
RSUs	830,880	Granted 3,660 shares
Total	3,507,080	Flat with Fiscal 2018, consistent with all our other NEOs who were also flat (or down) for Fiscal 2018

TIMOTHY S. TETER

EVP, GC & Secretary



	Target Pay (\$)	Fiscal 2019 Compensation Actions*
Base Salary	850,000	No change from Fiscal 2018
Variable Cash	250,000	No change from Fiscal 2018 target; earned at \$232,250
Equity	1,917,120	67% decrease from Fiscal 2018, which had included Mr. Teter's new-hire RSU grant
SY PSUs	1,214,100	Target award opportunity of 5,700 shares; 5,123 shares became eligible to vest
MY PSUs	149,100	Target award opportunity of 700 shares
RSUs	553,920	Granted 2,440 shares
Total	3,017,120	56% decrease from Fiscal 2018, due to cash opportunity being flat with Fiscal 2018, consistent with all our other NEOs who were also flat for Fiscal 2018, as well as absence of new-hire RSU grant, offset by PSU grants

* Excludes an anniversary bonus of \$450,000 paid in Fiscal 2018 pursuant to Mr. Teter's offer letter, which was required to be repaid upon a resignation or termination under certain circumstances prior to his second anniversary of employment. The anniversary bonus was earned in Fiscal 2019. The CC determined that this special bonus was necessary to attract Mr. Teter, in consideration of his compensation opportunity at his prior employer.

Additional Executive Compensation Practices, Policies, and Procedures

Stock Ownership Guidelines

The Board believes that executive officers should hold a significant equity interest in NVIDIA. Our Corporate Governance Policies require the CEO to hold shares of our common stock valued at six times his base salary, and our other NEOs to hold shares of our common stock valued at the NEO's respective base salary. NEOs have up to five years from appointment to reach the ownership threshold. The stock ownership guidelines are intended to further align NEO interests with stockholder interests. Each of our NEOs currently exceeds the stock ownership requirements.

Compensation Recovery ("Clawback") Policy

In April 2009, our Board adopted a Compensation Recovery Policy for all employees. Under this policy, if we are required to prepare an accounting restatement to correct an accounting error on an interim or annual financial statement included in a report on Form 10-Q or Form 10-K due to material noncompliance with any financial reporting requirement under the federal securities laws, or a Restatement, and if the Board or a committee of independent directors concludes that our CEO, our CFO or any other employee received a variable compensation payment that would not have been payable if the original interim or annual financial statements had reflected the Restatement, which we refer to as the Overpayment, then:

- Our CEO and our CFO will disgorge the net after-tax portion of the Overpayment; and
- The Board or the committee of independent directors in its sole discretion may require any other employee to repay the Overpayment. In using its discretion, the Board or the independent committee may consider whether such person was involved in the preparation of our financial statements or otherwise caused the need for the Restatement and may, to the extent permitted by applicable law, recoup amounts by (1) requiring partial or full repayment by such person of any variable or incentive compensation or any gains realized on the exercise of stock options or on the open-market sale of vested shares, (2) canceling up to all and any outstanding equity awards held by such person and/or (3) adjusting the future compensation of such person.

We will review and update the Compensation Recovery Policy as necessary for compliance with the clawback policy provisions of the Dodd Frank Act when the final regulations related to that policy are issued.

Tax and Accounting Implications

Under Section 162(m) of the Internal Revenue Code, compensation paid to any publicly-held corporation's "covered employees" that exceeds \$1 million per taxable year for any covered employee is generally non-deductible. Prior to the enactment of the Tax Cuts and Jobs Act, Section 162(m) provided an exception pursuant to which the deduction limit did not apply to any compensation that qualified as "performance-based compensation" under Section 162(m).

With the enactment of the Tax Cuts and Jobs Act, the performance-based compensation exception under Section 162(m) was repealed with respect to taxable years beginning after December 31, 2017, except that certain transition relief is provided for compensation paid pursuant to a written binding contract which was in effect on November 2, 2017, and which is not modified in any material respect on or after such date.

As a result, compensation paid to any of our “covered employees” in excess of \$1 million per taxable year generally will not be deductible unless it qualifies for the performance-based compensation exception under Section 162(m) pursuant to the transition relief described above. Because of certain ambiguities and uncertainties as to the application and interpretation of Section 162(m), as well as other factors beyond the control of the CC, no assurance can be given that any compensation paid by the Company will be eligible for such transition relief and be deductible by the Company in the future. Although the CC will continue to consider tax implications as one factor in determining executive compensation, the CC also looks at other factors in making its decisions and retains the flexibility to provide compensation for our NEOs in a manner consistent with the goals of our executive compensation program and the best interests of the Company and its stockholders, which may include providing for compensation that is not deductible by the Company due to the deduction limit under Section 162(m). The CC also retains the flexibility to modify compensation that was initially intended to be exempt from the deduction limit under Section 162(m) if it determines that such modifications are consistent with the Company’s business needs.

Our CC also considers the impact of Section 409A of the Internal Revenue Code, and in general, our executive plans and programs are designed to comply with the requirements of that section to avoid the possible adverse tax consequences that may arise from non-compliance.

Reconciliation of Non-GAAP Financial Measures

A reconciliation between our Non-GAAP Operating Income and GAAP operating income is as follows (in millions):

	Fiscal 2019	Fiscal 2018
GAAP operating income	\$ 3,804	\$ 3,210
Stock-based compensation expense	557	391
Legal settlement costs	44	1
Acquisition-related and other costs	2	15
Non-GAAP Operating Income	<u><u>\$ 4,407</u></u>	<u><u>\$ 3,617</u></u>

Risk Analysis of Our Compensation Plans

With the oversight of the CC, members from the Company's Legal, Human Resources and Finance departments, as well as Exequity, the independent consultant engaged by the CC, performed an assessment of the Company's compensation programs and policies for Fiscal 2019 as generally applicable to our employees to ascertain any potential material risks that may be created by our compensation programs. The assessment focused on programs with variability of payout and the ability of participants to directly affect payout and the controls over participant action and payout—specifically, the Company's variable cash compensation, equity compensation, and sales incentive compensation programs. We identified the key terms of these programs, potential concerns regarding risk taking behavior, and specific risk mitigation features. The assessment was first presented to our Senior Vice President, Human Resources; our CFO; and our General Counsel, and then presented to the CC.

The CC considered the findings of the assessment described above and concluded that our compensation programs, which are structured to recognize both short-term and long-term contributions to the Company, do not create risks which are reasonably likely to have a material adverse effect on our business or financial condition. The CC believes that the following compensation design features guard against excessive risk-taking:

Compensation Design Features that Guard Against Excessive Risk-Taking

- ✓ Our compensation program encourages our employees to remain focused on both our short-term and long-term goals
- ✓ We design our variable cash and PSU compensation programs for executives so that payouts are based on achievement of corporate performance targets, and we cap the potential award payout
- ✓ We have internal controls over our financial accounting and reporting which is used to measure and determine the eligible compensation awards under our Variable Cash Plan and our SY PSUs
- ✓ Financial plan target goals and final awards under our Variable Cash Plan and our SY PSUs are approved by the CC and consistent with the annual operating plan approved by the full Board each year
- ✓ MY PSUs are designed with a relative goal
- ✓ We have a compensation recovery policy applicable to all employees that allows NVIDIA to recover compensation paid in situations of fraud or material financial misconduct
- ✓ All executive officer equity awards have multi-year vesting
- ✓ We have stock ownership guidelines that we believe are reasonable and are designed to align our executive officers' interests with those of our stockholders
- ✓ We enforce a "no-hedging" policy and a "no-pledging" policy involving our common stock which prevents our employees from insulating themselves from the effects of NVIDIA stock price performance

Summary Compensation Table for Fiscal 2019, 2018, and 2017

The following table summarizes information regarding the compensation earned by our NEOs during Fiscal 2019, 2018, and 2017. Fiscal 2019, 2018, and 2017 were 52-week years.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$)	Total (\$)
Jen-Hsun Huang	2019	996,514	—	11,611,022	1,021,900	13,402 ⁽³⁾	13,642,838
<i>President and CEO</i>	2018	999,985	—	9,787,985	2,200,000	5,562 ⁽⁴⁾	12,993,532
	2017	996,216	—	9,188,400	2,000,000	5,622 ⁽⁴⁾	12,190,238
Colette M. Kress	2019	896,863	—	3,791,203	278,700	8,622 ⁽⁵⁾	4,975,388
<i>Executive Vice President and CFO</i>	2018	899,120	—	3,327,973	600,000	6,622 ⁽⁵⁾	4,833,715
	2017	769,609	—	3,299,770	550,000	4,286 ⁽⁵⁾	4,623,665
Ajay K. Puri	2019	946,689	—	3,898,599	603,850	15,428 ⁽³⁾	5,464,566
<i>Executive Vice President, Worldwide Field Operations</i>	2018	949,640	—	3,425,382	1,300,000	12,844 ⁽³⁾	5,687,866
	2017	889,573	—	3,378,130	1,000,000	11,283 ⁽³⁾	5,278,986
Debora Shoquist	2019	847,037	—	2,776,480	232,250	14,104 ⁽⁵⁾	3,869,871
<i>Executive Vice President, Operations</i>	2018	848,947	—	2,438,904	500,000	11,524 ⁽⁵⁾	3,799,375
	2017	695,131	—	2,278,170	300,000	10,024 ⁽⁵⁾	3,283,325
Timothy S. Teter ⁽⁶⁾	2019	847,037	450,000 ⁽⁷⁾	2,228,115	232,250	8,622 ⁽⁵⁾	3,766,024
<i>Executive Vice President, General Counsel and Secretary</i>	2018	849,988	—	5,668,193	500,000	2,622 ⁽⁸⁾	7,020,803
	2017	14,752	—	—	—	—	14,752

⁽¹⁾ Amounts shown in this column do not reflect dollar amounts actually received by the NEO. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for the respective fiscal year for grants of RSUs, SY PSUs, and MY PSUs, as applicable. The assumptions used in the calculation of values of the awards are set forth under Note 3 to our consolidated financial statements titled *Stock-Based Compensation* in our Form 10-K. With regard to the NEOs' stock awards with performance-based vesting conditions, the reported grant date fair value assumes the probable outcome of the conditions at Base Operating Plan for SY PSUs and Target for MYPUS, determined in accordance with applicable accounting standards.

Based on Stretch Operating Plan and Stretch performance in Fiscal 2019, the respective grant date fair values of SY PSUs and MY PSUs granted in Fiscal 2019 would be \$11,108,385 and \$6,308,148 for Mr. Huang, \$4,300,020 and \$636,408 for Ms. Kress, \$4,395,576 and \$636,408 for Mr. Puri, \$3,201,126 and \$494,984 for Ms. Shoquist, and \$2,723,346 and \$494,984 for Mr. Teter. Based on Stretch Operating Plan and Stretch performance in Fiscal 2018, the respective grant date fair values of SY PSUs and MY PSUs granted in Fiscal 2018 would be \$9,759,488 and \$4,922,490 for Mr. Huang, \$3,759,210 and \$501,000 for Ms. Kress, \$3,855,600 and \$501,000 for Mr. Puri, and \$2,795,310 and \$375,750 for Ms. Shoquist. Based on Stretch Operating Plan and Stretch performance in Fiscal 2017, the respective grant date fair values of SY PSUs and MY PSUs granted in Fiscal 2017 would be \$8,920,500 and \$4,862,100 for Mr. Huang, \$3,474,300 and \$519,720 for Ms. Kress, \$3,599,500 and \$519,720 for Mr. Puri, and \$2,441,400 and \$346,480 for Ms. Shoquist.

⁽²⁾ As applicable, reflects amounts earned in Fiscal 2019, 2018, and 2017 and paid in March or April of each respective year pursuant to our Variable Cash Plan for each respective year. For further information please see our *Compensation Discussion and Analysis* above.

⁽³⁾ Represents a match of contributions to our 401(k) savings plan, a contribution to a health savings account and imputed income from life insurance coverage. These benefits are available to all eligible NVIDIA employees.

⁽⁴⁾ Represents a contribution to a health savings account and imputed income from life insurance coverage. These benefits are available to all eligible NVIDIA employees.

⁽⁵⁾ Represents a match of contributions to our 401(k) savings plan and imputed income from life insurance coverage. These benefits are available to all eligible NVIDIA employees.

⁽⁶⁾ Mr. Teter joined NVIDIA as our Senior Vice President, General Counsel and Secretary in January 2017 and became Executive Vice President, General Counsel and Secretary in February 2018.

⁽⁷⁾ Represents an anniversary bonus paid in Fiscal 2018 that was earned in Fiscal 2019.

⁽⁸⁾ Represents imputed income from life insurance coverage. This benefit is available to all eligible NVIDIA employees.

Grants of Plan-Based Awards for Fiscal 2019

The following table provides information regarding all grants of plan-based awards that were made to or earned by our NEOs during Fiscal 2019. Disclosure on a separate line item is provided for each grant of an award made to an NEO. The information in this table supplements the dollar value of stock and other awards set forth in the *Summary Compensation Table for Fiscal Years 2019, 2018, and 2017* by providing additional details about the awards. The PSUs and RSUs set forth in the following table were made under our 2007 Plan. PSUs are eligible to vest based on performance against pre-established criteria. Both SY PSUs and RSUs are subject to service-based vesting.

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards (\$) ⁽²⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Jen-Hsun Huang	3/8/18	3/8/18 ⁽³⁾	—	—	—	15,500	31,000	46,500	—	7,405,590 ⁽⁴⁾
	3/8/18	3/8/18 ⁽⁵⁾	—	—	—	3,850	15,400	23,100	—	4,205,432
	3/8/18	3/8/18	550,000	1,100,000	2,200,000	—	—	—	—	—
Colette M. Kress	3/8/18	3/8/18 ⁽³⁾	—	—	—	4,500	9,000	18,000	—	2,150,010 ⁽⁴⁾
	3/8/18	3/8/18 ⁽⁵⁾	—	—	—	225	900	1,800	—	318,204
	3/8/18	3/8/18	—	—	—	—	—	—	2,775 ⁽⁶⁾	662,920
	9/11/18	8/22/18	—	—	—	—	—	—	2,440 ⁽⁷⁾	660,069
	3/8/18	3/8/18	150,000	300,000	600,000	—	—	—	—	—
Ajay K. Puri	3/8/18	3/8/18 ⁽³⁾	—	—	—	4,600	9,200	18,400	—	2,197,788 ⁽⁴⁾
	3/8/18	3/8/18 ⁽⁵⁾	—	—	—	225	900	1,800	—	318,204
	3/8/18	3/8/18	—	—	—	—	—	—	2,900 ⁽⁶⁾	692,781
	9/11/18	8/22/18	—	—	—	—	—	—	2,550 ⁽⁷⁾	689,826
	3/8/18	3/8/18	325,000	650,000	1,300,000	—	—	—	—	—
Debora Shoquist	3/8/18	3/8/18 ⁽³⁾	—	—	—	3,350	6,700	13,400	—	1,600,563 ⁽⁴⁾
	3/8/18	3/8/18 ⁽⁵⁾	—	—	—	175	700	1,400	—	247,492
	3/8/18	3/8/18	—	—	—	—	—	—	1,950 ⁽⁶⁾	465,836
	9/11/18	8/22/18	—	—	—	—	—	—	1,710 ⁽⁷⁾	462,589
	3/8/18	3/8/18	125,000	250,000	500,000	—	—	—	—	—
Timothy S. Teter	3/8/18	3/8/18 ⁽³⁾	—	—	—	2,850	5,700	11,400	—	1,361,673 ⁽⁴⁾
	3/8/18	3/8/18 ⁽⁵⁾	—	—	—	175	700	1,400	—	247,492
	3/8/18	3/8/18	—	—	—	—	—	—	1,300 ⁽⁶⁾	310,557
	9/11/18	8/22/18	—	—	—	—	—	—	1,140 ⁽⁷⁾	308,393
	3/8/18	3/8/18	125,000	250,000	500,000	—	—	—	—	—

⁽¹⁾ Represents range of awards payable under our Fiscal 2019 Variable Cash Plan.

⁽²⁾ Amounts shown in this column do not reflect dollar amounts actually received by the NEO. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for the awards. The assumptions used in the calculation of values of the awards are set forth under Note 3 to our consolidated financial statements titled *Stock-Based Compensation* in our Form 10-K. With regard to the stock awards with performance-based vesting conditions, the reported grant date fair value assumes the probable outcome of the conditions at Base Operating Plan and Target, determined in accordance with applicable accounting standards.

⁽³⁾ Represents range of possible shares able to be earned with respect to SY PSUs.

⁽⁴⁾ Based on the performance that was actually achieved for Fiscal 2019, the grant date fair value for the NEOs' SY PSUs would be: \$6,655,714 for Mr. Huang, \$1,932,381 for Ms. Kress, \$1,975,381 for Mr. Puri, \$1,438,596 for Ms. Shoquist, and \$1,223,833 for Mr. Teter.

⁽⁵⁾ Represents range of possible shares able to be earned with respect to MY PSUs.

⁽⁶⁾ Represents RSUs granted to Messrs. Puri and Teter and Mses. Kress and Shoquist in the first quarter of Fiscal 2019 pursuant to the 2007 Plan. The CC approved these grants on March 8, 2018 for grant on March 8, 2018, the same day that semi-annual grants were made to all of our eligible employees.

⁽⁷⁾ Represents RSUs granted to Messrs. Puri and Teter and Mses. Kress and Shoquist in the third quarter of Fiscal 2019 pursuant to the 2007 Plan. The CC approved these grants on August 22, 2018 for grant on September 11, 2018, the same day that semi-annual grants were made to all of our eligible employees.

Outstanding Equity Awards as of January 27, 2019

The following table presents information regarding outstanding equity awards held by our NEOs as of January 27, 2019.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Number of Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$) ⁽²⁾	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares That Have Not Vested (\$) ⁽²⁾
Jen-Hsun Huang	250,000	—	10.56	9/14/2020	—	—	—	—
	250,000	—	17.62	3/17/2021	—	—	—	—
	250,000	—	14.465	9/20/2021	—	—	—	—
	300,000	—	14.46	3/20/2022	—	—	—	—
	300,000	—	13.71	9/18/2022	—	—	—	—
	237,500	—	12.62	3/19/2023	—	—	—	—
	237,500	—	16.00	9/17/2023	—	—	—	—
	—	—	—	—	41,250 ⁽³⁾	6,606,188	—	—
	—	—	—	—	142,500 ⁽⁴⁾	22,821,375	—	—
	—	—	—	—	106,875 ⁽⁵⁾	17,116,031	—	—
Colette M. Kress	—	—	—	—	56,954 ⁽⁶⁾	9,121,183	—	—
	—	—	—	—	27,861 ⁽⁷⁾	4,461,939	—	—
	—	—	—	—	—	—	50,250 ⁽⁸⁾	8,047,538
	—	—	—	—	—	—	23,100 ⁽⁹⁾	3,699,465
	—	—	—	—	2,813 ⁽¹⁰⁾	450,502	—	—
	—	—	—	—	17,250 ⁽³⁾	2,762,588	—	—
	—	—	—	—	5,625 ⁽¹¹⁾	900,844	—	—
	—	—	—	—	12,000 ⁽⁴⁾	1,921,800	—	—
	—	—	—	—	41,625 ⁽⁵⁾	6,666,244	—	—
	—	—	—	—	7,219 ⁽¹²⁾	1,156,123	—	—
Ajay K. Puri	—	—	—	—	5,032 ⁽¹³⁾	805,875	—	—
	—	—	—	—	3,375 ⁽¹⁴⁾	540,506	—	—
	—	—	—	—	21,938 ⁽⁶⁾	3,513,371	—	—
	—	—	—	—	2,544 ⁽¹⁵⁾	407,422	—	—
	—	—	—	—	8,089 ⁽⁷⁾	1,295,453	—	—
	—	—	—	—	2,775 ⁽¹⁶⁾	444,416	—	—
	—	—	—	—	2,440 ⁽¹⁷⁾	390,766	—	—
	—	—	—	—	—	—	4,000 ⁽⁸⁾	640,600
	—	—	—	—	—	—	1,800 ⁽⁹⁾	288,270

Debora Shoquist	—	—	—	—	2,063 ⁽¹⁰⁾	330,389	—	—
	—	—	—	—	12,500 ⁽³⁾	2,001,875	—	—
	—	—	—	—	4,125 ⁽¹¹⁾	660,619	—	—
	—	—	—	—	8,000 ⁽⁴⁾	1,281,200	—	—
	—	—	—	—	29,250 ⁽⁵⁾	4,684,388	—	—
	—	—	—	—	5,063 ⁽¹²⁾	810,839	—	—
	—	—	—	—	3,500 ⁽¹³⁾	560,525	—	—
	—	—	—	—	2,391 ⁽¹⁴⁾	382,919	—	—
	—	—	—	—	16,313 ⁽⁶⁾	2,612,527	—	—
	—	—	—	—	1,822 ⁽¹⁵⁾	291,793	—	—
	—	—	—	—	6,022 ⁽⁷⁾	964,423	—	—
	—	—	—	—	1,950 ⁽¹⁶⁾	312,293	—	—
	—	—	—	—	1,710 ⁽¹⁷⁾	273,857	—	—
	—	—	—	—	—	—	3,000 ⁽⁸⁾	480,450
	—	—	—	—	—	—	1,400 ⁽⁹⁾	224,210
Timothy S. Teter	—	—	—	—	27,394 ⁽¹⁴⁾	4,387,149	—	—
	—	—	—	—	5,123 ⁽⁷⁾	820,448	—	—
	—	—	—	—	1,300 ⁽¹⁶⁾	208,195	—	—
	—	—	—	—	1,140 ⁽¹⁷⁾	182,571	—	—
	—	—	—	—	—	—	1,400 ⁽⁹⁾	224,210

⁽¹⁾ Unless otherwise noted, represents the closing price of our common stock as reported by Nasdaq on the date of grant which is the exercise price of stock option grants made pursuant to our 2007 Plan.

⁽²⁾ Calculated by multiplying the number of RSUs or PSUs by the closing price (\$160.15) of NVIDIA's common stock on January 25, 2019, the last trading day before the end of our Fiscal 2019, as reported by Nasdaq.

⁽³⁾ The RSU was earned on January 31, 2016 based on achievement of a pre-established performance goal. The RSU vested as to 25% of the shares on March 16, 2016, and vested as to 12.50% approximately every six months thereafter over the next three years such that the RSU was fully vested on March 20, 2019.

⁽⁴⁾ The RSU was earned on January 27, 2019, based on achievement of a pre-established performance goal. The RSU vested as to 100% of the shares on March 20, 2019.

⁽⁵⁾ The RSU was earned on January 29, 2017, based on achievement of a pre-established performance goal. The RSU vested as to 25% of the shares on March 15, 2017, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 18, 2020.

⁽⁶⁾ The RSU was earned on January 28, 2018, based on achievement of a pre-established performance goal. The RSU vested as to 25% of the shares on March 21, 2018, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on March 17, 2021.

⁽⁷⁾ Represents the number of shares subject to the RSU that became eligible to vest, determined as of January 27, 2019, based on partial achievement of the pre-established Base Operating Plan performance goal above Threshold performance. The RSU vested as to 25% of the shares on March 20, 2019, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on March 16, 2022.

⁽⁸⁾ Represents the number of shares based on achieving Stretch performance goals. The number of PSUs that will be earned, if at all, is based on our TSR relative to the S&P 500 from January 30, 2017 through January 26, 2020. If the pre-established performance goal is achieved, the shares earned will vest as to 100% on March 18, 2020. If the Threshold performance goal is achieved, 8,375 shares will be earned by Mr. Huang, 500 shares will be earned by Ms. Kress, 500 shares will be earned by Mr. Puri, and 375 shares will be earned by Ms. Shoquist. If the Target performance goal is achieved, 33,500 shares will be earned by Mr. Huang, 2,000 shares will be earned by Ms. Kress, 2,000 shares will be earned by Mr. Puri, and 1,500 shares will be earned by Ms. Shoquist.

⁽⁹⁾ Represents the number of shares based on achieving Stretch performance goals. The number of PSUs that will be earned, if at all, is based on our TSR relative to the S&P 500 from January 28, 2018 through January 31, 2021. If the pre-established performance goal is achieved, the shares earned will vest as to 100% on March 17, 2021. If the Threshold performance goal is achieved, 3,850 shares will be earned by Mr. Huang, 225 shares will be earned by Ms. Kress, 225 shares will be earned by Mr. Puri, 175 shares will be earned by Ms. Shoquist, and 175 shares will be earned by Mr. Teter. If the Target performance goal is achieved, 15,400 shares will be earned by Mr. Huang, 900 shares will be earned by Ms. Kress, 900 shares will be earned by Mr. Puri, 700 shares will be earned by Ms. Shoquist, and 700 shares will be earned by Mr. Teter.

⁽¹⁰⁾ The RSU vested as to 25% of the shares on March 16, 2016, and vested as to 12.50% approximately every six months thereafter over the next three years such that the RSU was fully vested on March 20, 2019.

⁽¹¹⁾ The RSU vested as to 25% on September 21, 2016, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 18, 2019.

⁽¹²⁾ The RSU vested as to 25% on March 15, 2017, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 18, 2020.

⁽¹³⁾ The RSU will vest as to 25% on September 20, 2017, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on September 16, 2020.

⁽¹⁴⁾ The RSU will vest as to 25% on March 21, 2018, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on March 17, 2021.

- (15) The RSU will vest as to 25% on September 19, 2018, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on September 15, 2021.
- (16) The RSU vested as to 25% on March 20, 2019, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on March 16, 2022.
- (17) The RSU will vest as to 25% on September 18, 2019, and vests as to 6.25% approximately every three months thereafter over the next three years such that the RSU will be fully vested on September 21, 2022.

Option Exercises and Stock Vested in Fiscal 2019

The following table shows information regarding option exercises and stock vested by our NEOs during Fiscal 2019.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
Jen-Hsun Huang	—	—	438,046 ⁽³⁾	110,285,690
Colette M. Kress	—	—	146,156 ⁽⁴⁾	37,099,797
Ajay K. Puri	11,500 ⁽⁵⁾	2,861,912	144,500 ⁽⁶⁾	36,702,273
Debora Shoquist	—	—	105,062 ⁽⁷⁾	26,660,527
Timothy S. Teter	—	—	21,306 ⁽⁸⁾	5,105,586

⁽¹⁾ The value realized on cashless exercise represents the difference between the exercise price per share of the stock option and either (a) the fair market value of our common stock as reported by Nasdaq at cashless exercise or (b) the closing price of our common stock as reported by Nasdaq on the trading day prior to the date of cash exercise, multiplied by the number of shares of common stock underlying the stock options exercised. The exercise price of each such stock option was equal to the closing price of our common stock as reported by Nasdaq on the date of grant. The value realized was determined without considering any taxes that may have been owed.

⁽²⁾ Represents the number of shares acquired on vesting multiplied by the fair market value of our common stock as reported by Nasdaq on the date of vesting.

⁽³⁾ Includes an aggregate of 217,186 shares that were withheld to pay taxes due upon vesting.

⁽⁴⁾ Includes an aggregate of 72,236 shares that were withheld to pay taxes due upon vesting.

⁽⁵⁾ Mr. Puri exercised stock options and sold an aggregate of 4,643 shares during Fiscal 2019. Mr. Puri also exercised stock options for an additional 6,857 shares during Fiscal 2019 for an aggregate exercise price of \$99,995.

⁽⁶⁾ Includes an aggregate of 71,655 shares that were withheld to pay taxes due upon vesting.

⁽⁷⁾ Includes an aggregate of 51,800 shares that were withheld to pay taxes due upon vesting.

⁽⁸⁾ Includes an aggregate of 10,536 shares that were withheld to pay taxes due upon vesting.

Employment, Severance and Change-in-Control Arrangements

Employment Agreements. Our executive officers are “at-will” employees and we do not have employment, severance or change-in-control agreements with our executive officers.

Change-in-Control Arrangements. Our 2007 Plan provides that in the event of a corporate transaction or a change-in-control, outstanding stock awards may be assumed, continued, or substituted by the surviving corporation. If the surviving corporation does not assume, continue, or substitute such stock awards, then (a) with respect to any stock awards that are held by individuals performing services for NVIDIA immediately prior to the effective time of the transaction, the vesting and exercisability provisions of such stock awards will be accelerated in full and such stock awards will be terminated if not exercised prior to the effective date of the corporate transaction or change-in-control, and (b) all other outstanding stock awards will be terminated if not exercised on or prior to the effective date of the corporate transaction or change-in-control.

Potential Payments Upon Termination or Change-in-Control

Upon a change-in-control or certain other corporate transactions of NVIDIA, unvested RSUs and PSUs will fully vest in some cases as described above under *Employment, Severance and Change-in-Control Arrangements—Change-in-Control Arrangements*. The table below shows our estimates of the amount of the benefit each of our NEOs would have received if the unvested RSUs and PSUs held by them as of January 27, 2019 had become fully vested as a result of a change-in-control, calculated by multiplying the number of unvested RSUs and PSUs held by the applicable NEO by the \$160.15 closing price of our common stock on January 25, 2019.

Name	Unvested RSUs and PSUs at January 27, 2019 (#) ⁽¹⁾	Total Estimated Benefit (\$) ⁽¹⁾
Jen-Hsun Huang	379,979	60,853,637
Colette M. Kress	130,536	20,905,340
Ajay K. Puri	136,088	21,794,493
Debora Shoquist	93,587	14,987,958
Timothy S. Teter	36,234	5,802,875

⁽¹⁾ With respect to unvested PSUs, the amounts in these columns assume performance at Base Operating Plan (with respect to SY PSUs granted in Fiscal 2019) and Target (with respect to MY PSUs granted in Fiscal 2017, Fiscal 2018, and Fiscal 2019) in accordance with SEC rules. The two tables below reflect the actual numbers of the SY PSUs granted in Fiscal 2019 and MY PSUs granted in Fiscal 2017 that would be eligible to vest, based on our performance during the relevant performance period for such awards, as certified by our CC shortly after the end of Fiscal 2019. The values of the estimated and actual SY PSUs and MY PSUs in the tables below were calculated by multiplying the applicable number of SY PSUs and MY PSUs held by each respective NEO and listed below, by the \$160.15 closing price of our common stock on January 25, 2019.

SY PSUs granted in Fiscal 2019 - Actual Achievement (vs Base Operating Performance)

Name	Estimated SY PSUs Granted in Fiscal 2019 at Base Operating Plan Performance (#)	Value of Estimated SY PSUs Granted in Fiscal 2019 at Base Operating Plan Performance (\$)	Actual SY PSUs Granted in Fiscal 2019 Eligible to Vest (#)	Value of Actual SY PSUs Granted in Fiscal 2019 Eligible to Vest (\$)
Jen-Hsun Huang	31,000	4,964,650	27,861	4,461,939
Colette M. Kress	9,000	1,441,350	8,089	1,295,453
Ajay K. Puri	9,200	1,473,380	8,269	1,324,280
Debora Shoquist	6,700	1,073,005	6,022	964,423
Timothy S. Teter	5,700	912,855	5,123	820,448

MY PSUs granted in Fiscal 2017 - Actual Achievement (vs Target Performance)

Name	Estimated MY PSUs Granted in Fiscal 2017 at Target Performance (#)	Value of Estimated MY PSUs Granted in Fiscal 2017 at Target Performance (\$)	Actual MY PSUs Granted in Fiscal 2017 Eligible to Vest (#)	Value of Actual MY PSUs Granted in Fiscal 2017 Eligible to Vest (\$)
Jen-Hsun Huang	95,000	15,214,250	142,500	22,821,375
Colette M. Kress	6,000	960,900	12,000	1,921,800
Ajay K. Puri	6,000	960,900	12,000	1,921,800
Debora Shoquist	4,000	640,600	8,000	1,281,200
Timothy S. Teter *	—	—	—	—

* Mr. Teter joined NVIDIA in January of 2017 and did not receive an equity grant until Fiscal 2018.

The actual number of MY PSUs granted in Fiscal 2018 that will become eligible to vest will be determinable after January 26, 2020, the ending date of the three year measurement period for MY PSUs.

The actual number of MY PSUs granted in Fiscal 2019 that will become eligible to vest will be determinable after January 31, 2021, the ending date of the three year measurement period for MY PSUs.

Pay Ratio

In accordance with Item 402(u) of Regulation S-K, promulgated by the Dodd Frank Act, we determined the ratio of: (a) the annual total compensation of our CEO, to (b) the median of the annual total compensation of all our employees, except for our CEO, both calculated in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K.

We determined our median employee for purposes of the pay ratio calculation for Fiscal 2018 by using a consistently applied compensation measure which aggregated, for each employee employed by us on the last business day of Fiscal 2018, or January 26, 2018: (i) target base salary as of January 26, 2018 (annualized for employees who were employed by us for less than the entire fiscal year), (ii) variable cash earned during Fiscal 2018, and (iii) aggregate full grant date fair value of equity awards granted during Fiscal 2018, calculated in accordance with FASB ASC Topic 718 and assuming the probable outcome of the conditions at Base Operating Plan for performance-based awards. Compensation paid in foreign currencies was converted to U.S. dollars based on exchange rates in effect on January 26, 2018.

After applying the methodology described above, we determined the identity of our median employee for Fiscal 2018. We concluded that because there have been no changes to our employee population or employee compensation arrangements since the end of Fiscal 2018 that would significantly impact our pay ratio disclosure for Fiscal 2019, we would use the same individual in our Fiscal 2019 pay ratio calculation.

Our median employee's compensation for Fiscal 2019 was \$155,035. Our CEO's compensation for Fiscal 2019 was \$13,642,838. Therefore, our Fiscal 2019 CEO to median employee pay ratio was 88:1.

This pay ratio represents our reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K and applicable guidance, which provide significant flexibility in how companies identify the median employee. Each company may use a different methodology and make different assumptions. As a result, and as explained by the SEC when it adopted these rules, in considering the pay ratio disclosure, stockholders should keep in mind that the rule was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow stockholders to better understand and assess each particular company's compensation practices and pay ratio disclosures. Neither the CC nor our management used our Fiscal 2019 CEO to median employee pay ratio in making compensation decisions.

Compensation Committee Interlocks and Insider Participation

For Fiscal 2019, the CC consisted of Messrs. Burgess, Coxe, Jones, and Seawell and Dr. Drell. No member of the CC is an officer or employee of NVIDIA, and none of our executive officers serve as a director or member of a compensation committee of any entity that has one or more executive officers serving as a member of our Board or CC.

Compensation Committee Report

The Compensation Committee of the Board of Directors oversees the compensation programs of NVIDIA on behalf of the Board of Directors. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement.

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Annual Report on Form 10-K of NVIDIA for the year ended January 27, 2019 and in this proxy statement.

Compensation Committee

Robert K. Burgess
Tench Coxe
Persis S. Drell
Harvey C. Jones
A. Brooke Seawell

Proposal 3—Ratification of the Selection of Independent Registered Public Accounting Firm for Fiscal 2020

What am I voting on? Ratification of the selection of PwC as our independent registered public accounting firm for Fiscal 2020.

Vote required: A majority of the shares present or represented by proxy.

Effect of abstentions: Same as a vote AGAINST.

Effect of broker non-votes: None (because this is a routine proposal, there are no broker non-votes).

The AC has selected PwC, which has audited our financial statements annually since 2004, to serve as our independent registered public accounting firm for Fiscal 2020. Our lead audit partner at PwC serves no more than five consecutive years in that role. Stockholder ratification of the AC's selection of PwC is not required by our Bylaws or any other governing documents or laws. As a matter of good corporate governance, we are submitting the selection of PwC to our stockholders for ratification. If our stockholders do not ratify the selection, the AC will reconsider whether or not to retain PwC. Even if the selection is ratified, the AC in its sole discretion may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if it determines that such a change would be in our best interests and those of our stockholders. The AC believes it is in the best interests of NVIDIA and our stockholders to retain PwC.

We expect that a representative of PwC will attend the 2019 Meeting. The PwC representative will have an opportunity to make a statement at the 2019 Meeting if he or she so desires. The representative will also be available to respond to appropriate stockholder questions.

Recommendation of the Board

The Board recommends that you vote **FOR** the ratification of the selection of PwC as our independent registered accounting firm for our fiscal year ending January 26, 2020.

Fees Billed by the Independent Registered Public Accounting Firm

The following is a summary of fees billed by PwC for Fiscal 2019 and 2018 for audit, tax and other professional services during each fiscal year:

	Fiscal 2019	Fiscal 2018
Audit Fees ⁽¹⁾	\$ 5,019,270	\$ 4,415,542
Audit-Related Fees ⁽²⁾	—	100,000
Tax Fees ⁽³⁾	403,816	211,594
All Other Fees ⁽⁴⁾	4,500	3,600
Total Fees	\$ 5,427,586	\$ 4,730,736

⁽¹⁾ Audit fees include fees for the audit of our consolidated financial statements, the audit of our internal control over financial reporting, reviews of our quarterly financial statements and annual report, reviews of SEC registration statements, and related consents and fees related to statutory audits of some of our international entities.

⁽²⁾ Audit-related fees consist of fees for procedures related to the impact of a new accounting pronouncement.

⁽³⁾ Tax fees consisted of fees for tax compliance and consultation services.

⁽⁴⁾ All other fees consisted of fees for products or services other than those included above, including payment to PwC related to the use of an accounting regulatory database.

All of the services provided for Fiscal 2019 and 2018 described above were pre-approved by the AC or the Chairperson of the AC through the authority granted to him by the AC, which is described below. Our AC determined that the rendering of services other than audit services by PwC was compatible with maintaining PwC's independence.

Pre-Approval Policies and Procedures

The AC has adopted policies and procedures for the pre-approval of all audit and permissible non-audit services rendered by our independent registered public accounting firm. The policy generally permits pre-approvals of specified permissible services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the AC's approval of the scope of the engagement of our independent registered public accounting firm or on an individual case-by-case basis before the independent registered public accounting firm is engaged to provide each service. In some cases the full AC provides pre-approval for up to a year related to a particular defined task or scope. In other cases, the AC has delegated power to Mr. McCaffery, the Chairperson of our AC, to pre-approve additional non-audit services if the need for the service was unanticipated and approval is required prior to the next scheduled meeting of the AC. Mr. McCaffery then communicates such pre-approval to the full AC at its next meeting.

Report of the Audit Committee of the Board of Directors

The material in this report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, except to the extent specifically incorporated by reference therein.

The Audit Committee, or AC, oversees accounting, financial reporting, internal control over financial reporting, financial practices and audit activities of NVIDIA and its subsidiaries. The AC reviews the results and scope of the audit and other services provided by the independent registered public accounting firm and reviews financial statements and the accounting policies followed by NVIDIA prior to the issuance of the financial statements with both management and the independent registered public accounting firm.

Management is responsible for the financial reporting process, the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States, or GAAP, the system of internal control over financial reporting, and the procedures designed to facilitate compliance with accounting standards and applicable laws and regulations. PricewaterhouseCoopers LLP, or PwC, our independent registered public accounting firm for Fiscal 2019, was responsible for performing an independent audit of the consolidated financial statements and issuing a report on the consolidated financial statements and of the effectiveness of our internal control over financial reporting as of January 27, 2019. PwC's judgments as to the quality, not just the acceptability, of our accounting principles and such other matters are required to be disclosed to the AC under applicable standards. The AC oversees these processes. Also, the AC has ultimate authority and responsibility to select, evaluate and, when appropriate, terminate the independent registered public accounting firm. The AC approves audit fees and non-audit services provided by and fees paid to the independent registered public accounting firm.

NVIDIA has an internal audit function that reports to the AC. This function is responsible for objectively reviewing and evaluating the adequacy, effectiveness and quality of our system of internal controls and the operating effectiveness of our business processes. The AC approves an annual internal audit plan and monitors the activities and performance of our internal audit function throughout the year to ensure the plan objectives are carried out and met.

The AC members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management or the independent registered public accounting firm. The AC does not plan or conduct audits, determine that our financial statements are complete and accurate and in accordance with GAAP or assess our internal control over financial reporting. The AC relies, without additional independent verification, on the information provided by our management and on the representations made by management that the financial statements have been prepared with integrity and objectivity, and the opinion of PwC that such financial statements have been prepared in conformity with GAAP.

In this context, the AC reviewed and discussed the audited consolidated financial statements for Fiscal 2019 with management and our internal control over financial reporting with management and PwC. Specifically, the AC discussed with PwC the matters required to be discussed by Statement on Auditing Standard No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board. We have received from PwC the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the AC concerning independence. The AC also considered whether the provision of certain permitted non-audit services by PwC is compatible with PwC's independence and discussed PwC's independence with PwC.

Based on the AC's review and discussions, the AC recommended to the Board of Directors that the audited consolidated financial statements be included in the Annual Report on Form 10-K of NVIDIA for the fiscal year ended January 27, 2019.

AUDIT COMMITTEE

Dawn Hudson
Michael G. McCaffery
Mark L. Perry
Mark A. Stevens

Proposal 4—Approval of an Amendment and Restatement of our Certificate of Incorporation

What am I voting on? Approval of an amendment and restatement of our Charter.

Vote required: 66 2/3% of the shares outstanding.

Effect of abstentions: Same as a vote AGAINST.

Effect of broker non-votes: Same as a vote AGAINST.

Summary of the Change and Description of the Proposed 2019 A&R Charter

The material features of the proposed 2019 A&R Charter are outlined below. The following description is a summary only and is qualified in its entirety by reference to the complete text of the 2019 A&R Charter, which is appended to this proxy statement as Appendix A and which we encourage stockholders to read in its entirety.

On February 27, 2019, our Board approved an amendment and restatement of our Charter, primarily to remove the 66 2/3% vote requirement to remove a director without cause, and to make non-substantive clarifying changes. The following text is marked to show the effects of the material changes to the Charter:

"3. Subject to the rights of the holders of any series of Preferred Stock, the Board of Directors or any individual director may be removed from office at any time ~~(i)~~ with or without cause by the affirmative vote of the holders of a majority of the voting power of all the then outstanding shares of voting stock of the Corporation, entitled to vote at an election of directors (the "Voting Stock") ~~or (ii) without cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding shares of Voting Stock.~~"

Purpose of the 2019 A&R Charter and Effect of Stockholder Approval

In response to a shareholder's concern about the validity of the 66 2/3% vote requirement to remove a director without cause, the Board and NCGC reviewed the Charter provision from a legal and policy perspective. Our Board believes that the current Charter provision complies with Delaware law. Nonetheless, in light of evolving practices and stockholder input, our Board has determined that it is in the best interests of the Company and its investors to seek to amend the supermajority director removal provision. The elimination of the supermajority voting requirement would reinforce the Board's accountability to our stockholders, provide our stockholders with greater ability to participate in the corporate governance of NVIDIA, and demonstrate the Board's commitment to continued strong governance.

The proposed amendments may, if adopted, make it easier for one or more stockholders to change the composition of our Board and, therefore, make it more difficult for our Board to protect other stockholders' interests. Nevertheless, there are other actions that our Board can take to protect stockholders' interests on such occasions.

If this Proposal 4 is approved by our stockholders, the 2019 A&R Charter will become effective upon its filing with the Delaware Secretary of State. Upon the filing of the 2019 A&R Charter with the Delaware Secretary of State, our Bylaws will also be amended and restated, or the 2019 A&R Bylaws, to remove the 66 2/3% supermajority vote requirement. In the event that our stockholders do not approve this Proposal 4, the 2019 A&R Charter and the 2019 A&R Bylaws will not become effective and our Charter and Bylaws will continue in their current forms.

Recommendation of the Board

The Board has declared the 2019 A&R Charter to be advisable and has directed that the amendment and restatement be submitted to NVIDIA's stockholders for approval at the 2019 Meeting. The Board recommends that our stockholders adopt the following resolution:

"RESOLVED, that NVIDIA's Amended and Restated Certificate of Incorporation, including the following revisions:

- amendment of Article V(A)(3) to remove the 66 2/3% supermajority vote requirement for removal of directors without cause, thereby providing for majority voting; and
- such non-substantive revisions as determined by management to be in the best interests of the Company and its stockholders;

is hereby **APPROVED.**"

Equity Compensation Plan Information

The number of shares issuable upon exercise of outstanding stock options, RSUs, and PSUs, the weighted-average exercise price of outstanding stock options, and the number of stock awards remaining for future issuance under each of our equity compensation plans as of January 27, 2019 are summarized as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	4,141,061	14.36 ⁽²⁾	94,777,956 ⁽³⁾
Equity compensation plans not approved by security holders	—	—	—
Total	4,141,061	14.36 ⁽²⁾	94,777,956 ⁽³⁾

⁽¹⁾ This row includes our 2007 Plan and our 2012 ESPP. Under our 2012 ESPP, participants are permitted to purchase our common stock at a discount on certain dates through payroll deductions within a pre-determined purchase period. Accordingly, the number of shares to be issued upon exercise of outstanding rights under our 2012 ESPP as of January 27, 2019 is not determinable.

⁽²⁾ Represents the weighted-average exercise price of outstanding stock options only.

⁽³⁾ As of January 27, 2019, the number of shares that remained available for future issuance under the 2007 Plan is 34,944,305, and the number of shares that remained available for future issuance under the 2012 ESPP is 59,833,651, of which up to a maximum of 37,803,000 shares may be purchased under the 2012 ESPP in the current purchase period which runs until August 31, 2019.

Additional Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership of our common stock and other equity securities with the SEC. Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, all Section 16(a) filing requirements applicable to individuals who were, during Fiscal 2019, our executive officers, directors and greater than 10% beneficial owners were complied with, except for Mr. Puri, who filed a late Form 4.

Other Matters

The Board knows of no other matters that will be presented for consideration at the 2019 Meeting. If any other matters are properly brought before the 2019 Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors



Timothy S. Teter

Secretary

April 12, 2019

A COPY OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 27, 2019 AS FILED WITH THE SEC IS BEING FURNISHED TO STOCKHOLDERS CONCURRENTLY HEREWITH. STOCKHOLDERS MAY SUBMIT A WRITTEN REQUEST FOR AN ADDITIONAL COPY OF THE ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 27, 2019 TO: INVESTOR RELATIONS, NVIDIA CORPORATION, 2788 SANTOMAS EXPRESSWAY, SANTA CLARA, CALIFORNIA 95051. WE WILL ALSO FURNISH A COPY OF ANY EXHIBIT TO THE ANNUAL REPORT ON FORM 10-K IF SPECIFICALLY REQUESTED IN WRITING.

NVIDIA and the NVIDIA logo are either registered trademarks or trademarks of NVIDIA Corporation in the United States and other countries. Other company names used in this publication are for identification purposes only and may be trademarks of their respective companies.

APPENDIX A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

NVIDIA Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is NVIDIA Corporation.

2. The corporation's original Certificate of Incorporation was filed with the Secretary of State on February 24, 1998 under the name of NVIDIA Delaware Corporation.

3. The Amended and Restated Certificate of Incorporation of this corporation, in the form attached hereto as Exhibit A, has been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware by the Board of Directors and by the stockholders of the corporation.

4. The Amended and Restated Certificate of Incorporation so adopted reads in full as set forth in Exhibit A attached hereto and hereby incorporated by reference.

In Witness Whereof, NVIDIA Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its Executive Vice President, General Counsel & Secretary and attested to by its Vice President, Corporate Affairs & Assistant Secretary this [____] day of [____], 2019.

Timothy S. Teter
Executive Vice President, General Counsel & Secretary

Attest:

Rebecca Peters
Vice President, Corporate Affairs & Assistant Secretary

Exhibit A

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
NVIDIA CORPORATION**

I.

The name of this corporation is NVIDIA Corporation.

II.

The address of the registered office of the corporation in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle 19808 and the name of the registered agent of the corporation in the State of Delaware at such address is Corporation Service Company.

III.

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

IV.

A. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is Two Billion Two Million Shares (2,002,000,000) shares. Two Billion (2,000,000,000) shares shall be Common Stock, each having a par value of one-tenth of one cent (\$.001). Two Million (2,000,000) shares shall be Preferred Stock, each having a par value of one-tenth of one cent (\$.001).

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing a certificate (a "Preferred Stock Designation") pursuant to the Delaware General Corporation Law, to fix or alter from time to time the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions of any wholly unissued series of Preferred Stock, and to establish from time to time the number of shares constituting any such series or any of them; and to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

V.

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. 1. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted by the Board of Directors.

2. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of the stockholders to hold office until the next annual meeting of the stockholders. Each director shall serve until his successor is duly elected and qualified or until his earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

3. Subject to the rights of the holders of any series of Preferred Stock, the Board of Directors or any individual director may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of voting stock of the Corporation, entitled to vote at an election of directors (the "Voting Stock").

4. Subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders, except as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

5. In the event that Section 2115(a) of the California Corporations Code is applicable to this corporation, then the following shall apply:

a. Every stockholder entitled to vote in any election of directors of this corporation may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder thinks fit;

b. No stockholder, however, may cumulate such stockholder's votes for one or more candidates unless (i) the names of such candidates have been properly placed in nomination, in accordance with the Bylaws of the corporation, prior to the voting, (ii) the stockholder has given advance notice to the corporation of the intention to cumulative votes pursuant to the Bylaws, and (iii) the stockholder has given proper notice to the other stockholders at the meeting, prior to voting, of such stockholder's intention to cumulate such stockholder's votes; and

c. If any stockholder has given proper notice, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. The candidates receiving the highest number of votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares shall be declared elected.

B. **1.** Subject to paragraph (h) of Section 46 of the Bylaws, the Bylaws may be altered or amended or new Bylaws adopted by the affirmative vote of at least sixty-six and two-thirds percent (66-2/3%) of the Voting Stock. The Board of Directors shall also have the power to adopt, amend, or repeal Bylaws.

2. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

3. No action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws and no action shall be taken by the stockholders by written consent.

4. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

VI.

A. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

B. Any repeal or modification of this Article VI shall be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

A. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B of this Article VII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, this Certificate of Incorporation or any Preferred Stock Designation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI and VII.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 27, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 0-23985



NVIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of Incorporation or Organization)	94-3177549 (I.R.S. Employer Identification No.)
--	--

2788 San Tomas Expressway
Santa Clara, California 95051
(408) 486-2000

(Address, including zip code, and telephone number, including area code, of principal executive offices)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant as of July 27, 2018 was approximately \$146.66 billion (based on the closing sales price of the registrant's common stock as reported by the Nasdaq Global Select Market on July 27, 2018). This calculation excludes 26 million shares held by directors and executive officers of the registrant. This calculation does not exclude shares held by such organizations whose ownership exceeds 5% of the registrant's outstanding common stock that have represented to the registrant that they are registered investment advisers or investment companies registered under section 8 of the Investment Company Act of 1940.

The number of shares of common stock outstanding as of February 15, 2019 was 606 million.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2019 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

NVIDIA CORPORATION
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WHERE YOU CAN FIND MORE INFORMATION

Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. We also use the following social media channels as a means of disclosing information about the company, our products, our planned financial and other announcements and attendance at upcoming investor and industry conferences, and other matters and for complying with our disclosure obligations under Regulation FD:

NVIDIA Twitter Account (<https://twitter.com/nvidia>)

NVIDIA Company Blog (<http://blogs.nvidia.com>)

NVIDIA Facebook Page (<https://www.facebook.com/nvidia>)

NVIDIA LinkedIn Page (<http://www.linkedin.com/company/nvidia>)

NVIDIA Instagram Page (<https://www.instagram.com/nvidia>)

In addition, investors and others can view NVIDIA videos on YouTube.

The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these accounts and the blog, in addition to following our press releases, SEC filings and public conference calls and webcasts. This list may be updated from time to time. The information we post through these channels is not a part of this Annual Report on Form 10-K. These channels may be updated from time to time on NVIDIA's investor relations website.

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "goal," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "potential" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. We discuss many of these risks, uncertainties and other factors in this Annual Report on Form 10-K in greater detail under the heading "Risk Factors." Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing. You should read this Annual Report on Form 10-K completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

All references to "NVIDIA," "we," "us," "our" or the "Company" mean NVIDIA Corporation and its subsidiaries.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the filing date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

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PART I

ITEM 1. BUSINESS

Our Company

Starting with a focus on PC graphics, NVIDIA invented the graphics processing unit, or GPU, to solve some of the most complex problems in computer science. We have extended our focus in recent years to the revolutionary field of artificial intelligence, or AI. Fueled by the sustained demand for better 3D graphics and the scale of the gaming market, NVIDIA has evolved the GPU into a computer brain at the intersection of virtual reality, or VR, high performance computing, or HPC, and AI.

The GPU was initially used to simulate human imagination, enabling the virtual worlds of video games and films. Today, it also simulates human intelligence, enabling a deeper understanding of the physical world. Its parallel processing capabilities, supported by up to thousands of computing cores, are essential to running deep learning algorithms. This form of AI, in which software writes itself by learning from data, can serve as the brain of computers, robots and self-driving cars that can perceive and understand the world. GPU-powered deep learning continues to be adopted by thousands of enterprises to deliver services and features that would have been impossible with traditional coding.

NVIDIA has a platform strategy, bringing together hardware, system software, programmable algorithms, libraries, systems, and services to create unique value for the markets we serve. While the requirements of these end markets are diverse, we address them with a unified underlying architecture leveraging our GPUs and Compute Unified Device Architecture, or CUDA, as the fundamental building blocks. The programmable nature of our architecture allows us to support several multi-billion dollar end markets with the same underlying technology by using a variety of software stacks developed either internally or by third party developers and partners. The large and growing number of developers across our platforms strengthens our ecosystem and increases the value of our platform to our customers.

Innovation is at our core. We have invested over \$17 billion in research and development since our inception, yielding inventions that are essential to modern computing. Our invention of the GPU in 1999 defined modern computer graphics and established NVIDIA as the leader in visual computing. With our introduction of the CUDA programming model in 2006, we opened the parallel processing capabilities of the GPU for general purpose computing. This approach significantly accelerates the performance of the most demanding applications in HPC in fields such as aerospace, bio-science research, mechanical and fluid simulations, and energy exploration. Today, our GPUs power the fastest supercomputers across the world. In addition, the massively parallel compute architecture of our GPUs and associated software have proven to be well suited for deep learning and are now expanding into machine learning, powering the era of AI. As the laws of physics have begun to slow down Moore's Law, we continue to deliver GPU performance improvements ahead of Moore's Law, giving the industry a path forward.

Gamers choose NVIDIA GPUs to enjoy immersive, increasingly cinematic virtual worlds. GPUs also help underpin the world's fastest growing spectator sport, eSports, which attracts hundreds of millions of viewers to watch top-quality gaming. A rapidly growing new genre of Battle Royale games, such as Fortnite, is also expanding the gaming market.

Researchers use our GPUs to accelerate a wide range of important applications, from simulating viruses to exploring the origins of the universe. With support for more than 550 applications - including the top 15 HPC applications - NVIDIA GPUs enable some of the most promising areas of discovery, from weather prediction to materials science and from wind tunnel simulation to genomics. In 2018, NVIDIA GPUs powered the top two supercomputers in the world, located at Oak Ridge and Lawrence Livermore National Laboratories in the United States, as well as the top supercomputers in Europe and Japan. Five of the six finalists for the Gordon Bell Prize, awarded by the Association for Computing Machinery for outstanding achievement in the field of computing for applications in science, engineering and large-scale data science, did their work on the NVIDIA-powered top-two supercomputers.

The world's leading cloud service providers use our GPUs to enable, accelerate or enrich the services they deliver to billions of end-users, including search, social networking, online shopping, live video, translation, AI assistants, navigation, and cloud computing.

A rapidly growing number of enterprises and startups use our GPUs to facilitate deep learning that meets, and in several cases surpasses, human perception, in fields ranging from radiology to precision agriculture. For example, the transportation industry is turning to our GPUs and AI to enable autonomous vehicles, or AVs, with several hundred companies and organizations working with NVIDIA's DRIVE platform.

Professional designers use our GPUs to create visual effects in movies and design products ranging from soft drink bottles to commercial aircraft.

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Our Businesses

Our two reportable segments - GPU and Tegra Processor - are based on a single underlying architecture. Our GPU product brands are aimed at specialized markets including GeForce for gamers; Quadro for designers; Tesla and DGX for AI data scientists and big data researchers; and GRID for cloud-based visual computing users. Our Tegra brand integrates an entire computer onto a single chip, and incorporates GPUs and multi-core CPUs to drive supercomputing for autonomous robots, drones, and cars, as well as for game consoles and mobile gaming and entertainment devices.

GPU

- **GeForce** for PC gaming and mainstream PCs
- **GeForce NOW** for cloud-based game-streaming service
- **Quadro** for design professionals working in computer-aided design, video editing, special effects, and other creative applications
- **Tesla** for AI utilizing deep learning and accelerated computing, leveraging the parallel computing capabilities of GPUs for general purpose computing
- **GRID** to provide the power of NVIDIA graphics through the cloud and datacenters
- **DGX** for AI scientists, researchers and developers

Tegra Processor

- **Tegra** processors are primarily designed to enable branded platforms - DRIVE and SHIELD
- **DRIVE AGX** automotive supercomputers and software stacks that provide self-driving capabilities
- **Clara AGX** for intelligent medical instruments
- **SHIELD** devices and services designed to harness the power of mobile-cloud to revolutionize home entertainment, AI and gaming
- **Jetson AGX** is a power-efficient AI computing platform for robotics and other embedded use

Our Markets

We specialize in markets in which GPU-based visual computing and accelerated computing platforms can provide tremendous throughput for applications. These platforms incorporate processors, systems software, programmable algorithms, systems, and services to deliver value that is unique in the marketplace. From our proprietary processors, we have created platforms that address four large markets where our expertise is critical: Gaming, Professional Visualization, Datacenter, and Automotive.

Gaming

Computer gaming is the largest entertainment industry. Many factors propel computer gaming's growth, including new high production value games and franchises, the rise of competitive online gaming, eSports, and the rise of virtual and augmented reality.

Our GPUs enhance the gaming experience by improving the visual quality of graphics, increasing the frame rate for smoother gameplay and improving realism by incorporating the behavior of light and physical objects. These can be enjoyed independently or together to extend the gaming experience across platforms.

Our gaming platforms utilize sophisticated 3D software and algorithms, including our GameWorks libraries that provide special effects for games. We further enhance gaming with GeForce Experience, our gaming application that optimizes the PC user's settings for each title and enables players to record and share gameplay. It has been downloaded by more than 100 million users.

To enable VR, we provide developers with a suite of software libraries called VRWorks. VRWorks allows developers to create fully immersive experiences by enabling physically realistic visuals, sound, touch interactions, and simulated environments. VR requires advanced high-performance GPUs as the engine to simulate complete immersion.

Our products for the gaming market include GeForce RTX and GeForce GTX GPUs for PC gaming, SHIELD devices for gaming and streaming, GeForce NOW for cloud-based gaming, as well as platforms and development services for specialized console gaming devices.

Professional Visualization

We serve the Professional Visualization market by working closely with independent software vendors to optimize their offerings for NVIDIA GPUs. Our GPU computing solutions enhance productivity and introduce new capabilities for critical parts of the workflow for such major industries as automotive, media and entertainment, architectural engineering, oil and gas, and medical imaging.

Designers who build the products we use every day need the images that they view digitally to mirror reality. This requires simulating the physical behavior of light and materials, or physically-based rendering, an emerging trend in professional design. Our DesignWorks software delivers this to designers and enables an architect designing a building with a computer-aided design package to interact with the model in real time, view it in greater detail, and generate photorealistic renderings for the client. It also allows an automotive designer to create a highly realistic 3D image of a car, which can be viewed from all angles, reducing reliance on costly, time-consuming full-scale clay models.

Just as VR is becoming more important in gaming, it is also being incorporated in a growing number of enterprise applications, including within medicine, architecture, product design, and retail. Virtual car showrooms, surgical training, architectural walkthroughs, and bringing historical scenes to life all deploy this technology, powered by our GPUs.

Visual computing is vital to productivity in many environments, including design and manufacturing and digital content creation. Design and manufacturing includes computer-aided design, architectural design, consumer-products manufacturing, medical instrumentation, and aerospace. Digital content creation includes professional video editing and post production, special effects for films, and broadcast-television graphics.

Our brand for this market is Quadro for workstations. Quadro GPUs enhance the productivity of designers by improving performance and adding functionality, such as photorealistic rendering, high color fidelity, and advanced scalable display capabilities. During fiscal year 2019, we introduced the NVIDIA RTX platform, making it possible to render film-quality, photorealistic objects and environments with physically accurate shadows, reflections and refractions using ray tracing in real-time.

Datacenter

The NVIDIA accelerated computing platform addresses AI and HPC applications. The platform consists of our energy efficient GPUs, our CUDA programming language, specific libraries such as cuDNN and TensorRT, and innovations such as NVLink, which enables application scalability across multiple GPUs.

In the field of AI, NVIDIA's platform accelerates both deep learning and machine learning workloads. Deep learning is a computer science approach where neural networks are trained to recognize patterns from massive amounts of data in the form of images, sounds and text - in some instances better than humans. Machine learning is a related approach that leverages algorithms as well as data to learn how to make determinations or predictions, often used in data science. HPC, also referred to as scientific computing, uses numerical computational approaches to solve large and complex problems. For both AI and HPC applications, the NVIDIA accelerated computing platform greatly increases the performance and power efficiency of high-performance computers and datacenters, as GPUs excel at parallel workloads. For example, an NVIDIA GPU-accelerated machine learning cluster for data science is 1/8 the cost, 1/15 the space, and 1/18 the power of a traditional CPU-based cluster.

We are engaged with thousands of organizations working on AI in a multitude of industries, from automating tasks such as reading medical images, to enabling fraud detection in financial services, to optimizing oil exploration and drilling. These organizations include the world's leading cloud services companies such as Amazon, Baidu, and Facebook, which are infusing AI in applications that enable highly accurate voice recognition and real-time translation; enterprises that are increasingly turning to AI to improve products and services; and startups seeking to implement AI in transformative ways across multiple industries. We have partnered with industry leaders such as IBM, Microsoft, Oracle, and SAP to bring AI to enterprise users. We also have partnerships in healthcare and manufacturing, among others, to accelerate the adoption of AI.

To enable deep learning and machine learning, we provide a family of GPUs designed to speed up training and inferencing of neural networks. They are available in industry standard servers from every major computer maker worldwide, including Cisco, Dell, HP, Inspur, and Lenovo; from every major cloud service provider such as Alibaba Cloud, Amazon Web Services, Baidu Cloud, Google Cloud, IBM Cloud, Microsoft Azure, and Oracle Cloud; as well as in our DGX AI supercomputer, a purpose-built system for deep learning and GPU accelerated applications. DGX delivers performance equal to hundreds of conventional servers, comes fully integrated with hardware, software, development tools, support for AI frameworks, and runs popular accelerated applications. We also offer the NVIDIA GPU Cloud, or NGC, a comprehensive catalog of easy-to-use, optimized software stacks across a range of domains including scientific computing, deep learning, and machine learning. With NGC,

AI developers, researchers and data scientists can get started with the development of AI and HPC applications and deploy them on DGX systems, NGC-ready workstations or servers from our systems partners, or with NVIDIA's cloud partners such as Amazon, Google Cloud, Microsoft Azure, or Oracle Cloud.

GPUs also increase the speed of applications used in such fields as aerospace, bio-science research, mechanical and fluid simulations, and energy exploration. They have already had a significant impact on scientific discovery, including improving heart surgery, mapping human genome folds, seismic modeling, and weather simulations.

Accelerated computing is recognized as the path forward for computing amid the slowing of Moore's Law. The proportion of supercomputers utilizing accelerators has grown sharply over the past five years, now accounting for a significant proportion of both the total systems on the TOP500 list, which ranks the 500 most powerful commercially available computer systems, and the list's total floating-point operations per second. Tesla GPU accelerators power many of the world's fastest supercomputers, including the U.S. Department of Energy's new generation of supercomputers, Summit and Sierra, at Oak Ridge and Lawrence Livermore National Laboratories, Europe's fastest supercomputer - Piz Daint - in Switzerland, and Japan's fastest supercomputer, ABCI.

We also serve the datacenter market with GRID for virtualized graphics. GRID makes it possible to run graphics-intensive applications remotely on a server in the datacenter. Applications include accelerating virtual desktop infrastructures and delivering graphics-intensive applications from the cloud for industries such as manufacturing, healthcare, and educational institutions, among others.

Automotive

NVIDIA's Automotive market is comprised of cockpit infotainment solutions, AV platforms, and associated development agreements. Leveraging our technology leadership in AI and building on our long-standing automotive relationships, we are delivering a full solution for the AV market under the DRIVE brand. NVIDIA has demonstrated multiple applications of AI within the car. AI can drive the car itself as a pilot, in either partial or fully autonomous mode. AI can also be a co-pilot, assisting the human driver in creating a safer driving experience.

NVIDIA is working with several hundred partners in the automotive ecosystem including automakers, truck makers, tier-one suppliers, sensor manufacturers, automotive research institutions, HD mapping companies, and startups to develop and deploy AI systems for self-driving vehicles. Our unified AI computing architecture starts with training deep neural networks using our Tesla GPUs, and then running them within the vehicle on the NVIDIA DRIVE computing platform. The platform consists of high-performance, energy efficient hardware - DRIVE AGX, and open, modular software - including DRIVE AV for autonomous driving and DRIVE IX for in-vehicle AI assistance. In addition, we offer a scalable simulation solution, NVIDIA DRIVE Constellation, for testing and validating a self-driving platform before commercial deployment. This end-to-end, software-defined approach allows cars to receive over-the-air updates to add new features and capabilities throughout the life of a vehicle.

NVIDIA DRIVE can perceive and understand in real-time what's happening around the vehicle, precisely locate itself on an HD map, and plan a safe path forward. This advanced self-driving car platform combines deep learning, sensor fusion, and surround vision to change the driving experience. Our DRIVE platform scales from a palm-sized, energy-efficient module for automated highway-driving capabilities to a configuration with multiple systems aimed at enabling driverless cars. Our Xavier SoC, which started shipping in 2018, enables vehicles to use deep neural networks to process data from multiple cameras and sensors. It powers the DRIVE AutoPilot, the first commercially available Level 2+ automated driving system, combining the DRIVE AV self-driving solution with the DRIVE IX cockpit software, including a visualization system for allowing the driver to see what the car sees and plans to do.

Business Strategies

NVIDIA's key strategies that shape our overall business approach include:

Advancing the GPU computing platform. The massive parallel processing capabilities of NVIDIA GPUs can solve complex problems in significantly less time and with lower power consumption than alternative computational approaches. Indeed, GPUs can help solve problems that were previously deemed unsolvable. We work to deliver continued GPU performance leaps that outpace Moore's Law by leveraging innovation across the architecture, chip design, system, and software layers. Our strategy is to target markets where GPUs deliver order-of-magnitude performance advantages relative to legacy approaches. Our target markets so far include gaming, professional visualization, datacenter, and automotive. While the requirements of these end markets are diverse, we address them with a unified underlying architecture leveraging our GPUs and CUDA as the fundamental building blocks. The programmable nature of our architecture allows us to make leveraged investments in R&D: we can support several multi-billion dollar end markets with the same underlying technology

by using a variety of software stacks developed either internally or by third party developers and partners. We utilize this platform approach in each of our target markets.

Extending our technology and platform leadership in AI. We provide a complete, end-to-end GPU computing platform for deep learning and machine learning, addressing both training and inferencing. This includes GPUs, our CUDA programming language, algorithms, libraries, and system software. GPUs are uniquely suited to AI, and we will continue to add AI-specific features to our GPU architecture to further extend our leadership position. Our AI technology leadership is reinforced by our large and expanding ecosystem in a virtuous cycle. Our GPU platforms are available from virtually every major server maker and cloud service provider, as well as on our own AI supercomputer. There are over 1.2 million developers worldwide using CUDA and our other software tools to help deploy our technology in our target markets. We evangelize AI through partnerships with hundreds of universities and more than 3,600 startups through our Inception program. Additionally, our Deep Learning Institute provides instruction on the latest techniques on how to design, train, and deploy neural networks in applications using our accelerated computing platform.

Extending our technology and platform leadership in visual computing. We believe that visual computing is fundamental to the continued expansion and evolution of computing. We apply our research and development resources to extending our leadership in visual computing, enabling us to enhance the user experience for consumer entertainment and professional visualization applications. Our technologies are instrumental in driving gaming forward, as developers leverage our libraries and algorithms to create near-cinematic and VR experiences. Our close collaboration with game developers allows us to deliver an optimized gaming experience on our GeForce platform. Our GeForce Experience gaming application further enhances each gamer's experience by optimizing their PC's settings, as well as enabling the recording and sharing of gameplay. We also enable interactive graphics applications - such as games, movie and photo editing and design software - to be accessed by almost any device, almost anywhere, through our cloud platforms such as GRID for enterprise and GeForce NOW for gaming.

Advancing the leading autonomous vehicle platform. We believe the advent of AV will soon revolutionize the transportation industry. In our view, AI is the key technology enabler of this opportunity, as the algorithms required for autonomous driving - such as perception, localization, and planning - are too complex for legacy hand-coded approaches, and will run on multiple trained neural networks instead. Therefore, we have provided a full functionally safe AI-based hardware and software solution for the AV market under the DRIVE brand, which we are bringing to market through our partnerships with automotive original equipment manufacturers, or OEMs, tier-1 suppliers, and start-ups. Our AV solution also includes the GPU-based hardware required to train the neural networks before their in-vehicle deployment, as well as to re-simulate their operation prior to any over-the-air software updates. We believe our comprehensive, top-to-bottom and end-to-end approach will enable the transportation industry to solve the complex problems arising from the shift to autonomous driving.

Leveraging our intellectual property. We believe our intellectual property is a valuable asset that can be accessed by our customers and partners through licenses and development agreements when they desire to build such capabilities directly into their own products, or have us do so through a custom development. Such license and development arrangements can further enhance the reach of our technology.

Sales and Marketing

Our sales strategy involves working with end customers and various industry ecosystems through our partner network. Our worldwide sales and marketing strategy is key to achieving our objective of providing markets with our high-performance and efficient GPU and embedded system-on-a-chip, or SOC, platforms. Our sales and marketing teams, located across our global markets, work closely with end customers in each industry. Our partner network incorporates each industry's respective OEMs, original device manufacturers, or ODMs, system builders, add-in board manufacturers, or AIBs, retailers/distributors, internet and cloud service providers, automotive manufacturers and tier-1 automotive suppliers, mapping companies, start-ups, and other ecosystem participants.

Members of our sales team have technical expertise and product and industry knowledge. We also employ a team of application engineers to assist our partner network in designing, testing, and qualifying system designs that incorporate our platforms. We believe that the depth and quality of our design support are key to improving our partner network's time-to-market, maintaining a high level of customer satisfaction, and fostering relationships that encourage our end customers and partner network to use the next generation of our products within each platform.

To encourage the development of applications optimized for our GPUs, we seek to establish and maintain strong relationships in the software development community. Engineering and marketing personnel engage with key software developers to promote and discuss our platforms, as well as to ascertain individual product requirements and solve technical problems. Our developer program makes our products available to developers prior to launch in order to encourage the development of AI frameworks, Software Development Kits, and Application Programming Interfaces, or APIs, for software applications and game titles that are optimized for our platforms. Our Deep Learning Institute provides in-person and online training

for developers in industries and organizations around the world to build AI and accelerated computing applications that leverage our GPU and CUDA platforms. We now have over 700 thousand registered developers across our platforms, including accelerated computing, gaming, deep learning, autonomous machines, and others.

As NVIDIA's business has evolved from a focus primarily on gaming products to broader markets, and from chips to platforms and complete systems, so, too, have our avenues to market. Thus, in addition to sales to customers in our partner network, certain of our platforms are also sold through e-tail channels, or direct to cloud service providers and enterprise customers.

Backlog

Our sales are primarily made pursuant to standard purchase orders. The quantity of products purchased by our customers as well as our shipment schedules are subject to revisions that reflect changes in both the customers' requirements and in manufacturing availability. Our industry is characterized by relatively short lead time orders and delivery schedules, thus, we believe that only a small portion of our backlog is non-cancelable and that the dollar amount associated with the non-cancelable portion is not significant.

Seasonality

Our GPU and Tegra processor platforms serve many markets from consumer PC gaming to enterprise workstations to government and cloud service provider datacenters, although a majority of our revenue stems from the consumer industry. Our consumer products have typically seen stronger revenue in the second half of our fiscal year. However, there can be no assurance that this trend will continue; for example, in fiscal year 2019 second half revenue was weaker than the first half.

Manufacturing

We do not directly manufacture semiconductors used for our products. Instead, we utilize a fabless manufacturing strategy, whereby we employ world-class suppliers for all phases of the manufacturing process, including wafer fabrication, assembly, testing, and packaging. This strategy uses the expertise of industry-leading suppliers that are certified by the International Organization for Standardization in such areas as fabrication, assembly, quality control and assurance, reliability, and testing. Additionally, we can avoid many of the significant costs and risks associated with owning and operating manufacturing operations. While we may directly procure certain raw materials used in the production of our products, such as substrates and a variety of components, our suppliers are responsible for procurement of the majority of the raw materials used in the production of our products. As a result, we can focus our resources on product design, additional quality assurance, marketing, and customer support.

We utilize industry-leading suppliers, such as Taiwan Semiconductor Manufacturing Company Limited and Samsung Electronics Co. Ltd, to produce our semiconductor wafers. We then utilize independent subcontractors, such as Advanced Semiconductor Engineering, Inc., Amkor Technology, BYD Auto Co. Ltd., Hon Hai Precision Industry Co., Ltd., JSI Logistics Ltd., King Yuan Electronics Co., Ltd., and Siliconware Precision Industries Company Ltd. to perform assembly, testing, and packaging of most of our products and platforms. We purchase substrates from IbidenCo. Ltd., Kinsus Interconnect Technology Corporation, and Unimicron Technology Corporation, and memory from Micron Technology, Samsung Semiconductor, Inc., and SK Hynix.

We typically receive semiconductor products from our subcontractors, perform incoming quality assurance and configuration, and then ship the semiconductors to contract equipment manufacturers, or CEMs, distributors, motherboard and AIB customers from our third-party warehouse in Hong Kong. Generally, these manufacturers assemble and test the boards based on our design kit and test specifications, and then ship our products to retailers, system builders, or OEMs as motherboard and AIB solutions.

We also utilize industry-leading contract manufacturers, or CMs, such as BYD and Hon Hai Precision Industry Co., and ODMs such as Quanta Computer and Wistron Corporation, to manufacture some of our products for sale directly to end customers. In those cases, key elements such as the GPU, SOC and memory are often consigned by us to the CMs, who are responsible for the procurement of other components used in the production process.

Working Capital

We focus considerable attention on managing our inventories and other working-capital-related items. We manage inventories by communicating with our customers and partners and then using our industry experience to forecast demand on a platform-by-platform basis. We then place manufacturing orders for our products that are based on forecasted demand. We generally maintain substantial inventories of our products because the semiconductor industry is characterized by short lead time orders and quick delivery schedules. A substantial amount of our inventories is maintained as semi-finished products that can be leveraged across a wide range of our processors to balance our customer demands.

Our existing cash, cash equivalents and marketable securities balances increased by 4% to \$7.42 billion at the end of fiscal year 2019 compared with the end of fiscal year 2018.

Competition

The market for our products is intensely competitive and is characterized by rapid technological change and evolving industry standards. We believe that the principal competitive factors in this market are performance, breadth of product offerings, access to customers and partners and distribution channels, software support, conformity to industry standard APIs, manufacturing capabilities, processor pricing, and total system costs. We believe that our ability to remain competitive will depend on how well we are able to anticipate the features and functions that customers and partners will demand and whether we are able to deliver consistent volumes of our products at acceptable levels of quality and at competitive prices. We expect competition to increase from both existing competitors and new market entrants with products that may be less costly than ours, or may provide better performance or additional features not provided by our products. In addition, it is possible that new competitors or alliances among competitors could emerge and acquire significant market share.

A significant source of competition comes from companies that provide or intend to provide GPUs, embedded SOCs, and accelerated and AI computing processor products. Some of our competitors may have greater marketing, financial, distribution and manufacturing resources than we do and may be more able to adapt to customer or technological changes.

Our current competitors include:

- suppliers or licensors of discrete and integrated GPUs and accelerated computing solutions, including chipsets that incorporate 3D graphics, or HPC or accelerated computing functionality as part of their solutions or platforms, such as Advanced Micro Devices, or AMD, Intel Corporation, or Intel, and Xilinx, Inc.; and
- suppliers of SOC products that are embedded into automobiles, autonomous machines, and gaming devices, such as Ambarella, Inc., AMD, Broadcom Inc., Intel, Qualcomm Incorporated, Renesas Electronics Corporation, Samsung, Texas Instruments Incorporated, and Xilinx Inc.

Patents and Proprietary Rights

We rely primarily on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements, and licensing arrangements to protect our intellectual property in the United States and internationally. Our currently issued patents have expiration dates from February 2019 to February 2038. We have numerous patents issued, allowed, and pending in the United States and in foreign jurisdictions. Our patents and pending patent applications primarily relate to our products and the technology used in connection with our products. We also rely on international treaties, organizations, and foreign laws to protect our intellectual property. The laws of certain foreign countries in which our products are or may be manufactured or sold, including various countries in Asia, may not protect our products or intellectual property rights to the same extent as the laws of the United States. This decreased protection makes the possibility of piracy of our technology and products more likely. We continuously assess whether and where to seek formal protection for particular innovations and technologies based on such factors as:

- the location in which our products are manufactured;
- our strategic technology or product directions in different countries;
- the degree to which intellectual property laws exist and are meaningfully enforced in different jurisdictions; and
- the commercial significance of our operations and our competitors' operations in particular countries and regions.

We have also licensed technology from third parties for incorporation in some of our products and for defensive reasons, and expect to continue to enter into such license agreements.

Employees

As of January 27, 2019, we had 13,277 employees, 9,486 of whom were engaged in research and development and 3,791 of whom were engaged in sales, marketing, operations, and administrative positions.

Environmental Regulatory Compliance

To date, we have not incurred significant expenses related to environmental regulatory compliance matters.

Executive Officers of the Registrant

The following sets forth certain information regarding our executive officers, their ages and positions as of February 15, 2019:

Name	Age	Position
Jen-Hsun Huang	55	President and Chief Executive Officer
Colette M. Kress	51	Executive Vice President and Chief Financial Officer
Ajay K. Puri	64	Executive Vice President, Worldwide Field Operations
Debora Shoquist	64	Executive Vice President, Operations
Timothy S. Teter	52	Executive Vice President and General Counsel

Jen-Hsun Huang co-founded NVIDIA in 1993 and has served as our President, Chief Executive Officer and a member of the Board of Directors since our inception. From 1985 to 1993, Mr. Huang was employed at LSI Logic Corporation, a computer chip manufacturer, where he held a variety of positions including as Director of Coreware, the business unit responsible for LSI's SOC. From 1983 to 1985, Mr. Huang was a microprocessor designer for Advanced Micro Devices, Inc., a semiconductor company. Mr. Huang holds a B.S.E.E. degree from Oregon State University and an M.S.E.E. degree from Stanford University.

Colette M. Kress joined NVIDIA in 2013 as Executive Vice President and Chief Financial Officer. Prior to NVIDIA, Ms. Kress most recently served as Senior Vice President and Chief Financial Officer of the Business Technology and Operations Finance organization at Cisco Systems, Inc., a networking equipment company, since 2010. At Cisco, Ms. Kress was responsible for financial strategy, planning, reporting and business development for all business segments, engineering and operations. From 1997 to 2010 Ms. Kress held a variety of positions at Microsoft Corporation, a software company, including, beginning in 2006, Chief Financial Officer of the Server and Tools division, where Ms. Kress was responsible for financial strategy, planning, reporting and business development for the division. Prior to joining Microsoft, Ms. Kress spent eight years at Texas Instruments Incorporated, a semiconductor company, where she held a variety of finance positions. Ms. Kress holds a B.S. degree in Finance from University of Arizona and an M.B.A. degree from Southern Methodist University.

Ajay K. Puri joined NVIDIA in 2005 as Senior Vice President, Worldwide Sales and became Executive Vice President, Worldwide Field Operations in 2009. Prior to NVIDIA, he held positions in sales, marketing, and general management over a 22-year career at Sun Microsystems, Inc., a computing systems company. Mr. Puri previously held marketing, management consulting, and product development positions at Hewlett-Packard Company, an information technology company, Booz Allen Hamilton Inc., a management and technology consulting company, and Texas Instruments Incorporated. Mr. Puri holds a B.S.E.E. degree from the University of Minnesota, an M.S.E.E. degree from the California Institute of Technology and an M.B.A. degree from Harvard Business School.

Debora Shoquist joined NVIDIA in 2007 as Senior Vice President of Operations and in 2009 became Executive Vice President of Operations. Her role has since expanded with responsibility added for Facilities in 2013, and for Information Technology in 2015. Prior to NVIDIA, Ms. Shoquist served from 2004 to 2007 as Executive Vice President of Operations at JDS Uniphase Corp., a provider of communications test and measurement solutions and optical products for the telecommunications industry. She served from 2002 to 2004 as Senior Vice President and General Manager of the Electro-Optics business at Coherent, Inc., a manufacturer of commercial and scientific laser equipment. Previously, she worked at Quantum Corp., a data protection company, as President of the Personal Computer Hard Disk Drive Division, and at Hewlett-Packard Corp. Ms. Shoquist holds a B.S. degree in Electrical Engineering from Kansas State University and a B.S. degree in Biology from Santa Clara University.

Timothy S. Teter joined NVIDIA in 2017 as Senior Vice President, General Counsel and Secretary and became Executive Vice President, General Counsel and Secretary in February 2018. Prior to NVIDIA, Mr. Teter spent more than two decades at the law firm of Cooley LLP. He was most recently a partner at Cooley, where he focused on litigating patent and technology related matters. Prior to attending law school, he worked as an engineer at Lockheed Missiles and Space Company. Mr. Teter holds a B.S. degree in Mechanical Engineering from the University of California at Davis and a J.D. degree from Stanford Law School.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, are available free of charge on or through our web site, <http://www.nvidia.com>, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or the SEC. The SEC's website, <http://www.sec.gov>, contains reports, proxy and information statements, and other information regarding

issuers that file electronically with the SEC. Our web site and the information on it or connected to it are not a part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

In evaluating NVIDIA and our business, the following factors should be considered in addition to the other information in this Annual Report on Form 10-K. Before you buy our common stock, you should know that making such an investment involves risks including, but not limited to, the risks described below. Any one of the following risks could harm our business, financial condition, results of operations or reputation, which could cause our stock price to decline, and you may lose all or a part of your investment. Additional risks, trends and uncertainties not presently known to us or that we currently believe are immaterial may also harm our business, financial condition, results of operations or reputation.

Risks Related to Our Business, Industry and Partners

If we fail to meet the evolving needs of our markets, or identify new products, services or technologies, our revenue and financial results may be adversely impacted.

We have created GPU-based visual and accelerated computing platforms that address four large markets: Gaming, Professional Visualization, Datacenter, and Automotive. These markets often experience rapid technological change, changes in customer requirements, new product introductions and enhancements, and evolving industry standards. Our success depends on our ability to identify these emerging industry changes and to develop new (or enhance our existing) products, services and technologies that meet the evolving needs of these markets. Such activities may require considerable technical, financial, compliance, sales and marketing investments. We currently devote significant resources to the development of technologies and business offerings in markets where we have a limited operating history, such as the automotive and datacenter markets, which presents additional risks to our business. We must also continue to develop the infrastructure needed to appropriately scale our business in these areas, including customer service and customer support. We also must meet customer safety and compliance standards, which are subject to change. Additionally, we continue to make considerable investments in research and development, which may not produce significant revenue for several years, if at all. If our investments are unsuccessful and we fail to develop new products, services and technologies, or if we focus on technologies that do not become widely adopted, our business, revenue, financial condition and results of operations could be adversely affected. We cannot assure you that our strategic direction will result in innovative products and technologies that provide value to our customers, partners and ultimately, our shareholders. If we fail to anticipate the changing needs of our target markets and emerging technology trends, or if we do not appropriately adapt that strategy as market conditions evolve, in a timely manner to exploit potential market opportunities, our business will be harmed.

Competition in our current and target markets could prevent us from growing our revenue.

Our target markets remain extremely competitive, and we expect competition to intensify as current competitors expand their product and/or service offerings, industry standards continue to evolve, customer needs change and new competitors enter these markets. Our competitors' products, services and technologies may be less costly, or may offer superior functionality or better features, than ours, which may result, among other things, in lower than expected selling prices for our products. In addition, some of our competitors operate and maintain their own fabrication facilities, have longer operating histories, larger customer bases, more comprehensive intellectual property, or IP, portfolios and patent protections, and greater financial, sales, marketing and distribution resources than we do. These competitors may be able to more effectively identify and capitalize upon opportunities in new markets and end user customer trends, quickly transition their products, including semiconductor products, to increasingly smaller line width geometries, and obtain sufficient foundry capacity and packaging materials, which could harm our business. If we are unable to successfully compete in our target markets, respond to changes in our target markets or introduce new offerings to meet the needs of this competitive environment, including in significant international markets such as China, demand for our products, services and technologies could decrease, which would cause our revenue to decline and cause our results of operations to suffer. In addition, the competitive landscape in our target markets has changed and may continue to evolve due to a trend toward consolidation, which could lead to fewer customers, partners, or suppliers, any of which could negatively affect our financial results.

System security and data protection breaches, as well as cyber-attacks, could disrupt our operations, reduce our expected revenue and increase our expenses, which could adversely affect our stock price and damage our reputation.

Security breaches, computer malware and cyber-attacks have become more prevalent and sophisticated in recent years. These threats are constantly evolving, making it increasingly difficult to successfully defend against them or implement adequate preventative measures. These attacks have occurred on our systems in the past and are expected to occur in the future. Experienced computer programmers, hackers and employees may penetrate our security controls and misappropriate or compromise our confidential information, or that of our employees or third parties. These attacks may

create system disruptions or cause shutdowns. These hackers may also develop and deploy viruses, worms and other malicious software programs that attack or otherwise exploit security vulnerabilities in our products, including consumer and automotive products, where we utilize over-the-air updates to improve functionality over time. For portions of our IT infrastructure, including business management and communication software products, we rely on products and services provided by third parties. These providers may also experience breaches and attacks to their products which may impact our systems. Data security breaches may also result from non-technical means, such as actions by an employee with access to our systems. To defend against security threats, both to our internal systems and those of our customers, we must continuously engineer more secure products and enhance security and reliability features, which may result in increased expenses.

Actual or perceived breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us, our partners, our customers or third parties could expose us and the parties affected to a risk of loss or misuse of this information, resulting in litigation and potential liability, paying damages, regulatory inquiries or actions, damage to our brand and reputation or other harm to our business. Our efforts to prevent and overcome these challenges could increase our expenses and may not be successful. We may experience interruptions, delays, cessation of service and loss of existing or potential customers. Such disruptions could adversely impact our ability to fulfill orders and interrupt other critical functions. Delayed sales, lower margins or lost customers as a result of these disruptions could adversely affect our financial results, stock price and reputation.

If our products contain significant defects, we could incur significant expenses to remediate such defects, our reputation could be damaged, and we could lose market share.

Our products are complex and may contain defects or security vulnerabilities, or experience failures or unsatisfactory performance due to any number of issues in design, fabrication, packaging, materials and/or use within a system. These risks may increase as our products are introduced into new devices, markets, technologies and applications, including into the automotive market, or as new versions are released. Some errors in our products or services may only be discovered after a product or service has been shipped or used by customers or the end users of such product. Undiscovered vulnerabilities in our products or services could expose our customers or end users to hackers or other unscrupulous third parties who develop and deploy viruses, worms and other malicious software programs that could attack our products or services. Failure of our products to perform to specifications, or other product defects, could lead to substantial damage to the products we sell directly to customers, the end product in which our device has been integrated by OEMs, ODMs, AIBs and Tier 1 automotive suppliers, and to the user of such end product. Any such defect may cause us to incur significant warranty, support and repair or replacement costs, write off the value of related inventory, cause us to lose market share, and divert the attention of our engineering personnel from our product development efforts to find and correct the issue. In addition, an error or defect in new products or releases or related software drivers after commencement of commercial shipments could result in failure to achieve market acceptance or loss of design wins, harm our relationships with customers and partners and harm consumers' perceptions of our brand. Also, we may be required to reimburse our customers, partners or consumers, including costs to repair or replace products in the field. A product recall, including automotive recalls or a recall due to a bug in our products, or a significant number of product returns could be expensive, damage our reputation, harm our ability to attract new customers, result in the shifting of business to our competitors and result in litigation against us, such as product liability suits. If a product liability claim is brought against us, the cost of defending the claim could be significant and would divert the efforts of our technical and management personnel, and harm our business. Further, our business liability insurance may be inadequate or future coverage may be unavailable on acceptable terms, which could adversely impact our financial results.

We depend on third parties and their technology to manufacture, assemble, test and/or package our products, which reduces our control over product quantity and quality, manufacturing yields, development, enhancement and product delivery schedule and could harm our business.

We do not manufacture the silicon wafers used for our GPUs and Tegra processors and do not own or operate a wafer fabrication facility. Instead, we are dependent on industry-leading foundries, such as Taiwan Semiconductor Manufacturing Company Limited and Samsung Electronics Co. Ltd., to manufacture our semiconductor wafers using their fabrication equipment and techniques. Similarly, we do not directly assemble, test or package our products, but instead rely on independent subcontractors. We do not have long-term commitment contracts with these foundries or subcontractors. As a result, we face several significant risks which could have an adverse effect on our ability to meet customer demand and/or negatively impact our business operations, gross margin, revenue and/or financial results, including:

- a lack of guaranteed supply of wafers and other components and potential higher wafer and component prices due to supply constraints;
- a failure by our foundries to procure raw materials or to provide or allocate adequate or any manufacturing or test capacity for our products;

- a failure to develop, obtain or successfully implement high quality, leading-edge process technologies, including transitions to smaller geometry process technologies such as advanced process node technologies and memory designs needed to manufacture our products profitably or on a timely basis;
- loss of a supplier and additional expense and/or production delays as a result of qualifying a new foundry or subcontractor and commencing volume production or testing in the event of a loss of or a decision to add or change a supplier;
- a lack of direct control over delivery schedules or product quantity and quality; and
- delays in product shipments, shortages, a decrease in product quality and/or higher expenses in the event our subcontractors or foundries prioritize our competitors' orders over our orders or otherwise.

In addition, low manufacturing yields could have an adverse effect on our ability to meet customer demand, increase manufacturing costs, harm customer or partner relationships, and/or negatively impact our business operations, gross margin, revenue and/or financial results. Manufacturing yields for our products are a function of product design, which is developed largely by us, and process technology, which typically is proprietary to the foundry. Low yields may result from either product design or process technology failure. We do not know whether a yield problem will exist until our design is actually manufactured by the foundry. As a result, yield problems may not be identified until well into the manufacturing process and require us and the foundry to cooperate to resolve the problem.

We also rely on third-party software development tools to assist us in the design, simulation and verification of new products or product enhancements, and to bring such new products and enhancements to market in a timely manner. In the past, we have experienced delays in the introduction of products and enhancements as a result of the inability of then available software development tools to fully simulate the complex features and functionalities of our products. The design requirements necessary to meet consumer demands for more features and greater functionality from our products may exceed the capabilities of available software development tools. If we miss design cycles or lose design wins due to the unavailability of such software development tools, we could lose market share and our revenues could decline. If we fail to achieve design wins for our products, our business will be harmed.

For our products that we do not sell directly to consumers, achieving design wins is an important success factor. Achieving design wins may involve a lengthy process in pursuit of a customer opportunity and depend on our ability to anticipate features and functionality that customers and consumers will demand. Failure to obtain a particular design win may prevent us from obtaining design wins in subsequent generations of a particular product. This could result in lost revenue and could weaken our position in future competitive bid selection processes.

Unanticipated changes in industry standards could render our products incompatible with products developed by major hardware manufacturers and software developers. Further, if our products are not in compliance with prevailing industry standards, including safety standards, our customers may not incorporate our products into their design strategies. Winning a product design does not guarantee sales to a customer or that we will realize as much revenue as anticipated, if any.

Business disruptions could harm our business, lead to a decline in revenues and increase our costs.

Our worldwide operations could be disrupted by earthquakes, telecommunications failures, power or water shortages, outages at cloud service providers, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, cyber-attacks, terrorist attacks, medical epidemics or pandemics and other natural or man-made disasters, catastrophic events or climate change. The occurrence of any of these disruptions could harm our business and result in significant losses, a decline in revenue and an increase in our costs and expenses. Any of these business disruptions could require substantial expenditures and recovery time in order to fully resume operations. Our corporate headquarters, and a portion of our research and development activities, are located in California, and other critical business operations, finished goods inventory, and some of our suppliers are located in Asia, near major earthquake faults known for seismic activity. In addition, a large portion of our current datacenter capacity is located in California, making our operations vulnerable to natural disasters or other business disruptions occurring in these geographical areas. The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including Taiwan, China, and Korea. Geopolitical change or changes in government regulations and policies in the United States or abroad also may result in changing regulatory requirements, trade policies, import duties and economic disruptions that could impact our operating strategies, product demand, access to global markets, hiring, and profitability. In particular, revisions to laws or regulations or their interpretation and enforcement could result in increased taxation, trade sanctions, the imposition of import duties or tariffs, restrictions and controls on imports or exports, or other retaliatory actions, which could have an adverse effect on our business plans. For example, regulations to implement the Export Control Reform Act of 2018 could have an adverse effect on our business plans. Catastrophic events can also have an impact on third-party vendors who provide us critical infrastructure services for IT and research and development systems and personnel. Our operations

could be harmed if manufacturing, logistics or other operations in these locations are disrupted for any reason, including natural disasters, high heat events or water shortages, information technology system failures, military actions or economic, business, labor, environmental, public health, regulatory or political issues. The ultimate impact on us, our third-party foundries and other suppliers and our general infrastructure of being located near major earthquake faults and being consolidated in certain geographical areas is unknown. In the event a major earthquake or other disaster or catastrophic event affects us or the third-party systems on which we rely, our business could be harmed as a result of declines in revenue, increases in expenses, substantial expenditures and time spent to fully resume operations.

If we fail to estimate customer demand properly, our financial results could be harmed.

We manufacture our GPUs and Tegra processors based on estimates of customer demand and requirements. We sell many of our products through a channel model, and our channel customers sell to retailers, distributors, and/or end customers. As a result, the decisions made by our channel partners, retailers, and distributors in response to changing market conditions and the changing demand for our products could impact our financial results. In order to have shorter shipment lead times and quicker delivery schedules for our customers, we may build inventories for anticipated periods of growth which do not occur, may build inventory anticipating demand that does not materialize, or may build inventory to serve what we believe is pent-up demand. Such decisions may and have resulted in prolonged channel sell-through, as we experienced with our mid-range gaming GPUs in fiscal year 2019. In estimating demand, we make multiple assumptions, any of which may prove to be incorrect. Situations that may result in excess or obsolete inventory include:

- changes in business and economic conditions, including downturns in our target markets and/or overall economy;
- changes in consumer confidence caused by changes in market conditions, including changes in the credit market;
- a sudden and significant decrease in demand for our products;
- a higher incidence of inventory obsolescence because of rapidly changing technology or customer requirements;
- our introduction of new products resulting in lower demand for older products;
- less demand than expected for newly-introduced products; or
- increased competition, including competitive pricing actions.

The cancellation or deferral of customer purchase orders could result in our holding excess inventory, which could adversely affect our gross margins. In addition, because we often sell a substantial portion of our products in the last month of each quarter, we may not be able to reduce our inventory purchase commitments in a timely manner in response to customer cancellations or deferrals. We could be required to write-down our inventory to the lower of cost or market or write-off excess inventory, and we could experience a reduction in average selling prices if we incorrectly forecast product demand, any of which could harm our financial results.

Conversely, if we underestimate our customers' demand for our products, our foundry partners may not have adequate lead-time or capacity to increase production and we may not be able to obtain sufficient inventory to fill customers' orders on a timely basis. We may also face supply constraints caused by natural disasters or other events. In such cases, even if we are able to increase production levels to meet customer demand, we may not be able to do so in a cost-effective or timely manner. If we fail to fulfill our customers' orders on a timely basis, or at all, our customer relationships could be damaged, we could lose revenue and market share and our reputation could be damaged.

We are subject to risks and uncertainties associated with international operations, which may harm our business.

We conduct our business worldwide and we have offices in various countries outside of the United States. Our semiconductor wafers are manufactured, assembled, tested and packaged by third parties located outside of the United States. We also generate a significant portion of our revenue from sales outside the United States. We allocate revenue to individual countries based on the location to which the products are initially billed even if our customers' revenue is attributable to end customers that are located in a different location. Revenue from sales outside of the United States accounted for 87% of total revenue for each of fiscal years 2019, 2018, and 2017. Revenue from billings to China, including Hong Kong, was 24% of our revenue for fiscal year 2019, even if our customers' revenue is attributable to end customers that are located in a different location. Additionally, as of January 27, 2019, approximately 46% of our employees were located outside of the United States. The global nature of our business subjects us to a number of risks and uncertainties, which could have a material adverse effect on our business, financial condition and results of operations, including:

- international economic and political conditions, including as a result of the United Kingdom's vote to withdraw from the European Union, and other political tensions between countries in which we do business;
- unexpected changes in, or impositions of, legislative or regulatory requirements, including changes in tax laws;
- differing legal standards with respect to protection of intellectual property and employment practices;

- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act and other anticorruption laws and regulations;
- exporting or importing issues related to export or import restrictions, including deemed export restrictions, tariffs, quotas and other trade barriers and restrictions;
- disruptions of capital and trading markets and currency fluctuations; and
- increased costs due to imposition of climate change regulations, such as carbon taxes, fuel or energy taxes, and pollution limits.

If our sales outside of the United States are delayed or cancelled because of any of the above factors, our revenue may be negatively impacted.

If we are unable to attract, retain and motivate our executives and key employees, we may not be able to execute our business strategy effectively.

To be competitive and execute our business strategy successfully, we must attract, retain and motivate our executives and key employees. The market for highly skilled workers and leaders in our industry is extremely competitive. In particular, hiring qualified executives, scientists, engineers, technical staff and research and development personnel is critical to our business. Additionally, changes in immigration and work permit laws and regulations or the administration or interpretation of such laws or regulations could impair our ability to attract and retain highly qualified employees. If we are less successful in our recruiting efforts, or if we cannot retain key employees, our ability to develop and deliver successful products and services may be adversely affected. Additionally, competition for personnel results in increased costs in the form of cash and stock-based compensation. The interpretation and application of employment related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our workforce needs. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution.

We may not be able to realize the potential financial or strategic benefits of business acquisitions or strategic investments and we may not be able to successfully integrate acquisition targets, which could hurt our ability to grow our business, develop new products or sell our products.

We have in the past acquired and invested in, and may continue to acquire and invest in, other businesses that offer products, services and technologies that we believe will help expand or enhance our existing products, strategic objectives and business. The risks associated with past or future acquisitions or investments could impair our ability to grow our business, develop new products or sell our products, and ultimately could have a negative impact on our growth or our financial results. Given that our resources are limited, our decision to pursue a transaction has opportunity costs; accordingly, if we pursue a particular transaction, we may need to forgo the prospect of entering into other transactions that could help us achieve our strategic objectives. Additional risks related to acquisitions or strategic investments include, but are not limited to:

- difficulty in combining the technology, products, operations or workforce of the acquired business with our business;
- diversion of capital and other resources, including management's attention;
- assumption of liabilities and incurring amortization expenses, impairment charges to goodwill or write-downs of acquired assets;
- difficulty in realizing a satisfactory return, if at all;
- difficulty in obtaining regulatory, other approvals or financing;
- failure and costs associated with the failure to consummate a proposed acquisition or other strategic investment;
- legal proceedings initiated as a result of an acquisition or investment;
- uncertainties and time needed to realize the benefits of an acquisition or strategic investment, if at all;
- the need to later divest acquired assets if an acquisition does not meet our expectations;
- potential failure of our due diligence processes to identify significant issues with the acquired assets or company; and
- impairment of relationships with, or loss of our or our target's, employees, vendors and customers, as a result of our acquisition or investment.

Risks Related to Regulatory, Legal, Our Common Stock and Other Matters

Actions to adequately protect our IP rights could result in substantial costs to us and our ability to compete could be harmed if we are unsuccessful in doing so or if we are prohibited from making or selling our products.

We have in the past, currently are, and may in the future become involved in lawsuits or other legal proceedings alleging patent infringement or other intellectual property rights violations by us, our employees or parties that we have agreed to indemnify for certain claims of infringement. An unfavorable ruling in any such intellectual property related litigation could include significant damages, invalidation of a patent or family of patents, indemnification of customers, payment of lost profits, or, when it has been sought, injunctive relief. Claims that our products or processes infringe the IP rights of others, regardless of their merit, could cause us to incur significant costs to respond to, defend, and resolve such claims, and they may also divert the efforts and attention of management and technical personnel.

We may commence litigation or other legal proceedings in order to protect our intellectual property rights. Such proceedings may increase our operating expenses, which could negatively impact our operating results. Further, we could be subject to countersuits as a result of our initiation of litigation. If infringement claims are made against us or our products are found to infringe a third party's patent or intellectual property, we or one of our indemnitees may have to seek a license to the third party's patent or other intellectual property rights. However, we may not be able to obtain licenses at all or on terms acceptable to us particularly from our competitors. If we or one of our indemnitees is unable to obtain a license from a third party for technology that we use or that is used in one of our products, we could be subject to substantial liabilities or have to suspend or discontinue the manufacture and sale of one or more of our products. We may also have to make royalty or other payments, or cross license our technology. If these arrangements are not concluded on commercially reasonable terms, our business could be negatively impacted. Furthermore, the indemnification of a customer or other indemnitee may increase our operating expenses which could negatively impact our operating results.

Our success depends in part on protecting our intellectual property. To accomplish this, we rely primarily on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements, licensing arrangements, and the laws of the countries in which we operate to protect our intellectual property in the United States and internationally. We may be required to spend significant resources to monitor and protect our intellectual property rights, and even with significant expenditures we may not be able to protect our intellectual property rights that are valuable to our business. The laws of certain foreign countries may not protect our products or intellectual property rights to the same extent as the laws of the United States. This makes the possibility of piracy of our technology and products more likely. In addition, the theft or unauthorized use or publication of our trade secrets and other confidential business information could harm our competitive position and reduce acceptance of our products; as a result, the value of our investment in research and development, product development, and marketing could be reduced. We continuously assess whether and where to seek formal protection for existing and new innovations and technologies, but cannot be certain whether our applications for such protections will be approved, and, if approved, whether we will be able to enforce such protections.

Our operating results have in the past fluctuated and may in the future fluctuate, and if our operating results are below the expectations of securities analysts or investors, our stock price could decline.

Our operating results have in the past fluctuated and may in the future continue to fluctuate due to numerous factors. Therefore, investors should not rely on quarterly comparisons of our results of operations as an indication of our future performance.

Factors, other than those described elsewhere in these risk factors, that could affect our results of operations in the future include, but are not limited to:

- our ability to achieve volume production of our next-generation products;
- our inability to adjust spending to offset revenue shortfalls due to the multi-year development cycle for some of our products and services;
- fluctuations in the demand for our products related to cryptocurrencies;
- changes in the timing of product orders due to unexpected delays in the introduction of our partners' products;
- our ability to cover the manufacturing and design costs of our products through competitive pricing;
- our ability to comply and continue to comply with our customers' contractual obligations;
- product rates of return in excess of that forecasted or expected due to quality issues;
- our ability to secure appropriate safety certifications and meet industry safety standards;
- supply constraints for and changes in the cost of the other components incorporated into our products
- inventory write-downs;

- our ability to continue generating revenue from our partner network, including by generating sales within our partner network and ensuring our products are incorporated into our partners product ecosystems, and our partner network's ability to sell products that incorporate our GPUs and Tegra processors;
- the inability of certain of our customers to make required payments to us, and our ability to obtain credit insurance over the purchasing credit extended to these customers;
- customer bad debt write-offs;
- any unanticipated costs associated with environmental liabilities;
- unexpected costs related to our ownership of real property;
- changes in financial accounting standards or interpretations of existing standards; and
- general macroeconomic or industry events and factors affecting the overall market and our target markets.

Any one or more of the factors discussed above could prevent us from achieving our expected future financial results. Any such failure to meet our expectations or the expectations of our investors or security analysts could cause our stock price to decline or experience substantial price volatility.

Privacy concerns relating to our products and services could damage our reputation, deter current and potential users from using our products and services, result in liability, or result in legal or regulatory proceedings.

Our products and services may provide us with access to sensitive, confidential or personal data or information that is subject to privacy and security laws and regulations. Concerns about our practices with regard to the collection, use, retention, security or disclosure of personal information or other privacy-related matters, even if unfounded, could damage our reputation and adversely affect our operating results. The theft, loss, or misuse of personal data collected, used, stored, or transferred by us to run our business or by one of our partners could result in significantly increased security costs, damage to our reputation, regulatory proceedings, disruption of our business activities or increased costs related to defending legal claims.

Worldwide regulatory authorities are considering and have approved various legislative proposals concerning data protection, which continue to evolve and apply to our business. For example, the European Union adopted the General Data Protection Regulation, or GDPR, which requires companies to meet new requirements beginning in May 2018 regarding the handling of personal data, including its use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. Failure to meet GDPR requirements could result in penalties of up to 4% of worldwide revenue. In addition, the interpretation and application of consumer and data protection laws in the United States, Europe and elsewhere are often uncertain and fluid, and may be interpreted and applied in a manner that is inconsistent with our data practices. If so, we may be ordered to change our data practices and/or be fined. Complying with these changing laws has caused, and could continue to cause, us to incur substantial costs, which could have an adverse effect on our business and results of operations. Further, failure to comply with existing or new rules may result in significant penalties or orders to stop the alleged noncompliant activity.

We may have exposure to additional tax liabilities and our operating results may be adversely impacted by higher than expected tax rates.

As a multinational corporation, we are subject to income taxes as well as non-income based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in both the United States and various foreign jurisdictions. Our domestic and international tax liabilities are subject to the allocation of revenue and expenses in different jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. Further, changes in United States federal, and state or international tax laws applicable to multinational corporations or other fundamental law changes may materially impact our tax expense and cash flows, as we experienced in fiscal year 2018 with the passage of the Tax Cuts and Jobs Act, or TCJA.

Our future effective tax rate may be affected by such factors as changes in tax laws, changes in our business or statutory rates, changes in jurisdictions in which our profits are determined to be earned and taxed, changes in available tax credits, the resolution of issues arising from tax audits, changes in United States generally accepted accounting principles, adjustments to income taxes upon finalization of tax returns, increases in expenses not deductible for tax purposes, changes in the valuation of our deferred tax assets and liabilities and in deferred tax valuation allowances, changing interpretation of existing laws or regulations, the impact of accounting for stock-based compensation and the recognition of excess tax benefits and tax deficiencies within the income tax provision in the period in which they occur, the impact of accounting for business combinations, shifts in the amount of earnings in the United States compared with other regions in the world and overall levels of income before tax, changes in our international organization, as well as the expiration of statute of limitations and settlements of audits. Any changes in our effective tax rate may reduce our net income.

Our business is exposed to the risks associated with litigation, investigations and regulatory proceedings.

We currently and may in the future face legal, administrative and regulatory proceedings, claims, demands and/or investigations involving shareholder, consumer, competition and/or other issues relating to our business on a global basis. For example, multiple securities litigation claims have recently been filed against us and certain of our officers based on the dissemination of allegedly false and misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand. In addition, a stockholder, purporting to act on behalf of the Company, filed a derivative lawsuit seeking to assert claims on behalf of the Company against the members of our board of directors and certain officers based on the dissemination of allegedly false and misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand.

Litigation and regulatory proceedings are inherently uncertain, and adverse rulings could occur, including monetary damages, or an injunction stopping us from manufacturing or selling certain products, engaging in certain business practices, or requiring other remedies, such as compulsory licensing of patents. An unfavorable outcome or settlement may result in a material adverse impact on our business, results of operations, financial position, and overall trends. In addition, regardless of the outcome, litigation can be costly, time-consuming, and disruptive to our operations.

In addition, the laws and regulations our business is subject to are complex, and change frequently. We may be required to incur significant expense to comply with, or remedy violations of, these regulations.

Delaware law and provisions in our certificate of incorporation, our bylaws and our agreement with Microsoft Corporation could delay or prevent a change in control.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested shareholder for a period of three years after the person becomes an interested shareholder, even if a change of control would be beneficial to our existing shareholders. In addition, our certificate of incorporation and bylaws contain provisions that could make it more difficult for a third party to acquire a majority of our outstanding voting stock. These provisions include the following:

- the ability of our Board of Directors to create and issue preferred stock without prior shareholder approval;
- the prohibition of shareholder action by written consent;
- advance notice requirements for director nominations and shareholder proposals;
- the ability of our Board of Directors to increase or decrease the number of directors without shareholder approval;
- a super-majority voting requirement to amend some provisions in our certificate of incorporation and bylaws;
- the inability of our shareholders to call special meetings of shareholders; and
- the ability of our Board of Directors to make, amend or repeal our bylaws.

On March 5, 2000, we entered into an agreement with Microsoft in which we agreed to develop and sell graphics chips and to license certain technology to Microsoft and its licensees for use in the Xbox. Under the agreement, if an individual or corporation makes an offer to purchase shares equal to or greater than 30% of the outstanding shares of our common stock, Microsoft may have first and last rights of refusal to purchase the stock. The Microsoft provision and the other factors listed above could also delay or prevent a change in control of NVIDIA. These provisions could also discourage proxy contests and make it more difficult for shareholders to elect directors of their choosing and to cause us to take other corporate actions they desire.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our headquarters complex is located in Santa Clara, California. It includes ten leased commercial buildings totaling 981,389 square feet, and real property that we own totaling 1,257,346 square feet. Our owned property consists of two commercial buildings on 36 acres of land. In addition, we also lease datacenter space in Santa Clara, California.

Outside of Santa Clara, California, we lease facilities in Austin, Texas and a number of regional facilities in other U.S. locations that are used as research and development centers and/or sales and administrative offices. Outside of the United States, we own a building in Hyderabad, India, that is being used primarily as a research and development center. We also lease facilities in various international locations that are used as research and development centers and/or sales and

administrative offices. These leased facilities are located primarily in Asia and Europe. In addition, we also lease datacenter space in various locations around the world.

We believe that we currently have sufficient facilities to conduct our operations for the next twelve months. For additional information regarding obligations under leases, refer to Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K under the subheading "Lease Obligations," which information is hereby incorporated by reference.

ITEM 3. LEGAL PROCEEDINGS

Please see Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for a discussion of our legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the Nasdaq Global Select Market under the symbol NVDA. Public trading of our common stock began on January 22, 1999. Prior to that, there was no public market for our common stock. As of February 15, 2019, we had approximately 317 registered shareholders, not including those shares held in street or nominee name.

Issuer Purchases of Equity Securities

Beginning August 2004, our Board of Directors authorized us to repurchase our stock.

Since the inception of our share repurchase program, we have repurchased an aggregate of 260 million shares for a total cost of \$7.08 billion through January 27, 2019. All shares delivered from these repurchases have been placed into treasury stock.

In November 2018, the Board authorized an additional \$7.00 billion under our share repurchase program and extended it through the end of December 2022. As of January 27, 2019, we were authorized to repurchase additional shares of our common stock up to \$7.24 billion.

We intend to return \$3.00 billion to shareholders by the end of fiscal year 2020, including \$700 million of share repurchases we made in the fourth quarter of fiscal year 2019.

The repurchases can be made in the open market, in privately negotiated transactions, or in structured share repurchase programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, subject to market conditions, applicable legal requirements, and other factors. The program does not obligate NVIDIA to acquire any particular amount of common stock and the program may be suspended at any time at our discretion.

The following table presents details of our share repurchase transactions during the fourth quarter of fiscal year 2019:

Period	Total Number of Shares Purchased (In thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (In thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (In billions)
October 29, 2018 - November 25, 2018.....	123	\$ 195.72	123	\$ 7.94
November 26, 2018 - December 23, 2018.....	3,304	\$ 142.05	3,304	\$ 7.47
December 24, 2018 - January 27, 2019	1,777	\$ 129.87	1,777	\$ 7.24
Total	5,204		5,204	

Transactions Related to our 1.00% Convertible Senior Notes Due 2018 and Note Hedges

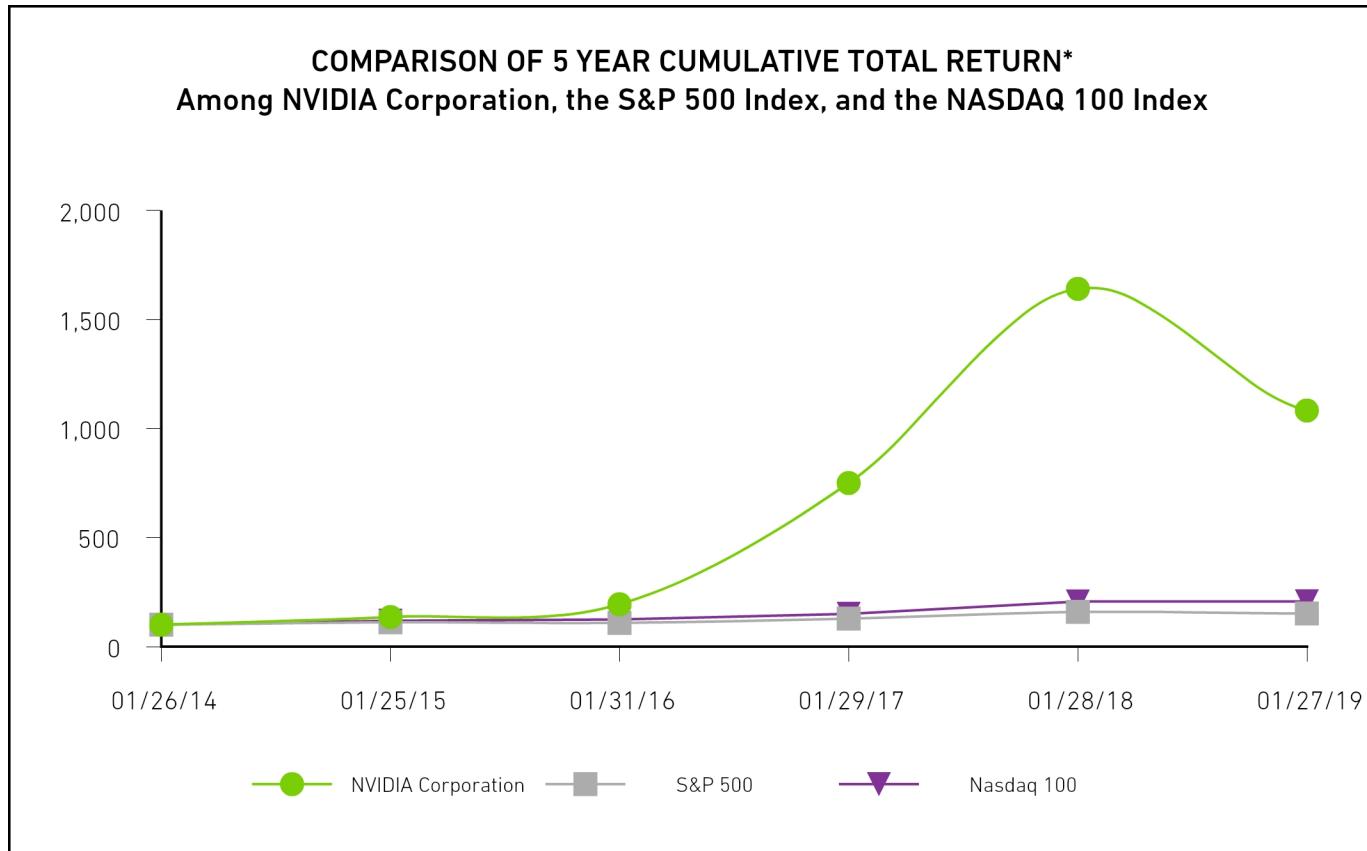
During fiscal year 2019, we issued an aggregate of 714 thousand shares of our common stock upon settlement of \$16 million in principal amount of 1.00% Convertible Senior Notes Due 2018, or the Convertible Notes, submitted for conversion. In connection with these conversions, we exercised a portion of our Note Hedges to acquire an equal number of shares of our common stock. The counterparty to the Note Hedges may be deemed an "affiliated purchaser" and may have purchased the shares of our common stock deliverable to us upon this exercise of our option. Refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion regarding the Convertible Notes and the Note Hedges.

Restricted Stock Unit Share Withholding

We also withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of restricted stock unit awards under our employee equity incentive program. During fiscal year 2019, we withheld approximately 4 million shares at a total cost of \$1.03 billion through net share settlements. Refer to Note 3 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion regarding our equity incentive plans.

Stock Performance Graphs

The following graph compares the cumulative total shareholder return for our common stock, the S&P 500 Index, and the Nasdaq 100 Index for the five years ended January 27, 2019. The graph assumes that \$100 was invested on January 26, 2014 in our common stock and in each of the S&P 500 Index and the Nasdaq 100 Index. Our common stock is a component of each of the presented indices. Total return assumes reinvestment of dividends in each of the indices indicated. Total return is based on historical results and is not intended to indicate future performance.



*\$100 invested on 1/26/14 in stock and in indices, including reinvestment of dividends.

The S&P 500 index is proprietary to and are calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, among other famous marks, are registered trademarks of Standard & Poor's Financial Services LLC, and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. © 2016 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.

	1/26/2014	1/25/2015	1/31/2016	1/29/2017	1/28/2018	1/27/2019
NVIDIA Corporation	\$ 100.00	\$ 135.49	\$ 194.78	\$ 750.36	\$ 1,639.87	\$ 1,082.30
S&P 500	\$ 100.00	\$ 111.92	\$ 108.84	\$ 127.84	\$ 158.41	\$ 151.70
Nasdaq 100	\$ 100.00	\$ 119.26	\$ 124.52	\$ 150.83	\$ 207.18	\$ 208.13

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our financial statements and the notes thereto, and with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Consolidated Statements of Income data for fiscal years 2019, 2018, and 2017 and the Consolidated Balance Sheets data as of January 27, 2019 and January 28, 2018 have been derived from and should be read in conjunction with our audited consolidated financial statements and the notes thereto included in Part IV, Item 15 in this Annual Report on Form 10-K. We operate on a 52- or 53-week year, ending on the last Sunday in January. Fiscal years 2019, 2018, 2017, and 2015 were 52-week years and fiscal year 2016 was a 53-week year.

	Year Ended				
	January 27, 2019	January 28, 2018	January 29, 2017	January 31, 2016 (A)	January 25, 2015
Consolidated Statements of Income Data:	(In millions, except per share data)				
Revenue	\$ 11,716	\$ 9,714	\$ 6,910	\$ 5,010	\$ 4,682
Income from operations	\$ 3,804	\$ 3,210	\$ 1,934	\$ 747	\$ 759
Net income	\$ 4,141	\$ 3,047	\$ 1,666	\$ 614	\$ 631
Net income per share:					
Basic	\$ 6.81	\$ 5.09	\$ 3.08	\$ 1.13	\$ 1.14
Diluted	\$ 6.63	\$ 4.82	\$ 2.57	\$ 1.08	\$ 1.12
Weighted average shares used in per share computation:					
Basic	608	599	541	543	552
Diluted	625	632	649	569	563

	Year Ended				
	January 27, 2019 (B,C)	January 28, 2018 (B,C)	January 29, 2017 (B,C)	January 31, 2016 (B)	January 25, 2015
Consolidated Balance Sheets Data:	(In millions, except per share data)				
Cash, cash equivalents and marketable securities.....	\$ 7,422	\$ 7,108	\$ 6,798	\$ 5,037	\$ 4,623
Total assets	\$ 13,292	\$ 11,241	\$ 9,841	\$ 7,370	\$ 7,201
Debt obligations	\$ 1,988	\$ 2,000	\$ 2,779	\$ 1,413	\$ 1,384
Convertible debt conversion obligation	\$ —	\$ —	\$ 31	\$ 87	\$ —
Total shareholders' equity	\$ 9,342	\$ 7,471	\$ 5,762	\$ 4,469	\$ 4,418
Cash dividends declared and paid per common share (D)	\$ 0.610	\$ 0.570	\$ 0.485	\$ 0.395	\$ 0.340
(A) In fiscal year 2016, we began the wind down of our Icera modem operations. As a result, our income from operations for fiscal year 2016 included \$131 million of restructuring and other charges.					
(B) In fiscal year 2014, we issued Convertible Notes in the aggregate principal amount of \$1.50 billion. The Convertible Notes first became convertible as of February 1, 2016 and matured on December 1, 2018. Refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.					
(C) In fiscal year 2017, we issued \$1.00 billion of the Notes Due 2021, and \$1.00 billion of the Notes Due 2026. Interest on the Notes is payable on March 16 and September 16 of each year, beginning on March 16, 2017. Refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.					
(D) In November 2012, we initiated a quarterly dividend payment of \$0.075 per share, or \$0.30 per share on an annual basis. In May 2015, we increased the quarterly cash dividend to \$0.0975 per share, or \$0.39 per share on an annual basis. In November 2015, we increased the quarterly cash dividend to \$0.115 per share, or \$0.46 per share on an annual basis. In November 2016, we increased the quarterly cash dividend to \$0.14 per share, or \$0.56 per share on an annual basis. In November 2017, we increased the quarterly cash dividend to \$0.15 per share, or \$0.60 per share on an annual basis. In November 2018, we increased the quarterly cash dividend to \$0.16 per share, or \$0.64 per share on an annual basis.					

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Item 1A. Risk Factors", "Item 6. Selected Financial Data", our Consolidated Financial Statements and related Notes thereto, as well as other cautionary statements and risks described elsewhere in this Annual Report on Form 10-K, before deciding to purchase, hold or sell shares of our common stock.

Overview

Our Company and Our Businesses

Starting with a focus on PC graphics, NVIDIA invented the GPU to solve some of the most complex problems in computer science. We have extended our focus in recent years to the revolutionary field of AI. Fueled by the sustained demand for better 3D graphics and the scale of the gaming market, NVIDIA has evolved the GPU into a computer brain at the intersection of VR, HPC, and AI.

Our two reportable segments - GPU and Tegra Processor - are based on a single underlying architecture. From our proprietary processors, we have created platforms that address four large markets where our expertise is critical: Gaming, Professional Visualization, Datacenter, and Automotive.

Our GPU product brands are aimed at specialized markets including GeForce for gamers; Quadro for designers; Tesla and DGX for AI data scientists and big data researchers; and GRID for cloud-based visual computing users. Our Tegra brand integrates an entire computer onto a single chip, and incorporates GPUs and multi-core CPUs to drive supercomputing for autonomous robots, drones, and cars, as well as for game consoles and mobile gaming and entertainment devices.

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Recent Developments, Future Objectives and Challenges

Fiscal Year 2019 Summary

	Year Ended		
	January 27, 2019	January 28, 2018	Change
			(\$ in millions, except per share data)
Revenue	\$ 11,716	\$ 9,714	Up 21%
Gross margin	61.2%	59.9%	Up 130 bps
Operating expenses	\$ 3,367	\$ 2,612	Up 29%
Income from operations	\$ 3,804	\$ 3,210	Up 19%
Net income	\$ 4,141	\$ 3,047	Up 36%
Net income per diluted share	\$ 6.63	\$ 4.82	Up 38%

Revenue for fiscal year 2019 increased 21% year over year, reflecting growth in each of our market platforms - gaming, professional visualization, datacenter, and automotive. GPU business revenue was \$10.17 billion, up 25% from a year earlier. Tegra Processor business revenue - which includes automotive, SOC modules for gaming platforms, and embedded edge AI platforms - was \$1.54 billion, up slightly from a year ago.

Gaming revenue was \$6.25 billion, up 13% from a year ago driven by growth in gaming GPUs. Gaming GPU growth was fueled by Turing-based GPUs for desktops and by gaming notebooks based on our Max-Q technology. We experienced significant volatility in our Gaming revenue during fiscal year 2019. We believe demand for our desktop gaming GPU products used by end users for cryptocurrency mining and its after-effects have distorted trends in Gaming revenue. We also believe that deteriorating macroeconomic conditions, particularly in China have impacted consumer demand for our GeForce gaming GPU products. In addition, sales of certain high-end GeForce gaming GPUs using our new Turing architecture that we released during fiscal year 2019 were lower than we expected for the launch of a new architecture. As a result, during a portion of fiscal year 2019, we shipped a higher amount of desktop gaming GPU products relative to where end user demand turned out to be and subsequently compensated by shipping a lower amount of desktop gaming GPU products relative to end user demand to allow the channel to work down that inventory. For fiscal year 2020, we expect our Gaming revenue to be slightly down compared to fiscal year 2019, with expected growth from sales of Turing-based GPU products and notebook GPU products partially offsetting decreases that we believe were caused by the previously-noted factors.

Professional visualization revenue was \$1.13 billion, up 21% from a year earlier driven by strength across both desktop and mobile workstation products.

Datacenter revenue was \$2.93 billion, up 52% from a year ago, led by strong sales of our Volta architecture-based products, including NVIDIA Tesla V100 and DGX systems. Toward the end of fiscal year 2019, we believe that customers across broad-based vertical markets and geographies became increasingly cautious due to economic uncertainty, and a number of

Datacenter deals did not close. While we believe the pause is temporary, our visibility remains relatively low and we do not expect a meaningful recovery in the Datacenter market until later in fiscal year 2020.

Automotive revenue of \$641 million was up 15% from a year earlier, driven by infotainment modules, production DRIVE platforms, and development agreements with automotive companies.

OEM and IP revenue was \$767 million, down 1% from a year ago, driven by the absence of Intel licensing revenue, which concluded in the first quarter of fiscal year 2018. Revenue from cryptocurrency-specific products in fiscal years 2019 and 2018 was \$306 million and \$273 million, respectively. We expect revenue from cryptocurrency-specific products to be negligible going forward.

Gross margin for fiscal year 2019 was 61.2%, compared with 59.9% a year earlier, which reflects our continued shift toward higher-value platforms, which more than offset the impact of approximately \$128 million in charges for excess DRAM and other components we recorded in the fourth quarter of fiscal year 2019 and a charge of \$57 million we recorded during the third quarter of fiscal year 2019 related to prior architecture components and chips.

Operating expenses for fiscal year 2019 were \$3.37 billion, up 29% from a year earlier, reflecting primarily employee additions and increases in employee compensation and other related costs, including infrastructure costs.

Income from operations for fiscal year 2019 was \$3.80 billion, up 19% from a year earlier. Net income and net income per diluted share for fiscal year 2019 were \$4.14 billion and \$6.63, respectively, up 36% and 38%, respectively, from a year earlier, fueled primarily by revenue growth and improved gross margin, as well as the impact of the U.S. tax reform benefit.

During fiscal year 2019, we returned \$1.95 billion to shareholders through a combination of \$1.58 billion in share repurchases and \$371 million in quarterly cash dividends. We intend to return \$3.00 billion to shareholders by the end of fiscal year 2020, including \$700 million of share repurchases we made in the fourth quarter of fiscal year 2019.

Cash, cash equivalents and marketable securities were \$7.42 billion as of January 27, 2019, compared with \$7.11 billion as of January 28, 2018. The increase was primarily related to the increase in net income, partially offset by changes in working capital and the increases in stock repurchases, dividends and taxes paid related to restricted stock units.

GPU Business

During fiscal year 2019, for gaming, we announced NVIDIA RTX - a computer graphics technology using our Turing architecture that produces movie-quality images in real time using ray tracing and AI. During the year, we released many new GeForce RTX desktop gaming GPU products, including RTX 2080Ti, 2080, 2070 and 2060, as well as many new Max-Q GeForce gaming notebook GPU products - the most recent of which are powered by RTX GPUs.

For our professional visualization platform, we announced the Quadro GV100 GPU with RTX technology, making real-time ray tracing possible on professional design and content creation applications. We also unveiled the Quadro RTX series, which is designed to revolutionize the workflow of designers and artists on the desktop, and announced the NVIDIA CUDA-accelerated REDCODE RAW decode SDK, enabling developers and studios to edit 8K video.

For our datacenter platform, we unveiled many advances to our deep learning computing platform - including NVIDIA Tesla V100 GPUs with 32GB memory, NVIDIA NVSwitch GPU interconnect fabric, the NVIDIA DGX-2 and HGX-2 for AI and HPC, the NVIDIA RTX Server, and TensorRT 4 AI inference accelerator software. In addition, we introduced RAPIDS, an open-source GPU-acceleration platform for data science and machine learning, launched the NVIDIA T4 cloud GPU and NVIDIA TensorRT Hyperscale Inference Platform for advanced acceleration in hyperscale datacenters, announced GPU acceleration for Kubernetes to facilitate enterprise inference deployment on multi-cloud GPU clusters, and announced that five of the world's seven fastest supercomputers are powered by NVIDIA GPUs.

Tegra Processor Business

During fiscal year 2019, for the automotive market, we introduced the NVIDIA DRIVE AutoPilot Level 2+ automated driving system, announced NVIDIA DRIVE AGX design wins with Toyota, Volvo Cars and Isuzu Motors, and announced that Daimler and Bosch have selected NVIDIA's DRIVE platform to bring automated and driverless vehicles to city streets. We also began production of our Xavier single-chip autopilot SOC, started shipping the NVIDIA DRIVE AGX Xavier developer kit, and introduced the NVIDIA DRIVE Constellation server with DRIVE Sim software to safely test drive autonomous vehicles over billions of miles in virtual reality by leveraging NVIDIA GPUs and NVIDIA DRIVE Pegasus.

In addition, we launched the NVIDIA Jetson AGX Xavier module to help build the next-generation of autonomous machines and announced that Yamaha Motor Co. will use NVIDIA to power its upcoming lineup of autonomous machines.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, cost of revenue, expenses and related disclosure of contingencies. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, inventories, income taxes, goodwill, cash equivalents and marketable securities, stock-based compensation, and litigation, investigation and settlement costs and other contingencies. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

We believe the following critical accounting policies affect our significant judgments and estimates used in the preparation of our consolidated financial statements. Our management has discussed the development and selection of these critical accounting policies and estimates with the Audit Committee of our Board of Directors. The Audit Committee has reviewed our disclosures relating to our critical accounting policies and estimates in this Annual Report on Form 10-K.

Revenue Recognition

We derive our revenue from product sales, including hardware and systems, license and development arrangements, and software licensing. We determine revenue recognition through the following steps: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, we satisfy a performance obligation.

Product Sales Revenue

Revenue from product sales is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products. Revenue is recognized net of allowances for returns, customer programs and any taxes collected from customers.

For products sold with a right of return, we record a reduction to revenue by establishing a sales return allowance for estimated product returns at the time revenue is recognized, based primarily on historical return rates. However, if product returns for a fiscal period are anticipated to exceed historical return rates, we may determine that additional sales return allowances are required to properly reflect our estimated exposure for product returns.

Our customer programs involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets, and marketing development funds, or MDFs, which represent monies paid to our partners that are earmarked for market segment development and are designed to support our partners' activities while also promoting NVIDIA products. We account for customer programs as a reduction to revenue and accrue for potential rebates and MDFs based on the amount we expect to be claimed by customers.

License and Development Arrangements

Our license and development arrangements with customers typically require significant customization of our intellectual property components. As a result, we recognize the revenue from the license and the revenue from the development services as a single performance obligation over the period in which the development services are performed. We measure progress to completion based on actual cost incurred to date as a percentage of the estimated total cost required to complete each project. If a loss on an arrangement becomes probable during a period, we record a provision for such loss in that period.

Software Licensing

Our software licenses provide our customers with a right to use the software when it is made available to the customer. Customers may purchase either perpetual licenses or subscriptions to licenses, which differ mainly in the duration over which the customer benefits from the software. Software licenses are frequently sold along with post-contract customer support, or PCS. For such arrangements, we allocate revenue to the software license and PCS on a relative standalone selling price basis by maximizing the use of observable inputs to determine the standalone selling price for each performance obligation. Revenue from software licenses is recognized up front when the software is made available to the customer. PCS revenue is recognized ratably over the service period, or as services are performed.

Refer to Note 1 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Inventories

Inventory cost is computed on an adjusted standard basis, which approximates actual cost on an average or first-in, first-out basis. We charge cost of sales for inventory provisions to write down our inventory to the lower of cost or net realizable value or to completely write off obsolete or excess inventory. Most of our inventory provisions relate to the write-off of excess quantities of products, based on our inventory levels and future product purchase commitments compared to assumptions about future demand and market conditions.

Situations that may result in excess or obsolete inventory include changes in business and economic conditions, changes in market conditions, sudden and significant decreases in demand for our products, inventory obsolescence because of changing technology and customer requirements, failure to estimate customer demand properly, or unexpected competitive pricing actions by our competition. In addition, cancellation or deferral of customer purchase orders could result in our holding excess inventory.

The overall net effect on our gross margin from inventory provisions and sales of items previously written down was an unfavorable impact of 2.0% in fiscal year 2019 and insignificant in fiscal years 2018 and 2017. The higher amount of charges we took to cost of sales for inventory provisions during fiscal year 2019 were primarily related to excess DRAM, other components, and prior architecture components and chips, whereas the charges we took during fiscal years 2018 and 2017 were primarily related to the write-off of excess quantities of GPU and Tegra products whose inventory levels were higher than our updated forecasts of future demand for those products. As a fabless semiconductor company, we must make commitments to purchase inventory based on forecasts of future customer demand. In doing so, we must account for our third-party manufacturers' lead times and constraints. We also adjust to other market factors, such as product offerings and pricing actions by our competitors, new product transitions, and macroeconomic conditions - all of which may impact demand for our products.

Refer to the Gross Profit and Gross Margin discussion below in this Management's Discussion and Analysis for further discussion.

Income Taxes

We recognize federal, state and foreign current tax liabilities or assets based on our estimate of taxes payable or refundable in the current fiscal year by tax jurisdiction. We recognize federal, state and foreign deferred tax assets or liabilities, as appropriate, for our estimate of future tax effects attributable to temporary differences and carryforwards; and we record a valuation allowance to reduce any deferred tax assets by the amount of any tax benefits that, based on available evidence and judgment, are not expected to be realized.

Our calculation of deferred tax assets and liabilities is based on certain estimates and judgments and involves dealing with uncertainties in the application of complex tax laws. Our estimates of deferred tax assets and liabilities may change based, in part, on added certainty or finality to an anticipated outcome, changes in accounting standards or tax laws in the United States, or foreign jurisdictions where we operate, or changes in other facts or circumstances. In addition, we recognize liabilities for potential United States and foreign income tax contingencies based on our estimate of whether, and the extent to which, additional taxes may be due. If we determine that payment of these amounts is unnecessary or if the recorded tax liability is less than our current assessment, we may be required to recognize an income tax benefit or additional income tax expense in our financial statements accordingly.

As of January 27, 2019, we had a valuation allowance of \$562 million related to state and certain foreign deferred tax assets that management determined are not likely to be realized due to projections of future taxable income and potential utilization limitations of tax attributes acquired as a result of stock ownership changes. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

We recognize the benefit from a tax position only if it is more-likely-than-not that the position would be sustained upon audit based solely on the technical merits of the tax position. Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense.

The TCJA, which was enacted in December 2017, significantly changed U.S. tax law, including a reduction of the U.S. federal corporate income tax rate from 35% to 21%, a requirement for companies to pay a one-time transition tax on the earnings of certain foreign subsidiaries that were previously tax deferred, and the creation of new taxes (global intangible low-taxed income, or GILTI) on certain foreign-source earnings. As a fiscal year-end taxpayer, certain provisions of the TCJA began to impact us in the fourth quarter of fiscal year 2018, while other provisions impacted us beginning in fiscal year 2019. The SEC had provided guidance in Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (SAB 118), which allowed companies to record provisional amounts during a measurement period up to one year

from the enactment date. As of January 27, 2019, we completed our accounting for all of the enactment-date income tax effects of the TCJA and elected to account for GILTI in deferred taxes. Refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information specific to accounting for income taxes and the impacts from the enactment of the TCJA.

Goodwill

Goodwill is subject to our annual impairment test during the fourth quarter of our fiscal year, or earlier, if indicators of potential impairment exist, using either a qualitative or a quantitative assessment. Our impairment review process compares the fair value of the reporting unit in which the goodwill resides to its carrying value. We have identified two reporting units, GPU and Tegra Processor, for the purposes of completing our goodwill analysis. Goodwill assigned to the GPU and Tegra Processor reporting units as of January 27, 2019 was \$210 million and \$408 million, respectively. Determining the fair value of a reporting unit requires us to make judgments and involves the use of significant estimates and assumptions. We also make judgments and assumptions in allocating assets and liabilities to each of our reporting units. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain.

During the fourth quarter of fiscal year 2019, we used the qualitative assessment to test goodwill for impairment for each reporting unit and concluded there was no impairment.

Refer to Note 5 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Cash Equivalents and Marketable Securities

Cash equivalents consist of financial instruments which are readily convertible into cash and have original maturities of three months or less at the time of acquisition. Marketable securities consist of highly liquid debt investments with maturities greater than three months when purchased. We measure our cash equivalents and marketable securities at fair value. The fair values of our financial assets are determined using quoted market prices of identical assets or quoted market prices of similar assets from active markets. All of our available-for-sale debt investments are subject to a periodic impairment review. We record a charge to earnings when a decline in fair value is significantly below cost basis and judged to be other-than-temporary, or have other indicators of impairments.

We performed an impairment review of our debt investment portfolio as of January 27, 2019. We concluded that our debt investments were appropriately valued and that no other-than-temporary impairment charges were necessary on our portfolio of available-for-sale debt investments as of January 27, 2019.

Refer to Notes 7 and 8 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Stock-based Compensation

Our stock-based compensation expense is associated with restricted stock units, or RSUs, performance stock units that are based on our corporate financial performance targets, or PSUs, performance stock units that are based on market conditions, or market-based PSUs, and our employee stock purchase plan. The number of PSUs and market-based PSUs that will ultimately be awarded is contingent on the Company's level of achievement compared with the corporate financial performance target established by our Compensation Committee in the beginning of each fiscal year.

Refer to Notes 1 and 3 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Litigation, Investigation and Settlement Costs

From time to time, we are involved in legal actions and/or investigations by regulatory bodies. We are aggressively defending our current litigation matters. However, there are many uncertainties associated with any litigation or investigations, and we cannot be certain that these actions or other third-party claims against us will be resolved without costly litigation, fines and/or substantial settlement payments. If that occurs, our business, financial condition and results of operations could be materially and adversely affected. If information becomes available that causes us to determine that a loss in any of our pending litigation, investigations or settlements is probable, and we can reasonably estimate the loss associated with such events, we will record the loss in accordance with U.S. GAAP. However, the actual liability in any such litigation or investigation may be materially different from our estimates, which could require us to record additional costs.

Results of Operations

The following table sets forth, for the periods indicated, certain items in our Consolidated Statements of Income expressed as a percentage of revenue.

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
Revenue	100.0%	100.0%	100.0%
Cost of revenue	38.8	40.1	41.2
Gross profit	61.2	59.9	58.8
Operating expenses:			
Research and development	20.3	18.5	21.2
Sales, general and administrative	8.5	8.4	9.6
Total operating expenses	28.7	26.9	30.8
Income from operations	32.5	33.0	28.0
Interest income	1.2	0.7	0.8
Interest expense	(0.5)	(0.6)	(0.8)
Other, net	0.1	(0.2)	(0.4)
Total other income (expense).....	0.8	(0.1)	(0.4)
Income before income tax expense	33.3	32.9	27.6
Income tax expense (benefit)	(2.1)	1.5	3.5
Net income	35.3%	31.4%	24.1%

Revenue

Revenue by Reportable Segments

	Year Ended				Year Ended			
	January 27, 2019	January 28, 2018	\$ Change	% Change	January 28, 2018	January 29, 2017	\$ Change	% Change
	(\$ in millions)				(\$ in millions)			
GPU	\$ 10,175	\$ 8,137	\$ 2,038	25 %	\$ 8,137	\$ 5,822	\$ 2,315	40 %
Tegra Processor...	1,541	1,534	7	— %	1,534	824	710	86 %
All Other	—	43	(43)	(100)%	43	264	(221)	(84)%
Total	<u>\$ 11,716</u>	<u>\$ 9,714</u>	<u>\$ 2,002</u>	<u>21 %</u>	<u>\$ 9,714</u>	<u>\$ 6,910</u>	<u>\$ 2,804</u>	<u>41 %</u>

GPU Business. GPU business revenue increased by 25% in fiscal year 2019 compared to fiscal year 2018. This increase was due primarily to 18% growth in sales of GeForce GPU products for gaming, driven by initial sales of Turing-based GPUs for desktops and by high-performance notebooks based on our Max-Q technology. Datacenter revenue, including Tesla, GRID and DGX, increased 52%, reflecting strong sales of our Volta architecture products, including NVIDIA Tesla V100 and DGX systems. Revenue from Quadro GPUs for professional visualization increased 21% due primarily to higher sales across desktop and mobile workstation products. Our PC OEM revenue decreased by 1% driven by the absence of Intel licensing revenue in fiscal year 2019. Revenue from cryptocurrency-specific products in fiscal years 2019 and 2018 was \$306 million and \$273 million, respectively. We expect cryptocurrency-related revenue to be negligible going forward.

GPU business revenue increased by 40% in fiscal year 2018 compared to fiscal year 2017 led by growth in gaming, datacenter and professional visualization. Revenue from sales of GeForce GPU products for gaming increased over 20%, reflecting continued strong demand for our Pascal-based GPU products. Datacenter revenue, including Tesla, GRID and DGX, increased 133%, reflecting strong demand from hyperscale and cloud customers for deep learning training and accelerated GPU computing as well as demand for HPC, DGX AI supercomputing and GRID virtualization platforms. Revenue from Quadro GPUs for professional visualization increased by 12% due primarily to higher sales in both high-end desktop and mobile workstation products. Revenue from GeForce GPU products for mainstream PC OEMs increased by over 90% due primarily to strong demand for GPU products targeted for cryptocurrency mining.

Tegra Processor Business. Tegra Processor business revenue was up slightly in fiscal year 2019 compared to fiscal year 2018. This was driven by an increase of over 15% in automotive revenue, primarily from infotainment modules, production DRIVE PX platforms, and development agreements with automotive companies, offset by a decline of approximately 15% in SOC modules for gaming platforms and related development services.

Tegra Processor business revenue increased by 86% in fiscal year 2018 compared to fiscal year 2017. This was driven by an increase of over 300% in revenue from SOC modules for gaming platforms and development services, and an increase of 15% in automotive revenue, primarily from infotainment modules, DRIVE PX platforms and development agreements for self-driving cars.

All Other. Our patent license agreement with Intel concluded in the first quarter of fiscal year 2018. For fiscal year 2018, we recognized related revenue of \$43 million, down from \$264 million for fiscal year 2017.

Concentration of Revenue

Revenue from sales to customers outside of the United States accounted for 87% of total revenue for each of fiscal years 2019, 2018, and 2017. Revenue by geographic region is allocated to individual countries based on the location to which the products are initially billed even if the revenue is attributable to end customers in a different location.

No single customer represented more than 10% of total revenue for fiscal years 2019 and 2018. In fiscal year 2017, we had one customer that represented 12% of our total revenue.

Gross Profit and Gross Margin

Gross profit consists of total revenue, net of allowances, less cost of revenue. Cost of revenue consists primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, board and device costs, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, inventory and warranty provisions, memory and component costs, and shipping costs. Cost of revenue also includes development costs for license and service arrangements and stock-based compensation related to personnel associated with manufacturing.

Our overall gross margin was 61.2%, 59.9%, and 58.8% for fiscal years 2019, 2018, and 2017, respectively. The increase in fiscal year 2019 reflects our continued shift toward higher-value platforms, which more than offset the impact of approximately \$128 million in charges for excess DRAM and other components we recorded in the fourth quarter of fiscal year 2019 and a charge of \$57 million we recorded during the third quarter of fiscal year 2019 related to prior architecture components and chips. The increase in fiscal year 2018 was driven primarily by a favorable shift in mix, the growth of our GeForce gaming GPU revenue, and the growth of our datacenter revenue for cloud, deep learning, AI, and graphics virtualization. The increase in fiscal year 2018 was partially offset by the conclusion of our patent license agreement with Intel in the first quarter of fiscal year 2018.

Inventory provisions totaled \$270 million, \$48 million, and \$62 million for fiscal years 2019, 2018, and 2017, respectively. Sales of inventory that was previously written-off or written-down totaled \$41 million, \$35 million, and \$51 million for fiscal years 2019, 2018, and 2017, respectively. As a result, the overall net effect on our gross margin was an unfavorable impact of 2.0% in fiscal year 2019 and insignificant in fiscal years 2018 and 2017.

A discussion of our gross margin results for each of our reportable segments is as follows:

GPU Business. The gross margin of our GPU business increased during fiscal year 2019 when compared to fiscal year 2018, primarily due to strong sales of high-end GeForce gaming GPUs and revenue growth in Datacenter, including Tesla, GRID and DGX, for cloud, deep learning, AI, and graphics virtualization. The gross margin of our GPU business increased during fiscal year 2018 when compared to fiscal year 2017 primarily due to strong sales of our GeForce gaming GPU products and revenue growth in datacenter, including Tesla, GRID and DGX, for cloud, deep learning, AI, and graphics virtualization.

Tegra Processor Business. The gross margin of our Tegra Processor business increased during fiscal year 2019 when compared to fiscal year 2018, primarily due to a favorable mix shift. The gross margin of our Tegra Processor business increased during fiscal year 2018 when compared to fiscal year 2017, primarily due to revenue growth in gaming development platforms and automotive.

Operating Expenses

	Year Ended				Year Ended			
	January 27, 2019	January 28, 2018	\$ Change	% Change	January 28, 2018	January 29, 2017	\$ Change	% Change
	(\$ in millions)				(\$ in millions)			
Research and development expenses	\$ 2,376	\$ 1,797	\$ 579	32%	\$ 1,797	\$ 1,463	\$ 334	23 %
% of net revenue	20.3%	18.5%			18.5%	21.2%		
Sales, general and administrative expenses	991	815	176	22%	815	663	152	23 %
% of net revenue	8.5%	8.4%			8.4%	9.6%		
Restructuring and other charges	—	—	—	—%	—	3	(3)	(100)%
% of net revenue	—%	—%			—%	—%		
Total operating expenses	<u>\$ 3,367</u>	<u>\$ 2,612</u>	<u>\$ 755</u>	<u>29%</u>	<u>\$ 2,612</u>	<u>\$ 2,129</u>	<u>\$ 483</u>	<u>23 %</u>

Research and Development

Research and development expenses increased by 32% in fiscal year 2019 compared to fiscal year 2018 and increased by 23% in fiscal year 2018 compared to fiscal year 2017, driven primarily by employee additions and increases in employee compensation and other related costs, including infrastructure costs and stock-based compensation expense.

Sales, General and Administrative

Sales, general and administrative expenses increased by 22% in fiscal year 2019 compared to fiscal year 2018 and increased by 23% in fiscal year 2018 compared to fiscal year 2017, driven primarily by employee additions and increases in employee compensation and other related costs, including infrastructure costs and stock-based compensation expense.

Total Other Income (Expense)

Interest Income and Interest Expense

Interest income consists of interest earned on cash, cash equivalents and marketable securities. Interest income was \$136 million, \$69 million, and \$54 million in fiscal years 2019, 2018, and 2017, respectively. The increase in interest income was primarily due to higher average invested balances and higher rates from our floating rate securities and the purchase of new securities.

Interest expense is primarily comprised of coupon interest and debt discount amortization related to the 2.20% Notes Due 2021 and 3.20% Notes Due 2026 issued in September 2016, and the Convertible Notes issued in December 2013. Interest expense was \$58 million, \$61 million, and \$58 million in fiscal years 2019, 2018, and 2017, respectively.

Other, Net

Other, net, consists primarily of realized or unrealized gains and losses from non-affiliated investments, losses on early debt conversions of the Convertible Notes, and the impact of changes in foreign currency rates. Other, net, was \$14 million of income during fiscal year 2019, consisting primarily of \$12 million unrealized gains from non-affiliated investments. Other, net, was \$22 million and \$25 million of expense in fiscal years 2018 and 2017, respectively, consisting primarily of \$19 million and \$21 million of losses recognized from early conversions of the Convertible Notes during fiscal years 2018 and 2017, respectively.

Income Taxes

The TCJA, which was enacted in December 2017, significantly changed U.S. tax law, including a reduction of the U.S. federal corporate income tax rate from 35% to 21%, a requirement for companies to pay a one-time transition tax on the earnings of certain foreign subsidiaries that were previously tax deferred and the creation of new taxes (GILTI) on certain foreign-source earnings. As a fiscal year-end taxpayer, certain provisions of the TCJA began to impact us in the fourth quarter of fiscal year 2018, while other provisions impacted us beginning in fiscal year 2019.

We recognized income tax benefit of \$245 million for fiscal year 2019, and income tax expense of \$149 million and \$239 million for fiscal years 2018, and 2017, respectively. Our annual effective tax rate was (6.3)%, 4.7%, and 12.5% for fiscal years 2019, 2018, and 2017, respectively. The decrease in our effective tax rate in fiscal year 2019 as compared to fiscal years 2018 and 2017 was primarily due to a decrease in the U.S. statutory tax rate from 33.9% to 21%, the finalization of the enactment-date income tax effects of the TCJA, higher U.S federal research tax credits and excess tax benefits related to stock-based compensation in fiscal year 2019.

The decrease in our effective tax rate in fiscal year 2018 as compared to fiscal year 2017 was primarily due to the provisional impact of the tax law changes and recognition of excess tax benefits related to stock-based compensation.

Our effective tax rate for fiscal year 2019 was lower than the U.S. federal statutory rate of 21% due primarily to income earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate was lower than the U.S. federal statutory tax rates, the finalization of the enactment-date income tax effects of the TCJA, favorable recognition of U.S. federal research tax credits, and excess tax benefits related to stock-based compensation.

Our effective tax rate for fiscal years 2018 and 2017 was lower than the blended U.S. federal statutory rate of 33.9% for fiscal year 2018 and 35% for fiscal year 2017 due primarily to income earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate was lower than the U.S. federal statutory tax rates, favorable recognition of U.S. federal research tax credits, the provisional impact of the tax law changes in 2018, and excess tax benefits related to stock-based compensation.

In fiscal year 2018 and the first nine months of fiscal year 2019, we recorded provisional amounts for certain enactment-date effects of the TCJA by applying the SEC guidance in SAB 118 because we had not yet completed our accounting for these effects. Furthermore, under U.S. GAAP, we can make an accounting policy election to either treat taxes due on the GILTI as a current period expense or factor such amounts into our measurement of deferred taxes. Because we were still evaluating the GILTI provisions as of January 28, 2018, we recorded no GILTI-related deferred balances. After further evaluation, we elected to account for GILTI deferred taxes. As of January 27, 2019, we completed our accounting for all of the enactment-date income tax effects of the TCJA and recognized a reduction of \$368 million to the provisional amount recorded at January 28, 2018, primarily relating to the effects of electing to account for GILTI in deferred taxes.

Refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Liquidity and Capital Resources

	January 27, 2019	January 28, 2018
	(In millions)	
Cash and cash equivalents	\$ 782	\$ 4,002
Marketable securities	6,640	3,106
Cash, cash equivalents, and marketable securities	\$ 7,422	\$ 7,108

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions)		
Net cash provided by operating activities	\$ 3,743	\$ 3,502	\$ 1,672
Net cash provided by (used in) investing activities	(4,097)	1,278	(793)
Net cash provided by (used in) financing activities	(2,866)	(2,544)	291

As of January 27, 2019, we had \$7.42 billion in cash, cash equivalents and marketable securities, an increase of \$314 million from the end of fiscal year 2018. Our investment policy requires the purchase of highly rated fixed income securities, the diversification of investment types and credit exposures, and certain limits on our portfolio duration.

Cash provided by operating activities increased in fiscal year 2019 compared to fiscal year 2018, primarily due to higher net income, partially offset by changes in working capital. Cash provided by operating activities increased in fiscal year 2018 compared to fiscal year 2017, primarily due to higher net income and changes in working capital.

Cash used in investing activities increased in fiscal year 2019 compared to fiscal year 2018, due to higher purchases and lower sales of marketable securities, partially offset by higher maturities of marketable securities. Cash provided by investing activities for fiscal year 2018 increased from fiscal year 2017, primarily due to a reduction in purchases of marketable securities, partially offset by the purchase of our previously-financed Santa Clara campus building.

Cash used in financing activities increased in fiscal year 2019 compared to fiscal year 2018, due to higher share repurchases and higher tax payments related to employee stock plans, partially offset by lower repayments of Convertible Notes. Cash used in financing activities in fiscal year 2018 increased from fiscal year 2017, primarily due to cash provided from the issuance of \$2.00 billion of Notes in fiscal year 2017 as well as higher repayments of Convertible Notes, tax payments related to employee stock plans, share repurchases and dividend payments in fiscal year 2018.

Liquidity

Our primary sources of liquidity are our cash and cash equivalents, our marketable securities, and the cash generated by our operations. As of January 27, 2019 and January 28, 2018, we had \$7.42 billion and \$7.11 billion, respectively, in cash, cash equivalents and marketable securities. Our marketable securities consist of debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, asset-backed issuers, mortgage-backed securities by government-sponsored enterprises, and foreign government entities. These marketable securities are denominated in United States dollars. Refer to Critical Accounting Policies and Estimates in Part II, Item 7, Quantitative and Qualitative Disclosures About Market Risk in Part II, Item 7A and Note 7 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

As a result of the TCJA, substantially all of our cash, cash equivalents and marketable securities held outside of the United States as of January 27, 2019 are available for use in the United States without incurring additional U.S. federal income taxes. Refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Capital Return to Shareholders

We previously announced our plan to return \$1.25 billion to shareholders in fiscal year 2019 and an additional \$3.00 billion by the end of fiscal year 2020 - some of which would begin in the fourth quarter of fiscal year 2019. During fiscal year 2019, we repurchased a total of 9 million shares for \$1.58 billion, including \$700 million of the \$3.00 billion, and paid \$371 million in cash dividends.

We intend to return the remaining \$2.30 billion of the \$3.00 billion to shareholders by the end of fiscal year 2020 through a combination of share repurchases and cash dividends.

In November 2018, the Board authorized an additional \$7.00 billion under our share repurchase program and extended it through the end of December 2022. As of January 27, 2019, we were authorized to repurchase additional shares of our common stock up to \$7.24 billion.

In November 2018, we also announced a 7% increase in our quarterly cash dividend to \$0.16 per share from \$0.15 per share.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board's continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders. Refer to Note 14 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Notes Due 2021 and Notes Due 2026

In fiscal year 2017, we issued \$1.00 billion of the Notes Due 2021 and \$1.00 billion of the Notes Due 2026, collectively, the Notes. The net proceeds from the Notes were \$1.98 billion, after deducting debt discounts and issuance costs.

Revolving Credit Facility

We have a Credit Agreement under which we may borrow up to \$575 million for general corporate purposes and can obtain revolving loan commitments up to \$425 million. As of January 27, 2019, we had not borrowed any amounts under this agreement.

Commercial Paper

We have a \$575 million commercial paper program to support general corporate purposes. As of January 27, 2019, we had not issued any commercial paper.

Refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Operating Capital and Capital Expenditure Requirements

In fiscal year 2019, we began construction on a 750 thousand square foot building on our Santa Clara campus, which is currently targeted for completion in fiscal year 2022. We believe that our existing cash balances and anticipated cash flows from operations will be sufficient to meet our operating requirements for at least the next twelve months.

Off-Balance Sheet Arrangements

As of January 27, 2019, we had no material off-balance sheet arrangements as defined by applicable SEC regulations.

Contractual Obligations

The following table summarizes our contractual obligations as of January 27, 2019:

Contractual Obligations	Payment Due By Period					
	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	All Other
		(In millions)				
Long-term debt (1)	\$ 2,302	\$ 54	\$ 1,100	\$ 64	\$ 1,084	\$ —
Inventory purchase obligations	912	912	—	—	—	—
Transition tax payable (2)	384	33	67	96	188	—
Uncertain tax positions, interest and penalties (3)	163	—	—	—	—	163
Operating leases	683	100	187	131	265	—
Capital purchase obligations	258	192	66	—	—	—
Total contractual obligations	<u>\$ 4,702</u>	<u>\$ 1,291</u>	<u>\$ 1,420</u>	<u>\$ 291</u>	<u>\$ 1,537</u>	<u>\$ 163</u>

(1) Represents the aggregate principal amount of \$2.00 billion and anticipated interest payments of \$302 million for the Notes. Refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K.

(2) Represents our remaining tax payable of the one-time transition tax that resulted from enactment of the TCJA in fiscal year 2018. As of January 27, 2019, we have paid the first installment of \$33 million. The remaining will be payable in seven annual installments. The next installment of \$33 million is classified as a current income tax payable. The installment amounts are equal to 8% of the total liability, payable in fiscal years 2019 through 2023, 15% in fiscal year 2024, 20% in fiscal year 2025 and 25% in fiscal year 2026. Refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K, for additional information about the one-time transition tax.

(3) Represents unrecognized tax benefits of \$163 million which consists of \$142 million and the related interest and penalties of \$21 million recorded in non-current income tax payable as of January 27, 2019. We are unable to reasonably estimate the timing of any potential tax liability or interest/penalty payments in individual years due to uncertainties in the underlying income tax positions and the timing of the effective settlement of such tax positions.

Adoption of New and Recently Issued Accounting Pronouncements

Refer to Note 1 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for a discussion of adoption of new and recently issued accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Investment and Interest Rate Risk

We are exposed to interest rate risk related to our floating and fixed-rate investment portfolio and outstanding debt. The investment portfolio is managed consistent with our overall liquidity strategy in support of both working capital needs and strategic growth of our businesses.

As of January 27, 2019, we performed a sensitivity analysis on our floating and fixed rate financial investments. According to our analysis, parallel shifts in the yield curve of plus or minus 0.5% would result in a decrease in fair value for these investments of \$8 million, or an increase in fair value for these investments of \$7 million, respectively.

In fiscal year 2017, we issued \$1.00 billion of the Notes Due 2021 and \$1.00 billion of the Notes Due 2026. We carry the Notes at face value less unamortized discount on our Consolidated Balance Sheets. As the Notes bear interest at a fixed rate, we have no financial statement risk associated with changes in interest rates. Refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Foreign Exchange Rate Risk

We consider our direct exposure to foreign exchange rate fluctuations to be minimal. Gains or losses from foreign currency remeasurement are included in other income or expense and to date have not been significant. The impact of foreign currency transaction gain or loss included in determining net income was not significant for fiscal years 2019, 2018, and 2017.

Sales and arrangements with third-party manufacturers provide for pricing and payment in United States dollars, and, therefore, are not subject to exchange rate fluctuations. Increases in the value of the United States' dollar relative to other currencies would make our products more expensive, which could negatively impact our ability to compete. Conversely, decreases in the value of the United States' dollar relative to other currencies could result in our suppliers raising their prices in order to continue doing business with us. Additionally, we have international operations and incur expenditures in currencies other than U.S. dollars. Our operating expenses benefit from a stronger dollar and are adversely affected by a weaker dollar.

We use foreign currency forward contracts to mitigate the impact of foreign currency exchange rate movements on our operating expenses. We designate these contracts as cash flow hedges and assess the effectiveness of the hedge relationships on a spot to spot basis. Gains or losses on the contracts are recorded in accumulated other comprehensive income or loss, and then reclassified to operating expense when the related operating expenses are recognized in earnings or ineffectiveness should occur.

We also use foreign currency forward contracts to mitigate the impact of foreign currency movements on monetary assets and liabilities that are denominated in currencies other than U.S. dollar. These forward contracts were not designated for hedge accounting treatment. Therefore, the change in fair value of these contracts is recorded in other income or expense and offsets the change in fair value of the hedged foreign currency denominated monetary assets and liabilities, which is also recorded in other income or expense.

Refer to Note 10 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth in our Consolidated Financial Statements and Notes thereto included in this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of January 27, 2019, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) were effective to provide reasonable assurance.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 27, 2019 based on the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the criteria set forth in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of January 27, 2019.

The effectiveness of our internal control over financial reporting as of January 27, 2019 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within NVIDIA have been detected.

ITEM 9B. OTHER INFORMATION

None.

PART III

Certain information required by Part III is omitted from this report because we will file with the SEC a definitive proxy statement pursuant to Regulation 14A, or the 2019 Proxy Statement, no later than 120 days after the end of fiscal year 2019, and certain information included therein is incorporated herein by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors

Information regarding directors required by this item will be contained in our 2019 Proxy Statement under the caption "Proposal 1 - Election of Directors," and is hereby incorporated by reference.

Identification of Executive Officers

Reference is made to the information regarding executive officers appearing under the heading "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K, which information is hereby incorporated by reference.

Identification of Audit Committee and Financial Experts

Information regarding our Audit Committee required by this item will be contained in our 2019 Proxy Statement under the captions "Report of the Audit Committee of the Board of Directors" and "Information About the Board of Directors and Corporate Governance," and is hereby incorporated by reference.

Material Changes to Procedures for Recommending Directors

Information regarding procedures for recommending directors required by this item will be contained in our 2019 Proxy Statement under the caption "Information About the Board of Directors and Corporate Governance," and is hereby incorporated by reference.

Compliance with Section 16(a) of the Exchange Act

Information regarding compliance with Section 16(a) of the Exchange Act required by this item will be contained in our 2019 Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," and is hereby incorporated by reference.

Code of Conduct

Information regarding our Code of Conduct required by this item will be contained in our 2019 Proxy Statement under the caption "Information About the Board of Directors and Corporate Governance - Code of Conduct," and is hereby incorporated by reference. The full text of our Code of Conduct and Financial Team Code of Conduct are published on the Investor Relations portion of our website, under Corporate Governance, at www.nvidia.com. The contents of our website are not a part of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding our executive compensation required by this item will be contained in our 2019 Proxy Statement under the captions "Executive Compensation", "Compensation Committee Interlocks and Insider Participation", "Director Compensation" and "Compensation Committee Report," and is hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Ownership of NVIDIA Securities

Information regarding ownership of NVIDIA securities required by this item will be contained in our 2019 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management," and is hereby incorporated by reference.

Equity Compensation Plan Information

Information regarding our equity compensation plans required by this item will be contained in our 2019 Proxy Statement under the caption "Equity Compensation Plan Information," and is hereby incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding related transactions and director independence required by this item will be contained in our 2019 Proxy Statement under the captions "Review of Transactions with Related Persons" and "Information About the Board of Directors and Corporate Governance - Independence of the Members of the Board of Directors," and is hereby incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding accounting fees and services required by this item will be contained in our 2019 Proxy Statement under the caption "Fees Billed by the Independent Registered Public Accounting Firm," and is hereby incorporated by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULE

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2. Financial Statement Schedule	
Schedule II Valuation and Qualifying Accounts for the years ended January 27, 2019, January 28, 2018, and January 29, 2017	75
3. Exhibits	
The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as a part of this Annual Report on Form 10-K.	76

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of NVIDIA Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of NVIDIA Corporation and its subsidiaries as of January 27, 2019 and January 28, 2018, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 27, 2019, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of January 27, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 27, 2019 and January 28, 2018, and the results of its operations and its cash flows for each of the three years in the period ended January 27, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 27, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Jose, California

February 21, 2019

We have served as the Company's auditor since 2004.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
Revenue	\$ 11,716	\$ 9,714	\$ 6,910
Cost of revenue	4,545	3,892	2,847
Gross profit	7,171	5,822	4,063
Operating expenses			
Research and development	2,376	1,797	1,463
Sales, general and administrative	991	815	663
Restructuring and other charges	—	—	3
Total operating expenses.....	3,367	2,612	2,129
Income from operations	3,804	3,210	1,934
Interest income	136	69	54
Interest expense	(58)	(61)	(58)
Other, net	14	(22)	(25)
Total other income (expense)	92	(14)	(29)
Income before income tax	3,896	3,196	1,905
Income tax expense (benefit)	(245)	149	239
Net income	<u>\$ 4,141</u>	<u>\$ 3,047</u>	<u>\$ 1,666</u>
Net income per share:			
Basic	<u>\$ 6.81</u>	<u>\$ 5.09</u>	<u>\$ 3.08</u>
Diluted	<u>\$ 6.63</u>	<u>\$ 4.82</u>	<u>\$ 2.57</u>
Weighted average shares used in per share computation:			
Basic	<u>608</u>	<u>599</u>	<u>541</u>
Diluted	<u>625</u>	<u>632</u>	<u>649</u>
Cash dividends declared and paid per common share	\$ 0.610	\$ 0.570	\$ 0.485

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
Net income	\$ 4,141	\$ 3,047	\$ 1,666
Other comprehensive income (loss), net of tax			
Available-for-sale debt securities:			
Net unrealized gain (loss)	10	(5)	(17)
Reclassification adjustments for net realized gain included in net income	1	1	1
Net change in unrealized gain (loss)	<u>11</u>	<u>(4)</u>	<u>(16)</u>
Cash flow hedges:			
Net unrealized gain (loss)	6	(1)	2
Reclassification adjustments for net realized gain (loss) included in net income	(11)	3	2
Net change in unrealized gain (loss)	<u>(5)</u>	<u>2</u>	<u>4</u>
Other comprehensive income (loss), net of tax	6	(2)	(12)
Total comprehensive income	<u><u>\$ 4,147</u></u>	<u><u>\$ 3,045</u></u>	<u><u>\$ 1,654</u></u>

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except par value)

	January 27, 2019	January 28, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 782	\$ 4,002
Marketable securities	6,640	3,106
Accounts receivable, net	1,424	1,265
Inventories	1,575	796
Prepaid expenses and other current assets.....	136	86
Total current assets	10,557	9,255
Property and equipment, net	1,404	997
Goodwill	618	618
Intangible assets, net	45	52
Other assets	668	319
Total assets	\$ 13,292	\$ 11,241
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 511	\$ 596
Accrued and other current liabilities	818	542
Convertible short-term debt	—	15
Total current liabilities	1,329	1,153
Long-term debt	1,988	1,985
Other long-term liabilities	633	632
Total liabilities	3,950	3,770
Commitments and contingencies - see Note 12		
Shareholders' equity:		
Preferred stock, \$.001 par value; 2 shares authorized; none issued.....	—	—
Common stock, \$.001 par value; 2,000 shares authorized; 945 shares issued and 606 outstanding as of January 27, 2019; 932 shares issued and 606 outstanding as of January 28, 2018	1	1
Additional paid-in capital	6,051	5,351
Treasury stock, at cost (339 shares in 2019 and 326 shares in 2018).....	(9,263)	(6,650)
Accumulated other comprehensive loss	(12)	(18)
Retained earnings	12,565	8,787
Total shareholders' equity	9,342	7,471
Total liabilities and shareholders' equity	\$ 13,292	\$ 11,241

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In millions, except per share data)	Common Stock Outstanding		Additional Paid-in Capital		Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Shares	Amount			\$ (4,048)	\$ (4)	\$ 4,350	\$ 4,469
Balances, January 31, 2016	539	\$ 1	\$ 4,170	\$ (4,048)	\$ (4)	\$ 4,350	\$ 4,469	
Retained earnings adjustment due to adoption of an accounting standard related to stock-based compensation	—	—	—	—	—	—	353	353
Other comprehensive loss	—	—	—	—	—	(12)	—	(12)
Net income	—	—	—	—	—	—	1,666	1,666
Issuance of common stock in exchange for warrants	44	—	(1)	—	—	—	—	(1)
Convertible debt conversion	23	—	(6)	—	—	—	—	(6)
Issuance of common stock from stock plans	20	—	167	—	—	—	—	167
Tax withholding related to vesting of restricted stock units	(3)	—	—	(177)	—	—	—	(177)
Share repurchase	(15)	—	—	(739)	—	—	—	(739)
Exercise of convertible note hedges	(23)	—	75	(75)	—	—	—	—
Cash dividends declared and paid (\$0.485 per common share)	—	—	—	—	—	(261)	(261)	
Stock-based compensation	—	—	248	—	—	—	—	248
Reclassification of convertible debt conversion obligation	—	—	55	—	—	—	—	55
Balances, January 29, 2017	585	1	4,708	(5,039)	(16)	6,108	—	5,762
Retained earnings adjustment due to adoption of an accounting standard related to income tax consequences of an intra-entity transfer of an asset	—	—	—	—	—	—	(27)	(27)
Other comprehensive loss	—	—	—	—	—	(2)	—	(2)
Net income	—	—	—	—	—	—	3,047	3,047
Issuance of common stock in exchange for warrants	13	—	—	—	—	—	—	—
Convertible debt conversion	33	—	(7)	—	—	—	—	(7)
Issuance of common stock from stock plans	18	—	138	—	—	—	—	138
Tax withholding related to vesting of restricted stock units	(4)	—	—	(612)	—	—	—	(612)
Share repurchase	(6)	—	—	(909)	—	—	—	(909)
Exercise of convertible note hedges	(33)	—	90	(90)	—	—	—	—
Cash dividends declared and paid (\$0.570 per common share)	—	—	—	—	—	(341)	(341)	
Stock-based compensation	—	—	391	—	—	—	—	391
Reclassification of convertible debt conversion obligation	—	—	31	—	—	—	—	31
Balances, January 28, 2018	606	1	5,351	(6,650)	(18)	8,787	—	7,471
Retained earnings adjustment due to adoption of new revenue accounting standard	—	—	—	—	—	—	8	8
Other comprehensive loss	—	—	—	—	—	6	—	6
Net income	—	—	—	—	—	—	4,141	4,141
Convertible debt conversion	1	—	—	—	—	—	—	—
Issuance of common stock from stock plans	13	—	137	—	—	—	—	137
Tax withholding related to vesting of restricted stock units	(4)	—	—	(1,032)	—	—	—	(1,032)
Share repurchase	(9)	—	—	(1,579)	—	—	—	(1,579)
Exercise of convertible note hedges	(1)	—	2	(2)	—	—	—	—
Cash dividends declared and paid (\$0.610 per common share)	—	—	—	—	—	(371)	(371)	
Stock-based compensation	—	—	561	—	—	—	—	561
Balances, January 27, 2019	606	\$ 1	\$ 6,051	\$ (9,263)	\$ (12)	\$ 12,565	\$ 9,342	

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
Cash flows from operating activities:			
Net income	\$ 4,141	\$ 3,047	\$ 1,666
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation expense	557	391	247
Depreciation and amortization	262	199	187
Deferred income taxes	(315)	(359)	197
Loss on early debt conversions	—	19	21
Other	(45)	20	33
Changes in operating assets and liabilities:			
Accounts receivable	(149)	(440)	(321)
Inventories	(776)	—	(375)
Prepaid expenses and other assets	(55)	21	(18)
Accounts payable	(135)	90	184
Accrued and other current liabilities	256	33	(135)
Other long-term liabilities	2	481	(14)
Net cash provided by operating activities	3,743	3,502	1,672
Cash flows from investing activities:			
Proceeds from maturities of marketable securities	7,232	1,078	969
Proceeds from sales of marketable securities	428	863	1,546
Purchases of marketable securities	(11,148)	(36)	(3,134)
Purchases of property and equipment and intangible assets	(600)	(593)	(176)
Investment in non-affiliates	(9)	(36)	(5)
Proceeds from sale of long-lived assets and investments	—	2	7
Net cash provided by (used in) investing activities	(4,097)	1,278	(793)
Cash flows from financing activities:			
Proceeds from issuance of debt	—	—	1,988
Payments related to repurchases of common stock	(1,579)	(909)	(739)
Repayment of Convertible Notes	(16)	(812)	(673)
Dividends paid	(371)	(341)	(261)
Proceeds related to employee stock plans	137	139	167
Payments related to tax on restricted stock units	(1,032)	(612)	(176)
Other	(5)	(9)	(15)
Net cash provided by (used in) financing activities	(2,866)	(2,544)	291
Change in cash and cash equivalents	(3,220)	2,236	1,170
Cash and cash equivalents at beginning of period	4,002	1,766	596
Cash and cash equivalents at end of period	\$ 782	\$ 4,002	\$ 1,766

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
<i>Supplemental disclosures of cash flow information:</i>			
Cash paid for income taxes, net	\$ 61	\$ 22	\$ 14
Cash paid for interest	\$ 55	\$ 55	\$ 13
<i>Non-cash investing and financing activity:</i>			
Assets acquired by assuming related liabilities	\$ 76	\$ 36	\$ 16

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Organization and Summary of Significant Accounting Policies

Our Company

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

All references to "NVIDIA," "we," "us," "our" or the "Company" mean NVIDIA Corporation and its subsidiaries.

Fiscal Year

We operate on a 52- or 53-week year, ending on the last Sunday in January. Fiscal years 2019, 2018 and 2017 were 52-week years.

Reclassifications

Certain prior fiscal year balances have been reclassified to conform to the current fiscal year presentation.

Principles of Consolidation

Our consolidated financial statements include the accounts of NVIDIA Corporation and our wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from our estimates. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, cash equivalents and marketable securities, accounts receivable, inventories, income taxes, goodwill, stock-based compensation, litigation, investigation and settlement costs, restructuring and other charges, and other contingencies. These estimates are based on historical facts and various other assumptions that we believe are reasonable.

Revenue Recognition

We derive our revenue from product sales, including hardware and systems, license and development arrangements, and software licensing. We determine revenue recognition through the following steps: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, we satisfy a performance obligation.

Product Sales Revenue

Revenue from product sales is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products. Revenue is recognized net of allowances for returns, customer programs and any taxes collected from customers.

For products sold with a right of return, we record a reduction to revenue by establishing a sales return allowance for estimated product returns at the time revenue is recognized, based primarily on historical return rates. However, if product returns for a fiscal period are anticipated to exceed historical return rates, we may determine that additional sales return allowances are required to properly reflect our estimated exposure for product returns.

Our customer programs involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets, and marketing development funds, or MDFs, which represent monies paid to our partners that are earmarked for market segment development and are designed to support our partners' activities while also promoting NVIDIA products. We account for customer programs as a reduction to revenue and accrue for potential rebates and MDFs based on the amount we expect to be claimed by customers.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

License and Development Arrangements

Our license and development arrangements with customers typically require significant customization of our intellectual property components. As a result, we recognize the revenue from the license and the revenue from the development services as a single performance obligation over the period in which the development services are performed. We measure progress to completion based on actual cost incurred to date as a percentage of the estimated total cost required to complete each project. If a loss on an arrangement becomes probable during a period, we record a provision for such loss in that period.

Software Licensing

Our software licenses provide our customers with a right to use the software when it is made available to the customer. Customers may purchase either perpetual licenses or subscriptions to licenses, which differ mainly in the duration over which the customer benefits from the software. Software licenses are frequently sold along with post-contract customer support, or PCS. For such arrangements, we allocate revenue to the software license and PCS on a relative standalone selling price basis by maximizing the use of observable inputs to determine the standalone selling price for each performance obligation. Revenue from software licenses is recognized up front when the software is made available to the customer. PCS revenue is recognized ratably over the service period, or as services are performed.

Advertising Expenses

We expense advertising costs in the period in which they are incurred. Advertising expenses for fiscal years 2019, 2018, and 2017 were \$21 million, \$25 million, and \$17 million, respectively.

Product Warranties

We generally offer a limited warranty to end-users that ranges from one to three years for products in order to repair or replace products for any manufacturing defects or hardware component failures. Cost of revenue includes the estimated cost of product warranties that are calculated at the point of revenue recognition. Under limited circumstances, we may offer an extended limited warranty to customers for certain products. We also accrue for known warranty and indemnification issues if a loss is probable and can be reasonably estimated.

Stock-based Compensation

We use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of restricted stock units, or RSUs, and performance stock units that are based on our corporate financial performance targets, or PSUs. We use a Monte Carlo simulation on the date of grant to estimate the fair value of performance stock units that are based on market conditions, or market-based PSUs. The compensation expense for RSUs and market-based PSUs is recognized using a straight-line attribution method over the requisite employee service period while compensation expense for PSUs is recognized using an accelerated amortization model. We estimate the fair value of shares to be issued under our employee stock purchase plan, or ESPP, using the Black-Scholes model at the commencement of an offering period in March and September of each year. Stock-based compensation for our ESPP is expensed using an accelerated amortization model. Additionally, we estimate forfeitures annually based on historical experience and revise the estimates of forfeiture in subsequent periods if actual forfeitures differ from those estimates.

Litigation, Investigation and Settlement Costs

From time to time, we are involved in legal actions and/or investigations by regulatory bodies. There are many uncertainties associated with any litigation or investigation, and we cannot be certain that these actions or other third-party claims against us will be resolved without litigation, fines and/or substantial settlement payments. If information becomes available that causes us to determine that a loss in any of our pending litigation, investigations or settlements is probable, and we can reasonably estimate the loss associated with such events, we will record the loss in accordance with U.S. GAAP. However, the actual liability in any such litigation or investigation may be materially different from our estimates, which could require us to record additional costs.

Foreign Currency Remeasurement

We use the United States dollar as our functional currency for all of our subsidiaries. Foreign currency monetary assets and liabilities are remeasured into United States dollars at end-of-period exchange rates. Non-monetary assets and liabilities such as property and equipment, and equity are remeasured at historical exchange rates. Revenue and expenses are remeasured at average exchange rates in effect during each period, except for those expenses related to the previously noted balance sheet amounts, which are remeasured at historical exchange rates. Gains or losses from foreign currency

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

remeasurement are included in other income or expense in our Consolidated Statements of Income and to date have not been significant.

Income Taxes

We recognize federal, state and foreign current tax liabilities or assets based on our estimate of taxes payable or refundable in the current fiscal year by tax jurisdiction. We recognize federal, state and foreign deferred tax assets or liabilities, as appropriate, for our estimate of future tax effects attributable to temporary differences and carryforwards; and we record a valuation allowance to reduce any deferred tax assets by the amount of any tax benefits that, based on available evidence and judgment, are not expected to be realized.

Our calculation of deferred tax assets and liabilities is based on certain estimates and judgments and involves dealing with uncertainties in the application of complex tax laws. Our estimates of deferred tax assets and liabilities may change based, in part, on added certainty or finality to an anticipated outcome, changes in accounting standards or tax laws in the United States, or foreign jurisdictions where we operate, or changes in other facts or circumstances. In addition, we recognize liabilities for potential United States and foreign income tax contingencies based on our estimate of whether, and the extent to which, additional taxes may be due. If we determine that payment of these amounts is unnecessary or if the recorded tax liability is less than our current assessment, we may be required to recognize an income tax benefit or additional income tax expense in our financial statements accordingly.

As of January 27, 2019, we had a valuation allowance of \$562 million related to state and certain foreign deferred tax assets that management determined are not likely to be realized due to projections of future taxable income and potential utilization limitations of tax attributes acquired as a result of stock ownership changes. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

We recognize the benefit from a tax position only if it is more-likely-than-not that the position would be sustained upon audit based solely on the technical merits of the tax position. Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense.

The Tax Cuts and Jobs Act, or TCJA, which was enacted in December 2017, significantly changes U.S. tax law, including a reduction of the U.S. federal corporate income tax rate from 35% to 21%, a requirement for companies to pay a one-time transition tax on the earnings of certain foreign subsidiaries that were previously tax deferred, and the creation of new taxes (global intangible low-taxed income, or GILTI) on certain foreign-source earnings. As a fiscal year-end taxpayer, certain provisions of the TCJA began to impact us in the fourth quarter of fiscal year 2018, while other provisions impacted us beginning in fiscal year 2019. The Securities and Exchange Commission, or the SEC, had provided guidance in Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (SAB 118), which allowed companies to record provisional amounts during a measurement period up to one year from the enactment date. As of January 27, 2019, we completed our accounting for all of the enactment-date income tax effects of the TCJA and elected to account for GILTI in deferred taxes. Refer to Note 13 of these Notes to the Consolidated Financial Statements for additional information.

Net Income Per Share

Basic net income per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted average number of common and potentially dilutive shares outstanding during the period, using the treasury stock method. Under the treasury stock method, the effect of equity awards outstanding is not included in the computation of diluted net income per share for periods when their effect is anti-dilutive. Additionally, we issued convertible notes with a net settlement feature that required us, upon conversion, to settle the principal amount of debt for cash and the conversion premium for cash or shares of our common stock. Our Convertible Notes, Note Hedges, and related Warrants contained various conversion features, which are further described in Note 11 of these Notes to the Consolidated Financial Statements. The potentially dilutive shares resulting from the Convertible Notes and Warrants under the treasury stock method were included in the calculation of diluted income per share when their inclusion was dilutive. However, the Note Hedges were not included in the calculation of diluted net income per share unless actually exercised, as their pre-exercised effect would have been anti-dilutive under the treasury stock method.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Cash and Cash Equivalents

We consider all highly liquid investments that are readily convertible into cash and have an original maturity of three months or less at the time of purchase to be cash equivalents.

Marketable Securities

Marketable securities consist of highly liquid debt investments with maturities of greater than three months when purchased. We generally classify our marketable securities at the date of acquisition as available-for-sale. These debt securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income or loss, a component of shareholders' equity, net of tax. The fair value of interest-bearing debt securities includes accrued interest. Any unrealized losses which are considered to be other-than-temporary impairments are recorded in the other income or expense, net, section of our Consolidated Statements of Income. Realized gains and losses on the sale of marketable securities are determined using the specific-identification method and recorded in the other income or expense, net, section of our Consolidated Statements of Income.

All of our available-for-sale debt investments are subject to a periodic impairment review. We record a charge to earnings when a decline in fair value is significantly below cost basis and judged to be other-than-temporary or have other indicators of impairments. If the fair value of an available-for-sale debt instrument is less than its amortized cost basis, an other-than-temporary impairment is triggered in circumstances where (1) we intend to sell the instrument, (2) it is more likely than not that we will be required to sell the instrument before recovery of its amortized cost basis, or (3) a credit loss exists where we do not expect to recover the entire amortized cost basis of the instrument. In these situations, we recognize an other-than-temporary impairment in earnings equal to the entire difference between the debt instruments' amortized cost basis and its fair value. For available-for-sale debt instruments that are considered other-than-temporarily impaired due to the existence of a credit loss, if we do not intend to sell and it is not more likely than not that we will not be required to sell the instrument before recovery of its remaining amortized cost basis (amortized cost basis less any current-period credit loss), we separate the amount of the impairment into the amount that is credit related and the amount due to all other factors. The credit loss component is recognized in earnings while loss related to all other factors is recorded in accumulated other comprehensive income or loss.

Fair Value of Financial Instruments

The carrying value of cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their relatively short maturities as of January 27, 2019 and January 28, 2018. Marketable securities are comprised of available-for-sale securities that are reported at fair value with the related unrealized gains or losses included in accumulated other comprehensive income or loss, a component of shareholders' equity, net of tax. Fair value of the marketable securities is determined based on quoted market prices. Derivative instruments are recognized as either assets or liabilities and are measured at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For derivative instruments designated as fair value hedges, the gains or losses are recognized in earnings in the periods of change together with the offsetting losses or gains on the hedged items attributed to the risk being hedged. For derivative instruments designated as cash-flow hedges, the effective portion of the gains or losses on the derivatives is initially reported as a component of other comprehensive income or loss and is subsequently recognized in earnings when the hedged exposure is recognized in earnings. For derivative instruments not designated for hedge accounting, changes in fair value are recognized in earnings.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, marketable securities, and accounts receivable. Our investment policy requires the purchase of highly-rated fixed income securities, the diversification of investment type and credit exposures, and includes certain limits on our portfolio duration. Accounts receivable from significant customers, those representing 10% or more of total accounts receivable, aggregated approximately 19% of our accounts receivable balance from one customer as of January 27, 2019 and 28% of our account receivable balance from two customers as of January 28, 2018. We perform ongoing credit evaluations of our customers' financial condition and maintain an allowance for potential credit losses. This allowance consists of an amount identified for specific customers and an amount based on overall estimated exposure. Our overall estimated exposure excludes amounts covered by credit insurance and letters of credit.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Accounts Receivable

We maintain an allowance for doubtful accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We determine this allowance by identifying amounts for specific customer issues as well as amounts based on overall estimated exposure. Factors impacting the allowance include the level of gross receivables, the financial condition of our customers and the extent to which balances are covered by credit insurance or letters of credit.

Inventories

Inventory cost is computed on an adjusted standard basis, which approximates actual cost on an average or first-in, first-out basis. Inventory costs consist primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, and shipping costs, as well as the cost of purchased memory products and other component parts. We charge cost of sales for inventory provisions to write down our inventory to the lower of cost or net realizable value or to completely write off obsolete or excess inventory. Most of our inventory provisions relate to the write-off of excess quantities of products, based on our inventory levels and future product purchase commitments compared to assumptions about future demand and market conditions. Once inventory has been written-off or written-down, it creates a new cost basis for the inventory that is not subsequently written-up.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives of the assets, generally three to five years. Once an asset is identified for retirement or disposition, the related cost and accumulated depreciation or amortization are removed, and a gain or loss is recorded. The estimated useful lives of our buildings are up to thirty years. Depreciation expense includes the amortization of assets recorded under capital leases. Leasehold improvements and assets recorded under capital leases are amortized over the shorter of the expected lease term or the estimated useful life of the asset.

Goodwill

Goodwill is subject to our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist. For the purposes of completing our impairment test, we perform either a qualitative or a quantitative analysis on a reporting unit basis.

Qualitative factors include industry and market considerations, overall financial performance, and other relevant events and factors affecting the reporting units.

Our quantitative impairment test considers both the income approach and the market approach to estimate a reporting unit's fair value. The income and market valuation approaches consider a number of factors that include, but are not limited to, prospective financial information, growth rates, residual values, discount rates and comparable multiples from publicly traded companies in our industry and require us to make certain assumptions and estimates regarding industry economic factors and the future profitability of our business. Refer to Note 5 of these Notes to the Consolidated Financial Statements for additional information.

Intangible Assets and Other Long-Lived Assets

Intangible assets primarily represent rights acquired under technology licenses, patents, acquired intellectual property, trademarks and customer relationships. We currently amortize our intangible assets with definitive lives over periods ranging from three to ten years using a method that reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up or, if that pattern cannot be reliably determined, using a straight-line amortization method.

Long-lived assets, such as property and equipment and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset or asset group exceeds the estimated fair value of the asset or asset group. Fair value is determined based on the estimated discounted future cash flows expected to be generated by the asset or asset group. Assets and liabilities to be disposed of would be separately presented in the

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Consolidated Balance Sheet and the assets would be reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated.

Adoption of New and Recently Issued Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board, or FASB, issued an accounting standards update that creates a single source of revenue guidance under U.S. GAAP for all companies, in all industries. We adopted this guidance on January 29, 2018 using the modified retrospective approach. Refer to Note 2 of these Notes to the Consolidated Financial Statements for additional information.

In January 2016, the FASB issued an accounting standards update to amend certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. We are now required to recognize changes in the fair value of our equity investments through net income rather than other comprehensive income. We adopted this guidance in the first quarter of fiscal year 2019 and applied it prospectively. The adoption of this guidance did not have a significant impact on our Consolidated Financial Statements.

Recent Accounting Pronouncements Not Yet Adopted

The FASB issued an accounting standards update regarding the accounting for leases under which we will begin recognizing lease assets and liabilities on the balance sheet for lease terms of more than 12 months. We will adopt this guidance using the optional transition method at the beginning of fiscal year 2020 and will not restate comparative prior periods. Additionally, we will elect the package of practical expedients as permitted by the guidance. We are in the process of finalizing changes to our systems and processes in conjunction with our review of lease agreements and currently expect the adoption of this accounting guidance to result in an increase in lease assets and a corresponding increase in lease liabilities on our Consolidated Balance Sheet of approximately \$500 million.

In June 2016, the FASB issued a new accounting standard to replace the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. We will be required to use a forward-looking expected credit loss model for accounts receivable and other financial instruments, including available-for-sale debt securities. The standard will be effective for us beginning in the first quarter of fiscal year 2021, with early adoption permitted. We are currently evaluating the impact of this standard on our Consolidated Financial Statements.

Note 2 - New Revenue Accounting Standard

Method and Impact of Adoption

On January 29, 2018, we adopted the new revenue accounting standard using the modified retrospective method and applied it to contracts that were not completed as of that date. Upon adoption, we recognized the cumulative effect of the new standard as a \$7 million increase to opening retained earnings, net of tax. Comparative information for prior periods has not been adjusted. The impact of the new standard on our consolidated financial statements for fiscal year 2019 was not significant.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Deferred Revenue and Performance Obligations

Deferred revenue is comprised mainly of customer advances and deferrals related to license and development arrangements and PCS related to software licensing. The following table shows the changes in deferred revenue during fiscal year 2019:

	January 27, 2019
	(in millions)
Balance as of January 28, 2018	\$ 68
Adjustment to retained earnings upon adoption of new revenue standard	(5)
Balance as of January 29, 2018	63
Deferred revenue added during the period	344
Revenue recognized during the period	(269)
Balance as of January 27, 2019	\$ 138

Revenue related to remaining performance obligations represents the amount of contracted license and development arrangements and PCS that has not been recognized. As of January 27, 2019, the amount of our remaining performance obligations that has not been recognized as revenue was \$305 million, of which we expect to recognize approximately 50% as revenue over the next twelve months and the remainder thereafter. This amount excludes the value of remaining performance obligations for contracts with an original expected length of one year or less.

Refer to Note 16 of these Notes to the Consolidated Financial Statements for additional information, including disaggregated revenue disclosures.

Note 3 - Stock-Based Compensation

Our stock-based compensation expense is associated with restricted stock units, or RSUs, performance stock units that are based on our corporate financial performance targets, or PSUs, performance stock units that are based on market conditions, or market-based PSUs, and our ESPP.

Our Consolidated Statements of Income include stock-based compensation expense, net of amounts allocated to inventory, as follows:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(in millions)		
Cost of revenue	\$ 27	\$ 21	\$ 15
Research and development	336	219	134
Sales, general and administrative	194	151	98
Total	\$ 557	\$ 391	\$ 247

Stock-based compensation capitalized in inventories was not significant during fiscal years 2019, 2018, and 2017.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following is a summary of equity awards granted under our equity incentive plans:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions, except per share data)		
RSUs, PSUs and Market-based PSUs			
Awards granted	4	6	12
Estimated total grant-date fair value.....	\$ 1,109	\$ 929	\$ 591
Weighted average grant-date fair value (per share)	\$ 258.26	\$ 145.91	\$ 50.57
ESPP			
Shares purchased.....	1	5	4
Weighted average price (per share)	\$ 107.48	\$ 21.24	\$ 18.51
Weighted average grant-date fair value (per share)	\$ 38.51	\$ 7.12	\$ 5.80

Beginning fiscal year 2015, we shifted away from granting stock options and toward granting RSUs, PSUs and market-based PSUs to reflect changing market trends for equity incentives at our peer companies. The number of PSUs that will ultimately vest is contingent on the Company's level of achievement versus the corporate financial performance target established by our Compensation Committee in the beginning of each fiscal year.

Of the total fair value of equity awards, we estimated that the stock-based compensation expense related to the equity awards that are not expected to vest for fiscal year 2019 was \$88 million.

	January 27, 2019	January 28, 2018
	(In millions)	
Aggregate unearned stock-based compensation expense	\$ 1,580	\$ 1,091
Estimated weighted average remaining amortization period		
(In years)		
RSUs, PSUs and market-based PSUs	2.2	2.3
ESPP	0.8	0.7

The fair value of shares issued under our ESPP have been estimated with the following assumptions:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(Using the Black-Scholes model)		
ESPP			
Weighted average expected life (in years)	0.1-2.0	0.5-2.0	0.5-2.0
Risk-free interest rate	1.6%-2.8%	0.8%-1.4%	0.5%-0.9%
Volatility	24%-75%	40%-54%	30%-39%
Dividend yield	0.3%-0.4%	0.3%-0.5%	0.7%-1.4%

For ESPP shares, the expected term represents the average term from the first day of the offering period to the purchase date. The risk-free interest rate assumption used to value ESPP shares is based upon observed interest rates on Treasury bills appropriate for the expected term. Our expected stock price volatility assumption for ESPP is estimated using historical volatility. For awards granted, we use the dividend yield at grant date. Our RSU, PSU, and market-based PSU awards are not eligible for cash dividends prior to vesting; therefore, the fair values of RSUs, PSUs, and market-based PSUs are discounted for the dividend yield.

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Additionally, for RSU, PSU, and market-based PSU awards, we estimate forfeitures annually and revise the estimates of forfeiture in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience.

Equity Incentive Program

We grant or have granted stock options, RSUs, PSUs, market-based PSUs, and stock purchase rights under the following equity incentive plans.

Amended and Restated 2007 Equity Incentive Plan

In 2007, our shareholders approved the NVIDIA Corporation 2007 Equity Incentive Plan, as most recently amended and restated, the 2007 Plan.

The 2007 Plan authorizes the issuance of incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance stock awards, performance cash awards, and other stock-based awards to employees, directors and consultants. Only our employees may receive incentive stock options. Up to 230 million shares of our common stock may be issued pursuant to stock awards granted under the 2007 Plan. Currently, we grant RSUs, PSUs and market-based PSUs under the 2007 Plan, under which, as of January 27, 2019, there were 35 million shares available for future issuance.

Stock options previously granted to employees, subject to certain exceptions, vest over a four-year period, subject to continued service, with 25% vesting on the anniversary of the hire date in the case of new hires or the anniversary of the date of grant in the case of grants to existing employees and 6.25% vesting quarterly thereafter. These stock options generally expire ten years from the date of grant.

Subject to certain exceptions, RSUs and PSUs granted to employees vest over a four-year period, subject to continued service, with 25% vesting on a pre-determined date that is close to the anniversary of the date of grant and (i) for grants made prior to May 18, 2016, 12.5% vesting semi-annually thereafter, and (ii) for grants made on or after May 18, 2016, 6.25% vesting quarterly thereafter. Market-based PSUs vest 100% on approximately the three-year anniversary of the date of grant. However, the number of shares subject to both PSUs and market-based PSUs that are eligible to vest is generally determined by the Compensation Committee based on achievement of pre-determined criteria.

Unless terminated sooner, the 2007 Plan is scheduled to terminate on March 21, 2022. Our Board may suspend or terminate the 2007 Plan at any time. No awards may be granted under the 2007 Plan while the 2007 Plan is suspended or after it is terminated. The Board may also amend the 2007 Plan at any time. However, if legal, regulatory or listing requirements require shareholder approval, the amendment will not go into effect until the shareholders have approved the amendment.

Amended and Restated 2012 Employee Stock Purchase Plan

In 2012, our shareholders approved the 2012 Employee Stock Purchase Plan, as most recently amended and restated, the 2012 Plan, as the successor to the 1998 Employee Stock Purchase Plan.

Up to 89 million shares of our common stock may be issued pursuant to purchases under the 2012 Plan. As of January 27, 2019, we had issued 29 million shares and reserved 60 million shares for future issuance under the 2012 Plan.

The 2012 Plan is intended to qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code. Under the current offerings adopted pursuant to the 2012 Plan, each offering period is approximately 24 months, which is generally divided into four purchase periods of six months.

Employees are eligible to participate if they are employed by us or an affiliate of us as designated by the Board. Employees who participate in an offering may have up to 10% of their earnings withheld up to certain limitations and applied on specified dates determined by the Board to the purchase of shares of common stock. The Board may increase this percentage at its discretion, up to 15%. The price of common stock purchased under our 2012 Plan will be equal to 85% of the lower of the fair market value of the common stock on the commencement date of each offering period and the fair market value on each purchase date within the offering. Employees may end their participation in the 2012 Plan at any time during the offering period, and participation ends automatically on termination of employment with us. In each case, the employee's contributions are refunded.

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The following is a summary of our equity award transactions under our equity incentive plans:

	RSUs, PSUs and Market-based PSUs Outstanding
	Number of Shares
	Weighted Average Grant-Date Fair Value
	(In millions, except years and per share data)
Balances, January 28, 2018	22 \$ 66.72
Granted (1)(2)	4 \$ 258.26
Vested restricted stock	(10) \$ 52.56
Canceled and forfeited	— \$ —
Balances, January 27, 2019	<u>16</u> \$ <u>129.92</u>
Vested and expected to vest after January 27, 2019	<u>13</u> \$ <u>129.44</u>

(1) Includes PSUs that will be issued and eligible to vest based on the corporate financial performance level achieved for fiscal year 2019.

(2) Includes market-based PSUs that will be issued and eligible to vest if the maximum target for total shareholder return, or TSR, over the 3-year measurement period is achieved. Depending on the ranking of our TSR compared to the respective TSRs of the companies comprising the Standard & Poor's 500 Index during that period, the market-based PSUs issued could be up to 45 thousand shares.

As of January 27, 2019 and January 28, 2018, there were 35 million and 16 million shares, respectively, of common stock reserved for future issuance under our equity incentive plans.

The total intrinsic value of options exercised was \$180 million, \$318 million, and \$246 million for fiscal years 2019, 2018, and 2017, respectively. Upon exercise of an option, we issue new shares of stock.

Note 4 - Net Income Per Share

The following is a reconciliation of the denominator of the basic and diluted net income per share computations for the periods presented:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions, except per share data)		
Numerator:			
Net income	\$ 4,141	<u>\$ 3,047</u>	<u>\$ 1,666</u>
Denominator:			
Basic weighted average shares	608	599	541
Dilutive impact of outstanding securities:			
Equity awards	17	24	26
1.00% Convertible Senior Notes	—	5	44
Warrants issued with the 1.00% Convertible Senior Notes	—	4	38
Diluted weighted average shares	<u>625</u>	<u>632</u>	<u>649</u>
Net income per share:			
Basic (1)	\$ 6.81	\$ 5.09	\$ 3.08
Diluted (2)	\$ 6.63	\$ 4.82	\$ 2.57
Equity awards excluded from diluted net income per share because their effect would have been anti-dilutive	5	4	8

(1) Calculated as net income divided by basic weighted average shares.

(2) Calculated as net income divided by diluted weighted average shares.

The 1.00% Convertible Senior Notes Due 2018, or the Convertible Notes, were included in the calculation of diluted net income per share. The Convertible Notes had a dilutive impact on net income per share if our average stock price for the reporting period exceeded the adjusted conversion price of \$20.02 per share. The warrants associated with our Convertible

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Notes, or the Warrants, outstanding were also included in the calculation of diluted net income per share. As of January 27, 2019, there were no Convertible Notes or Warrants outstanding.

Refer to Note 11 of these Notes to the Consolidated Financial Statements for additional discussion regarding the Convertible Notes, Note Hedges, and Warrants.

Note 5 - Goodwill

The carrying amount of goodwill was \$618 million, and the amount of goodwill allocated to our GPU and Tegra Processor reporting units was \$210 million and \$408 million, respectively, as of both January 27, 2019 and January 28, 2018. There were no changes to the carrying amount of goodwill during fiscal years 2019 and 2018. During the fourth quarters of fiscal years 2019, 2018, and 2017, we completed our annual impairment tests and concluded that goodwill was not impaired in any of these years.

Note 6 - Amortizable Intangible Assets

The components of our amortizable intangible assets are as follows:

	January 27, 2019			January 28, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In millions)			(In millions)		
Acquisition-related intangible assets	\$ 195	\$ (188)	\$ 7	\$ 195	\$ (180)	\$ 15
Patents and licensed technology	491	(453)	38	469	(432)	37
Total intangible assets.....	<u>\$ 686</u>	<u>\$ (641)</u>	<u>\$ 45</u>	<u>\$ 664</u>	<u>\$ (612)</u>	<u>\$ 52</u>

The increase in gross carrying amount of intangible assets is due to purchases of licensed technology during fiscal year 2019. Amortization expense associated with intangible assets for fiscal years 2019, 2018, and 2017 was \$29 million, \$55 million, and \$68 million, respectively. Future amortization expense related to the net carrying amount of intangible assets as of January 27, 2019 is estimated to be \$21 million in fiscal year 2020, \$12 million in fiscal year 2021, \$5 million in fiscal year 2022, and \$5 million in fiscal year 2023, and \$2 million in fiscal year 2024.

Note 7 - Marketable Securities

Our cash equivalents and marketable securities are classified as "available-for-sale" debt securities.

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The following is a summary of cash equivalents and marketable securities as of January 27, 2019 and January 28, 2018:

	January 27, 2019					Reported as	
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value	Cash Equivalents	Marketable Securities	
(In millions)							
Corporate debt securities.....	\$ 2,626	\$ —	\$ (6)	\$ 2,620	\$ 25	\$ 2,595	
Debt securities of United States government agencies	2,284	—	(4)	2,280	—	2,280	
Debt securities issued by the United States Treasury	1,493	—	(1)	1,492	176	1,316	
Money market funds	483	—	—	483	483	—	
Foreign government bonds.....	209	—	—	209	—	209	
Asset-backed securities	152	—	(1)	151	—	151	
Mortgage-backed securities issued by United States government-sponsored enterprises	88	1	—	89	—	89	
Total	<u>\$ 7,335</u>	<u>\$ 1</u>	<u>\$ (12)</u>	<u>\$ 7,324</u>	<u>\$ 684</u>	<u>\$ 6,640</u>	
	January 28, 2018					Reported as	
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value	Cash Equivalents	Marketable Securities	
(In millions)							
Money market funds	\$ 3,789	\$ —	\$ —	\$ 3,789	\$ 3,789	\$ —	—
Corporate debt securities	1,304	—	(9)	1,295	—	1,295	
Debt securities of United States government agencies.....	822	—	(7)	815	—	815	
Debt securities issued by the United States Treasury	577	—	(4)	573	—	573	
Asset-backed securities	254	—	(2)	252	—	252	
Mortgage backed securities issued by United States government-sponsored enterprises	128	2	—	130	—	130	
Foreign government bonds.....	42	—	(1)	41	—	41	
Total	<u>\$ 6,916</u>	<u>\$ 2</u>	<u>\$ (23)</u>	<u>\$ 6,895</u>	<u>\$ 3,789</u>	<u>\$ 3,106</u>	

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The following table provides the breakdown of unrealized losses as of January 27, 2019, aggregated by investment category and length of time that individual securities have been in a continuous loss position:

	Less than 12 Months		12 Months or Greater		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
(In millions)						
Debt securities issued by United States government agencies	\$ 1,674	\$ (1)	\$ 401	\$ (3)	\$ 2,075	\$ (4)
Corporate debt securities.....	915	(3)	649	(3)	1,564	(6)
Debt securities issued by the United States Treasury	1,015	—	161	(1)	1,176	(1)
Asset-backed securities	—	—	151	(1)	151	(1)
Total	<u>\$ 3,604</u>	<u>\$ (4)</u>	<u>\$ 1,362</u>	<u>\$ (8)</u>	<u>\$ 4,966</u>	<u>\$ (12)</u>

The gross unrealized losses are related to fixed income securities, temporary in nature, and driven primarily by changes in interest rates. We have the intent and ability to hold our investments until maturity. For fiscal years 2019, 2018, and 2017, there were no other-than-temporary impairment losses and net realized gains were not significant.

The amortized cost and estimated fair value of cash equivalents and marketable securities as of January 27, 2019 and January 28, 2018 are shown below by contractual maturity.

	January 27, 2019		January 28, 2018	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
(In millions)				
Less than one year	\$ 5,042	\$ 5,034	\$ 5,381	\$ 5,375
Due in 1 - 5 years	2,271	2,268	1,500	1,485
Mortgage-backed securities issued by United States government-sponsored enterprises not due at a single maturity date	22	22	35	35
Total.....	<u>\$ 7,335</u>	<u>\$ 7,324</u>	<u>\$ 6,916</u>	<u>\$ 6,895</u>

Note 8 - Fair Value of Financial Assets and Liabilities

The fair values of our financial assets and liabilities are determined using quoted market prices of identical assets or quoted market prices of similar assets from active markets. We review fair value hierarchy classification on a quarterly basis. There were no significant transfers between Levels 1 and 2 financial assets and liabilities for fiscal year 2019. Level 3 financial assets and liabilities are based on unobservable inputs to the valuation methodology and include our own data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

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	Pricing Category	Fair Value at		(In millions)		
		January 27, 2019	January 28, 2018			
Assets						
Cash equivalents and marketable securities:						
Corporate debt securities	Level 2	\$ 2,620	\$ 1,295			
Debt securities of United States government agencies	Level 2	\$ 2,280	\$ 815			
Debt securities issued by the United States Treasury	Level 2	\$ 1,492	\$ 573			
Money market funds	Level 1	\$ 483	\$ 3,789			
Foreign government bonds	Level 2	\$ 209	\$ 41			
Asset-backed securities	Level 2	\$ 151	\$ 252			
Mortgage-backed securities issued by United States government-sponsored enterprises	Level 2	\$ 89	\$ 130			
Liabilities						
Current liability:						
1.00% Convertible Senior Notes (1)	Level 2	\$ —	\$ 189			
Other noncurrent liabilities:						
2.20% Notes Due 2021 (1).....	Level 2	\$ 978	\$ 982			
3.20% Notes Due 2026 (1).....	Level 2	\$ 961	\$ 986			

(1) These liabilities are carried on our Consolidated Balance Sheets at their original issuance value, net of unamortized debt discount and issuance costs, and are not marked to fair value each period. Refer to Note 11 of these Notes to the Consolidated Financial Statements for additional information.

Note 9 - Balance Sheet Components

Certain balance sheet components are as follows:

		January 27, 2019		January 28, 2018				
		(In millions)						
Inventories:								
Raw materials								
Raw materials		\$ 613	\$ 227					
Work in-process			238		192			
Finished goods			724		377			
Total inventories		\$ 1,575	\$ 796					

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	January 27, 2019	January 28, 2018	Estimated Useful Life
	(In millions)	(In millions)	
Property and Equipment:			
Land	\$ 218	\$ 218	(A)
Building	339	348	25-30
Test equipment	516	462	3-5
Computer equipment	522	285	3-5
Leasehold improvements	263	198	(B)
Software and licenses	109	88	3-5
Office furniture and equipment	69	79	5
Capital leases	28	28	(B)
Construction in process	107	31	(C)
Total property and equipment, gross	2,171	1,737	
Accumulated depreciation and amortization	(767)	(740)	
Total property and equipment, net	<u>\$ 1,404</u>	<u>\$ 997</u>	

(A) Land is a non-depreciable asset.

(B) Leasehold improvements and capital leases are amortized based on the lesser of either the asset's estimated useful life or the remaining expected lease term.

(C) Construction in process represents assets that are not available for their intended use as of the balance sheet date.

Depreciation expense for fiscal years 2019, 2018, and 2017 was \$233 million, \$144 million, and \$118 million, respectively.

Accumulated amortization of leasehold improvements and capital leases was \$189 million and \$178 million as of January 27, 2019 and January 28, 2018, respectively.

	January 27, 2019	January 28, 2018
	(In millions)	
Accrued and Other Current Liabilities:		
Customer program accruals	\$ 302	\$ 181
Accrued payroll and related expenses	186	172
Deferred revenue (1)	92	53
Taxes payable	91	33
Accrued legal settlement costs	24	—
Coupon interest on debt obligations	20	20
Warranty accrual (2)	18	15
Professional service fees	14	15
Accrued royalties	10	17
Other	61	36
Total accrued and other current liabilities	<u>\$ 818</u>	<u>\$ 542</u>

(1) Deferred revenue primarily includes customer advances and deferrals related to license and development arrangements and PCS.

(2) Refer to Note 12 of these Notes to the Consolidated Financial Statements for a discussion regarding warranties.

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	January 27, 2019	January 28, 2018
	(In millions)	
Other Long-Term Liabilities:		
Income tax payable (1)	\$ 513	\$ 559
Deferred revenue (2)	46	15
Deferred rent	21	9
Employee benefits liability	20	12
Deferred income tax liability	19	18
Other	14	19
Total other long-term liabilities	\$ 633	\$ 632

(1) As of January 27, 2019, represents the long-term portion of the one-time transition tax payable of \$350 million, as well as unrecognized tax benefits of \$142 million and related interest and penalties of \$21 million.

(2) Deferred revenue primarily includes deferrals related to license and development arrangements and PCS.

Note 10 - Derivative Financial Instruments

We enter into foreign currency forward contracts to mitigate the impact of foreign currency exchange rate movements on our operating expenses. We designate these contracts as cash flow hedges and assess the effectiveness of the hedge relationships on a spot to spot basis. Gains or losses on the contracts are recorded in accumulated other comprehensive income or loss and reclassified to operating expense when the related operating expenses are recognized in earnings or ineffectiveness should occur. The fair value of the contracts was not significant as of January 27, 2019 and January 28, 2018.

We also enter into foreign currency forward contracts to mitigate the impact of foreign currency movements on monetary assets and liabilities that are denominated in currencies other than U.S. dollar. These forward contracts were not designated for hedge accounting treatment. Therefore, the change in fair value of these contracts is recorded in other income or expense and offsets the change in fair value of the hedged foreign currency denominated monetary assets and liabilities, which is also recorded in other income or expense.

The table below presents the notional value of our foreign currency forward contracts outstanding as of January 27, 2019 and January 28, 2018:

	January 27, 2019	January 28, 2018
	(In millions)	
Designated as cash flow hedges	\$ 408	\$ 104
Not designated for hedge accounting	241	94

As of January 27, 2019, all designated foreign currency forward contracts mature within eighteen months. The expected realized gains and losses deferred into accumulated other comprehensive income (loss) related to foreign currency forward contracts within the next twelve months was not significant.

During fiscal years 2019 and 2018, the impact of derivative financial instruments designated for hedge accounting treatment on other comprehensive income or loss was not significant and all such instruments were determined to be highly effective. Therefore, there were no gains or losses associated with ineffectiveness.

Note 11 - Debt

Long-Term Debt

2.20% Notes Due 2021 and 3.20% Notes Due 2026

In fiscal year 2017, we issued \$1.00 billion of the 2.20% Notes Due 2021, and \$1.00 billion of the 3.20% Notes Due 2026, or collectively, the Notes. Interest on the Notes is payable on March 16 and September 16 of each year, beginning on March 16, 2017. Upon 30 days' notice to holders of the Notes, we may redeem the Notes for cash prior to maturity, at redemption

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prices that include accrued and unpaid interest, if any, and a make-whole premium. However, no make-whole premium will be paid for redemptions of the Notes Due 2021 on or after August 16, 2021, or for redemptions of the Notes Due 2026 on or after June 16, 2026. The net proceeds from the Notes were \$1.98 billion, after deducting debt discount and issuance costs.

The Notes are our unsecured senior obligations and rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness. The Notes are structurally subordinated to the liabilities of our subsidiaries and are effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. All existing and future liabilities of our subsidiaries will be effectively senior to the Notes.

The carrying value of the Notes and the associated interest rates were as follows:

	Expected Remaining Term (years)	Effective Interest Rate	January 27, 2019	January 28, 2018
(In millions)				
2.20% Notes Due 2021	2.6	2.38%	\$ 1,000	\$ 1,000
3.20% Notes Due 2026	7.6	3.31%	1,000	1,000
Unamortized debt discount and issuance costs.....			(12)	(15)
Net carrying amount			<u>\$ 1,988</u>	<u>\$ 1,985</u>

Convertible Debt

1.00% Convertible Senior Notes Due 2018

In fiscal year 2014, we issued \$1.50 billion of Convertible Notes. During fiscal year 2019, we paid cash to settle an aggregate of \$16 million in principal amount of the Convertible Notes and issued 714 thousand shares of our common stock for the excess conversion value. The related loss on early conversions was not significant. As of January 27, 2019, there were no Convertible Notes outstanding.

Note Hedges

Concurrently with the issuance of the Convertible Notes, we entered into the Note Hedges. Through January 27, 2019, we had received 57 million shares of our common stock from the exercise of a portion of the Note Hedges related to the settlement of \$1.50 billion in principal amount of the Convertible Notes. As of January 27, 2019, there were no Note Hedges outstanding.

Revolving Credit Facility

We have a Credit Agreement under which we may borrow up to \$575 million for general corporate purposes and can obtain revolving loan commitments up to \$425 million. As of January 27, 2019, we had not borrowed any amounts under this agreement.

Commercial Paper

We have a \$575 million commercial paper program to support general corporate purposes. As of January 27, 2019, we had not issued any commercial paper.

Note 12 - Commitments and Contingencies

Inventory Purchase Obligations

As of January 27, 2019, we had outstanding inventory purchase obligations totaling \$912 million.

Capital Purchase Obligations

As of January 27, 2019, we had outstanding capital purchase obligations totaling \$258 million.

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Lease Obligations

Our headquarters complex is located in Santa Clara, California and includes ten buildings that are leased properties. Future minimum lease payments related to headquarters operating leases total \$326 million over the remaining terms of the leases, including predetermined rent escalations, and are included in the future minimum lease payment schedule below.

Additionally, we have other domestic and international office facilities, including datacenter space, under operating leases expiring through fiscal year 2035.

Future minimum lease payments under our non-cancelable operating leases as of January 27, 2019, are as follows:

	Future Minimum Lease Obligations
	<i>(In millions)</i>
Fiscal Year:	
2020	\$ 100
2021	97
2022	90
2023	77
2024	54
2025 and thereafter	265
Total	\$ 683

Rent expense for fiscal years 2019, 2018, and 2017 was \$80 million, \$54 million, and \$46 million, respectively.

Accrual for Product Warranty Liabilities

The estimated amount of product returns and warranty liabilities was \$18 million and \$15 million as of January 27, 2019 and January 28, 2018, respectively.

In connection with certain agreements that we have entered in the past, we have provided indemnities to cover the indemnified party for matters such as tax, product, and employee liabilities. We have included intellectual property indemnification provisions in our technology related agreements with third parties. Maximum potential future payments cannot be estimated because many of these agreements do not have a maximum stated liability. We have not recorded any liability in our Consolidated Financial Statements for such indemnifications.

Litigation

Polaris Innovations Limited

On May 16, 2016, Polaris Innovations Limited, or Polaris, a non-practicing entity and wholly-owned subsidiary of Quarterhill Inc. (formerly WiLAN Inc.), filed a complaint against NVIDIA for patent infringement in the United States District Court for the Western District of Texas. Polaris alleges that NVIDIA has infringed and is continuing to infringe six U.S. patents relating to the control of dynamic random-access memory, or DRAM. The complaint seeks unspecified monetary damages, enhanced damages, interest, fees, expenses, and costs against NVIDIA. On September 14, 2016, NVIDIA answered the Polaris Complaint and asserted various defenses including non-infringement and invalidity of the six Polaris patents.

On December 5, 2016, the Texas Court granted NVIDIA's motion to transfer and ordered the case transferred to the Northern District of California.

Between December 7, 2016 and July 25, 2017, NVIDIA filed multiple petitions for inter partes review, or IPR, at the United States Patent and Trademark Office, or USPTO, challenging the validity of each of the patents asserted by Polaris in the U.S. litigation. The USPTO instituted IPRs for four U.S. patents and declined to institute IPRs on two U.S. patents. On June 19, 2018, the USPTO issued a Final Written Decision on one IPR, finding claims 1-23 and 28 unpatentable but that claims 24-27 were not proved unpatentable. On November 20, 2018, the USPTO issued Final Written Decisions on two IPRs, finding claims 1, 4, 8-12, 16, 18, 43, 45, and 48-51 unpatentable but that claims 2-3, 5, 14, 17, 19-23, 26-31, and 44 were not proved unpatentable. On December 4, 2018, the USPTO issued a Final Written Decision on one IPR, finding all claims unpatentable. On December 19, 2018, the USPTO issued a Final Written Decision on one IPR, finding claims 1-14 unpatentable.

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On June 15, 2017, the California Court granted NVIDIA's motion to stay the district court litigation pending resolution of the petitions for IPR. The California Court has not set a trial date.

On December 30, 2016, Polaris filed a complaint against NVIDIA for patent infringement in the Regional Court of Düsseldorf, Germany. Polaris alleges that NVIDIA has infringed and is continuing to infringe three patents relating to control of DRAM. On July 14, 2017, NVIDIA filed defenses to the infringement allegations including non-infringement with respect to each of the three asserted patents. On September 3, 2018, NVIDIA filed a rejoinder with additional noninfringement arguments. On December 4, 2018, NVIDIA filed a further rejoinder with additional noninfringement, nullity, and FRAND arguments.

An oral hearing is scheduled for February 21, 2019.

Between March 31, 2017 and June 12, 2017, NVIDIA filed nullity actions with the German Patent Court challenging the validity of each of the patents asserted by Polaris in the German litigation.

ZiiLabs 1 Patents Lawsuit

On October 2, 2017, ZiiLabs Inc., Ltd., or ZiiLabs, a non-practicing entity, filed a complaint in the United States District Court for the District of Delaware alleging that NVIDIA has infringed and is continuing to infringe four U.S. patents relating to GPUs, or the ZiiLabs 1 Patents. ZiiLabs is a Bermuda corporation and a wholly-owned subsidiary of Creative Technology Asia Limited, a Hong Kong company which is itself is a wholly-owned subsidiary of Creative Technology Ltd., a publicly traded Singapore company. The complaint seeks unspecified monetary damages, enhanced damages, interest, costs, and fees against NVIDIA and an injunction against further direct or indirect infringement of the ZiiLabs 1 Patents. On November 27, 2017, NVIDIA answered the ZiiLabs complaint and asserted various defenses including non-infringement and invalidity of the ZiiLabs 1 Patents.

On January 10, 2018, ZiiLabs filed a first amended complaint asserting infringement of a fifth U.S. patent.

On February 22, 2018, the Delaware Court stayed the ZiiLabs 1 case pending the resolution of the U.S. International Trade Commission, or USITC, investigation over the ZiiLabs 2 patents.

On February 1, 2019, NVIDIA entered into an immaterial agreement in which it receives a license to the ZiiLabs patents and a dismissal of the ZiiLabs 1 and 2 Patent Lawsuits. The ZiiLabs 1 and 2 district court cases were dismissed pursuant to a stipulation of dismissal filed on February 8, 2019. The Administrative Law Judge issued an Initial Determination on February 12, 2019, granting the motion to terminate the USITC investigation addressing the ZiiLabs 2 patents.

ZiiLabs 2 Patents Lawsuits

On December 27, 2017, ZiiLabs filed a second complaint in the United States District Court for the District of Delaware alleging that NVIDIA has infringed four additional U.S. patents, or the ZiiLabs 2 Patents. The second complaint also seeks unspecified monetary damages, enhanced damages, interest, costs, and fees against NVIDIA and an injunction against further direct or indirect infringement of the ZiiLabs 2 Patents.

On February 22, 2018, the Delaware Court stayed the district court action on the ZiiLabs 2 patents pending the resolution of the USITC Investigation over the ZiiLabs 2 patents.

On December 29, 2017, ZiiLabs filed a request with the USITC to commence an Investigation pursuant to Section 337 of the Tariff Act of 1930 relating to the unlawful importation of certain graphics processors and products containing the same. ZiiLabs alleges that the unlawful importation results from the infringement of the ZiiLabs 2 Patents by products from respondents NVIDIA, ASUSTeK Computer Inc., ASUS Computer International, EVGA Corporation, Gigabyte Technology Co., Ltd., G.B.T. Inc., Micro-Star International Co., Ltd., MSI Computer Corp., Nintendo Co., Ltd., Nintendo of America Inc., PNY Technologies Inc., Zotac International (MCO) Ltd., and Zotac USA Inc.

On February 28, 2018, NVIDIA and the other respondents answered the USITC complaint and asserted various defenses including non-infringement and invalidity of the four asserted ZiiLabs 2 patents.

On May 10, 2018, the Administrative Law Judge then presiding over the investigation issued an Initial Determination terminating the investigation with respect to one of the patents. On July 17, 2018, the USITC affirmed this decision on modified grounds.

On October 18, 2018, the Administrative Law Judge currently presiding over the investigation issued an order construing certain claims of the three remaining patents in the investigation.

NVIDIA CORPORATION AND SUBSIDIARIES
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The hearing in the investigation is currently scheduled to begin on April 8, 2019. The target date for completion of the investigation is September 9, 2019.

On February 1, 2019, NVIDIA entered into an immaterial agreement in which it receives a license to the ZiiLabs patents and a dismissal of the ZiiLabs 1 and 2 Patent Lawsuits. The ZiiLabs 1 and 2 district court cases were dismissed pursuant to a stipulation of dismissal filed on February 8, 2019. The Administrative Law Judge issued an Initial Determination on February 12, 2019, granting the motion to terminate the USITC investigation addressing the ZiiLabs 2 patents.

Securities Class Action and Derivative Lawsuits

On December 21, 2018, a purported securities class action lawsuit was filed in the United States District Court for the Northern District of California, captioned Iron Workers Joint Funds v. Nvidia Corporation, et al. (Case No. 18-cv-7669), naming as defendants NVIDIA and certain of NVIDIA's officers. The complaint asserts that the defendants violated Section 10(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and SEC Rule 10b-5, by making materially false or misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand between August 10, 2017 and November 15, 2018. The plaintiff also alleges that the NVIDIA officers who they named as defendants violated Section 20(a) of the Exchange Act. The plaintiff seeks class certification, an award of unspecified compensatory damages, an award of equitable/injunctive or other further relief as the Court may deem just and proper. On December 28, 2018, a substantially similar purported securities class action was commenced in the Northern District of California, captioned Oto v. Nvidia Corporation, et al. (Case No. 18-cv-07783), naming the same defendants, and seeking substantially similar relief. The two cases have been related and are before the same judge. A stipulation to consolidate the Iron Workers and Oto actions is pending before the Court. On February 19, 2019, a number of shareholders filed motions to consolidate the two cases and to be appointed lead plaintiff and for their respective counsel to be appointed lead counsel.

On January 18, 2019, a shareholder, purporting to act on the behalf of NVIDIA, filed a derivative lawsuit in the Northern District of California, captioned Han v. Huang, et al. (Case No. 19-cv-00341), seeking to assert claims on behalf of NVIDIA against the members of NVIDIA's board of directors and certain officers. The lawsuit asserts claims for breach of fiduciary duty, unjust enrichment, waste of corporate assets, and violations of Sections 14(a), 10(b), and 20(a) of the Exchange Act based on the dissemination of allegedly false and misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand. The plaintiff is seeking unspecified damages and other relief, including reforms and improvements to NVIDIA's corporate governance and internal procedures. On February 12, 2019, a substantially similar derivative lawsuit was filed in the Northern District of California captioned Yang v. Huang, et. al. (Case No. 19-cv-00766), naming the same named defendants, and seeking the same relief. On February 19, 2019, a third substantially similar derivative lawsuit was filed in the Northern District of California captioned The Booth Family Trust v. Huang, et. al. (Case No. 3:19-cv-00876), naming the same named defendants, and seeking substantially the same relief.

It is possible that additional suits will be filed, or allegations received from shareholders, with respect to these same or other matters, naming us and/or our officers and directors as defendants.

Accounting for Loss Contingencies

We are engaged in legal actions not described above arising in the ordinary course of business and, while there can be no assurance of favorable outcomes, we believe that the ultimate outcome of these actions will not have a material adverse effect on our operating results, liquidity or financial position. As of January 27, 2019, with the exception of immaterial amounts, we have not recorded any accrual for contingent liabilities associated with the legal proceedings described above based on our belief that liabilities, while possible, are not probable. Further, except as specifically described above, any possible loss or range of loss in these matters cannot be reasonably estimated at this time.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Note 13 - Income Taxes

The income tax expense (benefit) applicable to income before income taxes consists of the following:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions)		
Current income taxes:			
Federal	\$ 1	\$ 464	\$ 7
State	—	1	1
Foreign	69	43	34
Total current	<u>70</u>	<u>508</u>	<u>42</u>
Deferred taxes:			
Federal	(315)	(376)	199
State	—	—	—
Foreign	—	17	(2)
Total deferred	<u>(315)</u>	<u>(359)</u>	<u>197</u>
Income tax expense (benefit)	<u><u>\$ (245)</u></u>	<u><u>\$ 149</u></u>	<u><u>\$ 239</u></u>

Income before income tax consists of the following:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions)		
Domestic (1)	\$ 1,843	\$ 1,600	\$ 600
Foreign	2,053	1,596	1,305
Income before income tax	<u>\$ 3,896</u>	<u>\$ 3,196</u>	<u>\$ 1,905</u>

(1) The increase in domestic income is primarily due to jurisdictional allocation of stock-based compensation charges.

The income tax expense (benefit) differs from the amount computed by applying the U.S. federal statutory rate of 21%, 33.9%, and 35% for fiscal years 2019, 2018, and 2017, respectively, to income before income taxes as follows:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions)		
Tax expense computed at federal statutory rate	\$ 818	\$ 1,084	\$ 667
Expense (benefit) resulting from:			
State income taxes, net of federal tax effect	23	10	4
Foreign tax rate differential	(412)	(545)	(315)
Stock-based compensation	(191)	(181)	(70)
Tax Cuts and Jobs Act of 2017	(368)	(133)	—
U.S. federal R&D tax credit	(141)	(87)	(52)
Other	26	1	5
Income tax expense (benefit)	<u><u>\$ (245)</u></u>	<u><u>\$ 149</u></u>	<u><u>\$ 239</u></u>

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The tax effect of temporary differences that gives rise to significant portions of the deferred tax assets and liabilities are presented below:

	January 27, 2019	January 28, 2018
	(In millions)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 70	\$ 67
Accruals and reserves, not currently deductible for tax purposes	41	24
Property, equipment and intangible assets.....	2	32
Research and other tax credit carryforwards	626	579
Stock-based compensation	25	24
GILTI deferred tax assets	376	—
Gross deferred tax assets	1,140	726
Less valuation allowance	(562)	(469)
Total deferred tax assets	578	257
Deferred tax liabilities:		
Acquired intangibles	(2)	(4)
Unremitted earnings of foreign subsidiaries	(35)	(26)
Gross deferred tax liabilities	(37)	(30)
Net deferred tax asset (1)	\$ 541	\$ 227

(1) Net deferred tax asset includes long-term deferred tax assets of \$560 million and \$245 million and long-term deferred tax liabilities of \$19 million and \$18 million for fiscal years 2019 and 2018, respectively. Long-term deferred tax assets are included in Other assets and long-term deferred tax liabilities are included in Other long-term liabilities on our Consolidated Balance Sheets.

We recognized an income tax benefit of \$245 million for fiscal year 2019, and income tax expense of \$149 million and \$239 million for fiscal years 2018, and 2017, respectively. Our annual effective tax rate was (6.3)%, 4.7%, and 12.5% for fiscal years 2019, 2018, and 2017, respectively.

In December 2017, the TCJA was enacted into law. The TCJA significantly changed U.S. tax law, including a reduction of the U.S. federal corporate income tax rate from 35% to 21%, a requirement for companies to pay a one-time transition tax on the earnings of certain foreign subsidiaries that were previously tax deferred and the creation of new taxes (global intangible low-taxed income, or GILTI) on certain foreign-source earnings. As a fiscal year-end taxpayer, certain provisions of the TCJA began to impact us in the fourth quarter of fiscal year 2018, while other provisions impacted us beginning in fiscal year 2019.

In fiscal year 2018 and the first nine months of fiscal year 2019, we recorded provisional amounts for certain enactment-date effects of the TCJA by applying the SEC guidance in SAB 118 because we had not yet completed our accounting for these effects. As of January 27, 2019, we completed our accounting for all of the enactment-date income tax effects of the TCJA and recognized a reduction of \$368 million to the provisional amount recorded at January 28, 2018 as a component of income tax expense (benefit). This adjustment primarily relates to the effects of electing to account for GILTI in deferred taxes, as described below. Our final tax benefit from the TCJA was \$501 million.

The one-time transition tax is based on the post-1986 earnings and profits, or E&P, of our foreign subsidiaries. We had previously accrued deferred taxes on a portion of these same earnings. We recorded a provisional one-time transition tax liability of \$971 million at January 28, 2018. Upon further analysis of the TCJA and Notices and regulations issued by the US Department of the Treasury and Internal Revenue Service, we finalized our calculations of the transition tax liability during fiscal year 2019. For fiscal year 2019, we increased our transition tax provisional amount by \$33 million.

As a result of the reduction of the corporate income tax rate to 21%, companies were required to remeasure their deferred tax assets and liabilities as of the date of enactment. As a result, at January 28, 2018 we had recorded a provisional income tax expense of \$43 million on the write-down of our deferred tax balance. Upon further analysis of certain aspects of the TJCA, including immediate expensing of qualified capital expenditures and refinement of our calculations, we reduced our provisional tax expense amount by \$20 million.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The TCJA subjects a U.S. corporation to tax on its GILTI. Under U.S. GAAP, we can make an accounting policy election to either treat taxes due on the GILTI as a current period expense or factor such amounts into our measurement of deferred taxes. Because we were still evaluating the GILTI provisions as of January 28, 2018, we recorded no GILTI-related deferred balances. After further evaluation, we elected to account for GILTI deferred taxes. In fiscal year 2019, we recorded additional deferred tax assets as a net \$370 million income tax benefit related to GILTI in deferred taxes.

The decrease in the effective tax rate in fiscal year 2019 as compared to fiscal years 2018 and 2017 was primarily due to a decrease in the U.S. statutory tax rate from 33.9% to 21%, the finalization of the enactment-date income tax effects of the TCJA, higher U.S. federal research tax credits and excess tax benefits related to stock-based compensation in fiscal year 2019.

The decrease in the effective tax rate in fiscal year 2018 as compared to fiscal year 2017 was primarily due to the provisional impact of the tax law changes and recognition of excess tax benefits related to stock-based compensation.

Our effective tax rate for fiscal year 2019 was lower than the U.S. federal statutory rate of 21% due primarily to income earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate was lower than the U.S. federal statutory tax rates, the finalization of the enactment-date income tax effects of the TCJA, favorable recognition of the U.S. federal research tax credits, and excess tax benefits related to stock-based compensation.

Our effective tax rate for fiscal years 2018 and 2017 was lower than the blended U.S. federal statutory rate of 33.9% for fiscal year 2018 and 35% for fiscal year 2017 due primarily to income earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate was lower than the U.S. federal statutory tax rates, favorable recognition of U.S. federal research tax credits, the provisional impact of the tax law changes in 2018, and excess tax benefits related to stock-based compensation.

As of January 27, 2019 and January 28, 2018, we had a valuation allowance of \$562 million and \$469 million, respectively, related to state and certain foreign deferred tax assets that management determined not likely to be realized due, in part, to projections of future taxable income. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

As of January 27, 2019, we had federal, state and foreign net operating loss carryforwards of \$72 million, \$291 million and \$290 million, respectively. The federal and state carryforwards will expire beginning in fiscal year 2023 and 2020, respectively. The foreign net operating loss carryforwards of \$290 million may be carried forward indefinitely. As of January 27, 2019, we had federal research tax credit carryforwards of \$347 million that will begin to expire in fiscal year 2037. We have state research tax credit carryforwards of \$718 million, of which \$687 million is attributable to the State of California and may be carried over indefinitely, and \$31 million is attributable to various other states and will expire beginning in fiscal year 2020. Our tax attributes, net operating loss and tax credit carryforwards, remain subject to audit and may be adjusted for changes or modification in tax laws, other authoritative interpretations thereof, or other facts and circumstances. Utilization of federal, state, and foreign net operating losses and tax credit carryforwards may also be subject to limitations due to ownership changes and other limitations provided by the Internal Revenue Code and similar state and foreign tax provisions. If any such limitations apply, the federal, states, or foreign net operating loss and tax credit carryforwards, as applicable, may expire or be denied before utilization.

As of January 27, 2019, we had \$477 million of gross unrecognized tax benefits, of which \$432 million would affect our effective tax rate if recognized. However, approximately \$82 million of the unrecognized tax benefits were related to state income tax positions taken, that, if recognized, would be in the form of a carryforward deferred tax asset that would likely attract a full valuation allowance. The \$432 million of unrecognized tax benefits as of January 27, 2019 consisted of \$142 million recorded in non-current income taxes payable and \$290 million reflected as a reduction to the related deferred tax assets.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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A reconciliation of gross unrecognized tax benefits is as follows:

	January 27, 2019	January 28, 2018	January 29, 2017
	(In millions)		
Balance at beginning of period	\$ 447	\$ 224	\$ 230
Increases in tax positions for prior years	52	7	3
Decreases in tax positions for prior years	(141)	(1)	—
Increases in tax positions for current year	129	222	46
Settlements	—	—	(48)
Lapse in statute of limitations	(10)	(5)	(7)
Balance at end of period	\$ 477	\$ 447	\$ 224

We classify an unrecognized tax benefit as a current liability, or amount refundable, to the extent that we anticipate payment or receipt of cash for income taxes within one year. The amount is classified as a long-term liability, or reduction of long-term deferred tax assets or amount refundable if we anticipate payment or receipt of cash for income taxes during a period beyond a year.

Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense. As of January 27, 2019, January 28, 2018, and January 29, 2017, we had accrued \$21 million, \$15 million, and \$13 million, respectively, for the payment of interest and penalties related to unrecognized tax benefits, which is not included as a component of our unrecognized tax benefits. As of January 27, 2019, unrecognized tax benefits of \$142 million and the related interest and penalties of \$21 million are included in non-current income taxes payable.

While we believe that we have adequately provided for all tax positions, amounts asserted by tax authorities could be greater or less than our accrued position. Accordingly, our provisions on federal, state and foreign tax-related matters to be recorded in the future may change as revised estimates are made or the underlying matters are settled or otherwise resolved. As of January 27, 2019, we do not believe that our estimates, as otherwise provided for, on such tax positions will significantly increase or decrease within the next twelve months.

We are subject to taxation by a number of taxing authorities both in the United States and throughout the world. As of January 27, 2019, the significant tax jurisdictions that may be subject to examination include the United States, Hong Kong, Taiwan, China, United Kingdom, Germany, and India for fiscal years 2003 through 2018. As of January 27, 2019, the significant tax jurisdictions for which we are currently under examination include India, Taiwan, China and UK for fiscal years 2003 through 2018.

Note 14 - Shareholders' Equity

Capital Return Program

Beginning August 2004, our Board of Directors authorized us to repurchase our stock.

During fiscal year 2019, we repurchased a total of 9 million shares for \$1.58 billion and also paid \$371 million in cash dividends to our shareholders.

Through January 27, 2019, we have repurchased an aggregate of 260 million shares under our share repurchase program for a total cost of \$7.08 billion. All shares delivered from these repurchases have been placed into treasury stock. In November 2018, our board of directors authorized an additional \$7.00 billion under our share repurchase program. As of January 27, 2019, we were authorized, subject to certain specifications, to repurchase additional shares of our common stock up to \$7.24 billion through December 2022.

Preferred Stock

As of January 27, 2019 and January 28, 2018, there were no shares of preferred stock outstanding.

Common Stock

We are authorized to issue up to 2.00 billion shares of our common stock at \$0.001 per share par value.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 15 - Employee Retirement Plans

We have a 401(k) retirement plan covering substantially all of our U.S. employees. Under the plan, participating employees may defer up to 80% of their pre-tax earnings, subject to the Internal Revenue Service annual contribution limits and we match a portion of the employee contributions. Our contribution expense for fiscal years 2019, 2018, and 2017 was \$39 million, \$23 million, and \$12 million, respectively. We also have defined contribution retirement plans outside of the United States to which we contributed \$31 million, \$25 million, and \$23 million for fiscal years 2019, 2018, and 2017, respectively.

Note 16 - Segment Information

Our Chief Executive Officer, who is considered to be our chief operating decision maker, or CODM, reviews financial information presented on an operating segment basis for purposes of making operating decisions and assessing financial performance. Our operating segments are equivalent to our reportable segments.

We report our business in two primary reportable segments - the GPU business and the Tegra Processor business - based on a single underlying graphics architecture.

Our GPU product brands are aimed at specialized markets including GeForce for gamers; Quadro for designers; Tesla and DGX for AI data scientists and big data researchers; and GRID for cloud-based visual computing users. Our Tegra brand integrates an entire computer onto a single chip, and incorporates GPUs and multi-core CPUs to drive supercomputing for autonomous robots, drones, and cars, as well as for game consoles and mobile gaming and entertainment devices.

Under the single unifying architecture for our GPU and Tegra Processors, we leverage our visual computing expertise by charging the operating expenses of certain core engineering functions to the GPU business, while charging the Tegra Processor business for the incremental cost of the teams working directly for that business. In instances where the operating expenses of certain functions benefit both reportable segments, our CODM assigns 100% of those expenses to the reportable segment that benefits the most.

The "All Other" category presented below represents the revenue and expenses that our CODM does not assign to either the GPU business or the Tegra Processor business for purposes of making operating decisions or assessing financial performance. The revenue includes primarily patent licensing revenue and the expenses include stock-based compensation expense, corporate infrastructure and support costs, acquisition-related costs, legal settlement costs, contributions, restructuring and other charges, product warranty charge, and other non-recurring charges and benefits that our CODM deems to be enterprise in nature.

Our CODM does not review any information regarding total assets on a reportable segment basis. Reportable segments do not record intersegment revenue, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for our consolidated financial statements. The table below presents details of our reportable segments and the "All Other" category.

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(Continued)

	GPU	Tegra Processor	All Other	Consolidated
	<i>(In millions)</i>			
Year Ended January 27, 2019:				
Revenue	\$ 10,175	\$ 1,541	\$ —	\$ 11,716
Depreciation and amortization expense	\$ 197	\$ 47	\$ 18	\$ 262
Operating income (loss)	\$ 4,443	\$ 241	\$ (880)	\$ 3,804
Year Ended January 28, 2018:				
Revenue	\$ 8,137	\$ 1,534	\$ 43	\$ 9,714
Depreciation and amortization expense	\$ 123	\$ 37	\$ 39	\$ 199
Operating income (loss)	\$ 3,507	\$ 303	\$ (600)	\$ 3,210

Year Ended January 29, 2017:								
Revenue	\$	5,822	\$	824	\$	264	\$	6,910
Depreciation and amortization expense	\$	116	\$	29	\$	42	\$	187
Operating income (loss)	\$	2,180	\$	(9)	\$	(237)	\$	1,934

Year Ended

Reconciling items included in "All Other" category:

Unallocated revenue	\$ —	\$ 43	\$ 264
Stock-based compensation expense.....	(557)	(391)	(247)
Unallocated cost of revenue and operating expenses.....	(277)	(237)	(215)
Legal settlement costs	(44)	—	(16)
Acquisition-related and other costs.....	(2)	(15)	(23)
Total	\$ (880)	\$ (600)	\$ (237)

Revenue by geographic region is allocated to individual countries based on the location to which the products are initially billed even if our customers' revenue is attributable to end customers that are located in a different location. The following table summarizes information pertaining to our revenue from customers based on the invoicing address by geographic regions:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
Revenue:	<i>(In millions)</i>		
Taiwan	\$ 3,360	\$ 2,991	\$ 2,546
China (including Hong Kong)	2,801	1,896	1,305
Other Asia Pacific	2,368	2,066	1,010
United States	1,506	1,274	904
Europe	914	768	659
Other countries	767	719	486
Total revenue	\$ 11,716	\$ 9,714	\$ 6,910

NVIDIA CORPORATION AND SUBSIDIARIES
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(Continued)

The following table summarizes information pertaining to our revenue by each of the specialized markets we serve:

	Year Ended		
	January 27, 2019	January 28, 2018	January 29, 2017
Revenue:	<i>(In millions)</i>		
Gaming	\$ 6,246	\$ 5,513	\$ 4,060
Professional Visualization	1,130	934	835
Datacenter	2,932	1,932	830
Automotive	641	558	487
OEM & IP	767	777	698
Total revenue	<u>\$ 11,716</u>	<u>\$ 9,714</u>	<u>\$ 6,910</u>

The following table presents summarized information for long-lived assets by geographic region. Long-lived assets consist of property and equipment and deposits and other assets, and exclude goodwill and intangible assets.

	Year Ended	
	January 27, 2019	January 28, 2018
Long-lived assets:	<i>(In millions)</i>	
United States	\$ 1,266	\$ 928
Taiwan	137	58
India	44	40
China (including Hong Kong)	38	33
Europe	26	11
Other Asia Pacific	1	1
Total long-lived assets	<u>\$ 1,512</u>	<u>\$ 1,071</u>

No customer represented 10% or more of total revenue for fiscal years 2019 and 2018. In fiscal year 2017, we had one customer that represented 12% of our total revenue. The revenue was attributable to the GPU business.

Accounts receivable from significant customers, those representing 10% or more of total accounts receivable, aggregated approximately 19% of our accounts receivable balance from one customer as of January 27, 2019, and approximately 28% of our accounts receivable balance from two customers as of January 28, 2018.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Note 17 - Quarterly Summary (Unaudited)

The following table sets forth our unaudited consolidated financial results, for the last eight fiscal quarters:

	Fiscal Year 2019 Quarters Ended			
	January 27, 2019	October 28, 2018	July 29, 2018	April 29, 2018
	(In millions, except per share data)			
Statements of Income Data:				
Revenue	\$ 2,205	\$ 3,181	\$ 3,123	\$ 3,207
Cost of revenue	\$ 998	\$ 1,260	\$ 1,148	\$ 1,139
Gross profit	\$ 1,207	\$ 1,921	\$ 1,975	\$ 2,068
Net income (1)	\$ 567	\$ 1,230	\$ 1,101	\$ 1,244
Net income per share (1):				
Basic	\$ 0.93	\$ 2.02	\$ 1.81	\$ 2.05
Diluted	\$ 0.92	\$ 1.97	\$ 1.76	\$ 1.98

- (1) In the third and fourth quarters of fiscal year 2019, we recorded U.S. tax reform benefits of \$138 million and \$230 million, respectively, associated with the completion of our accounting for the enactment-date income tax effects of the TCJA. Refer to Note 13 of these Notes to the Consolidated Financial Statements for a discussion regarding the U.S. tax reform.

	Fiscal Year 2018 Quarters Ended			
	January 28, 2018	October 28, 2017	July 29, 2017	April 29, 2017
	(In millions, except per share data)			
Statements of Income Data:				
Revenue	\$ 2,911	\$ 2,636	\$ 2,230	\$ 1,937
Cost of revenue	\$ 1,110	\$ 1,067	\$ 928	\$ 787
Gross profit	\$ 1,801	\$ 1,569	\$ 1,302	\$ 1,150
Net income (1)	\$ 1,118	\$ 838	\$ 583	\$ 507
Net income per share (1):				
Basic	\$ 1.84	\$ 1.39	\$ 0.98	\$ 0.86
Diluted	\$ 1.78	\$ 1.33	\$ 0.92	\$ 0.79

- (1) In the fourth quarter of fiscal year 2018, we recorded a U.S. tax reform provisional net tax benefit of \$133 million associated with the one-time transition tax on our historical foreign earnings and the adjustment of deferred tax balances to the lower corporate tax rate. Refer to Note 13 of these Notes to the Consolidated Financial Statements for a discussion regarding the U.S. tax reform.

NVIDIA CORPORATION AND SUBSIDIARIES
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period			Additions	Deductions	Balance at End of Period		
		<i>(In millions)</i>						
Fiscal year 2019								
Allowance for doubtful accounts	\$ 4	\$ —	(1)	\$ (2)	(1)	\$ 2		
Sales return allowance	\$ 9	\$ 21	(2)	\$ (22)	(4)	\$ 8		
Deferred tax valuation allowance	\$ 469	\$ 93	(3)	\$ —		\$ 562		
Fiscal year 2018								
Allowance for doubtful accounts	\$ 3	\$ 1	(1)	\$ —	(1)	\$ 4		
Sales return allowance	\$ 10	\$ 15	(2)	\$ (16)	(4)	\$ 9		
Deferred tax valuation allowance	\$ 353	\$ 116	(3)	\$ —		\$ 469		
Fiscal year 2017								
Allowance for doubtful accounts	\$ 2	\$ 1	(1)	\$ —	(1)	\$ 3		
Sales return allowance	\$ 9	\$ 9	(2)	\$ (8)	(4)	\$ 10		
Deferred tax valuation allowance	\$ 272	\$ 81	(3)	\$ —		\$ 353		

- (1) Additions represent allowance for doubtful accounts charged to expense and deductions represent amounts recorded as reduction to expense upon reassessment of allowance for doubtful accounts at period end.
- (2) Represents allowance for sales returns estimated at the time revenue is recognized primarily based on historical return rates and is charged as a reduction to revenue.
- (3) Represents change in valuation allowance primarily related to state and certain foreign deferred tax assets that management has determined not likely to be realized due, in part, to projections of future taxable income of the respective jurisdictions. Refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.
- (4) Represents sales returns.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			
		Schedule/Form	File Number	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation	S-8	333-74905	4.1	3/23/1999
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	0-23985	3.1	8/21/2008
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation	8-K	0-23985	3.1	5/24/2011
3.4	Bylaws of NVIDIA Corporation, Amended and Restated as of November 29, 2016	8-K	0-23985	3.1	12/1/2016
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4				
4.2	Specimen Stock Certificate	S-1/A	333-47495	4.2	4/24/1998
4.3	Indenture (including the form of Notes) dated December 2, 2013 between NVIDIA Corporation and Wells Fargo Bank, National Association	8-K	0-23985	4.1	12/2/2013
4.4	Form of 1.00% Convertible Senior Note due 2018	8-K	0-23985	Exhibit A to Exhibit 4.1	12/2/2013
4.5	Indenture, dated as of September 16, 2016, by and between the Company and Wells Fargo Bank, National Association, as Trustee	8-K	0-23985	4.1	9/16/2016
4.6	Officers' Certificate, dated as of September 16, 2016	8-K	0-23985	4.2	9/16/2016
4.7	Form of 2021 Note	8-K	0-23985	Annex A to Exhibit 4.2	9/16/2016
4.8	Form of 2026 Note	8-K	0-23985	Annex B to Exhibit 4.2	9/16/2016
10.1	Form of Indemnity Agreement between NVIDIA Corporation and each of its directors and officers	8-K	0-23985	10.1	3/7/2006
10.2+	Amended and Restated 2007 Equity Incentive Plan	8-K	0-23985	10.1	5/21/2018
10.3+	2007 Equity Incentive Plan - Non-Statutory Stock Option (Annual Grant - Board Service (2011))	10-Q	0-23985	10.41	5/27/2011
10.4+	2007 Equity Incentive Plan - Non-Statutory Stock Option (Initial Grant - Board Service (2011))	8-K	0-23985	10.1	12/14/2011
10.5+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Stock Option Grant (2012 Annual Board Retainer)	10-Q	0-23985	10.4	5/23/2012
10.6+	2007 Equity Incentive Plan - Non Statutory Stock Option	8-K	0-23985	10.2	9/13/2010
10.7+	2007 Equity Incentive Plan - Incentive Stock Option	8-K	0-23985	10.21	9/13/2010
10.8+	Amended and Restated 2007 Equity Incentive Plan - Non Statutory Stock Option	10-Q	0-23985	10.1	8/22/2012
10.9+	Amended and Restated 2007 Equity Incentive Plan - Incentive Stock Option	10-Q	0-23985	10.2	8/22/2012

10.10+	Amended and Restated 2007 Equity Incentive Plan - Restricted Stock Unit Grant Notice and Restricted Stock Unit Purchase Agreement	10-Q	0-23985	10.3	8/22/2012
10.11+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Restricted Stock Unit (with deferral option)	10-Q	0-23985	10.3	5/23/2012
10.12+	Amended and Restated 2007 Equity Incentive Plan - Non Statutory Stock Option (Initial Grant - Board Service)	8-K	0-23985	10.1	7/23/2013
10.13+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Deferred Restricted Stock Unit Grant Notice and Deferred Restricted Stock Unit Agreement (2015)	10-K	0-23985	10.25	3/12/2015
10.14+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Deferred Restricted Stock Unit Grant Notice and Deferred Restricted Stock Unit Agreement (2016)	10-K	0-23985	10.26	3/12/2015
10.15+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (2016)	10-K	0-23985	10.27	3/12/2015
10.16+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Restricted Stock Unit (Initial Grant - with deferral options)	10-Q	0-23985	10.1	5/20/2015
10.17+	Amended and Restated 2007 Equity Incentive Plan - Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement & Performance-Based Restricted Stock Unit Grant Notice and Performance-Based Restricted Stock Unit Agreement (2015)	10-Q	0-23985	10.2	5/20/2015
10.18+	Amended and Restated 2007 Equity Incentive Plan - Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement & Performance-Based Restricted Stock Unit Grant Notice and Performance-Based Restricted Stock Unit Agreement (2018)	10-Q	0-23985	10.2	5/22/2018
10.19+*	Amended and Restated 2007 Equity Incentive Plan - Global Restricted Stock Unit Grant Notice and Global Restricted Stock Unit Agreement (2019)				
10.20+	Amended and Restated 2012 Employee Stock Purchase Plan	10-Q	0-23985	10.2	5/21/2018
10.21+	Fiscal Year 2018 Variable Compensation Plan	8-K	0-23985	10.1	3/13/2017
10.22+	Fiscal Year 2019 Variable Compensation Plan	8-K	0-23985	10.1	3/13/2018
10.23+	Offer Letter between NVIDIA Corporation and Colette Kress, dated September 13, 2013	8-K	0-23985	10.1	9/16/2013
10.24+	Offer Letter between NVIDIA Corporation and Tim Teter, dated December 16, 2016	8-K	0-23985	10.1	1/19/2017
10.25	Base Convertible Note Hedge Transaction Confirmation	8-K	0-23985	99.1	12/2/2013
10.26	Additional Convertible Note Hedge Transaction Confirmation	8-K	0-23985	99.3	12/2/2013

10.27	Credit Agreement, dated as of October 7, 2016 by and among NVIDIA Corporation, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto	8-K	0-23985	1.1	10/13/2016
10.28	Form of Commercial Paper Dealer Agreement between NVIDIA Corporation, as Issuer, and the Dealer party thereto	8-K	0-23985	10.1	12/15/2017
21.1*	List of Registrant's Subsidiaries				
23.1*	Consent of PricewaterhouseCoopers LLP				
24.1*	Power of Attorney (included in signature page)				
31.1*	Certification of Chief Executive Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934				
31.2*	Certification of Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934				
32.1#*	Certification of Chief Executive Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934				
32.2#*	Certification of Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934				
101.INS*	XBRL Instance Document				
101.SCH*	XBRL Taxonomy Extension Schema Document				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document				

* Filed herewith.

+ Management contract or compensatory plan or arrangement.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Copies of above exhibits not contained herein are available to any shareholder upon written request to:
Investor Relations: NVIDIA Corporation, 2788 San Tomas Expressway, Santa Clara, CA 95051

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 21, 2019.

NVIDIA Corporation
By: /s/ Jen-Hsun Huang

Jen-Hsun Huang

President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jen-Hsun Huang and Colette M. Kress, and each or any one of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-facts and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JEN-HSUN HUANG Jen-Hsun Huang	President, Chief Executive Officer and Director (Principal Executive Officer)	February 21, 2019
/s/ COLETTE M. KRESS Colette M. Kress	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 21, 2019
/s/ MICHAEL J. BYRON Michael J. Byron	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 21, 2019
	Director	February 21, 2019
Robert Burgess		
/s/ TENCH COXE Tench Coxe	Director	February 21, 2019
/s/ PERSIS DRELL Persis Drell	Director	February 21, 2019
/s/ JAMES C. GAITHER James C. Gaither	Director	February 21, 2019
/s/ DAWN HUDSON Dawn Hudson	Director	February 21, 2019
/s/ HARVEY C. JONES Harvey C. Jones	Director	February 21, 2019
/s/ MICHAEL MCCAFFERY Michael McCaffery	Director	February 21, 2019
/s/ MARK L. PERRY Mark L. Perry	Director	February 21, 2019
/s/ A. BROOKE SEAWELL A. Brooke Seawell	Director	February 21, 2019
	Director	February 21, 2019
Mark Stevens		

CORPORATE INFORMATION

BOARD OF DIRECTORS

Jensen Huang

Founder, President, and
Chief Executive Officer
NVIDIA Corporation

Robert K. Burgess

Independent Consultant

Tench Coxe

Managing Director
Sutter Hill Ventures

Persis S. Drell

Provost
Stanford University

James C. Gaither

Managing Director
Sutter Hill Ventures

Dawn Hudson

Independent Consultant

Harvey C. Jones

Managing Partner
Square Wave Ventures

Michael G. McCaffery

Chairman and Managing Director
Makena Capital Management

Stephen C. Neal

Chairman
Cooley LLP

Mark L. Perry (Lead Director)

Independent Consultant

A. Brooke Seawell

Venture Partner
New Enterprise Associates

Mark A. Stevens

Managing Partner
S-Cubed Capital

FOUNDERS

Jensen Huang

Founder, President, and
Chief Executive Officer

Chris A. Malachowsky

Founder and NVIDIA Fellow

EXECUTIVE TEAM

Colette M. Kress

Executive Vice President and
Chief Financial Officer

Jay Puri

Executive Vice President
Worldwide Field Operations

Debora Shoquist

Executive Vice President
Operations

Timothy S. Teter

Executive Vice President,
General Counsel and Secretary

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP

488 Almaden Boulevard, Suite 1800
San Jose, California 95110

GENERAL LEGAL COUNSEL

Cooley LLP

3175 Hanover Street
Palo Alto, California 94304

TRANSFER AGENT AND REGISTRAR

Computershare

P.O. Box 505000
Louisville, Kentucky 40233-5000
www.computershare.com/investor

ANNUAL MEETING

May 22, 2019, at 10:30 a.m. PDT

Online at
www.virtualshareholdermeeting.com/NVIDIA2019

FORM 10-K

A copy of NVIDIA's Form 10-K filed with the SEC will be made available to all shareholders at no charge.

The Form 10-K also can be accessed through the SEC website at www.sec.gov, or through NVIDIA's Investor Relations website at www.nvidia.com/investor

To receive a copy by mail please contact
Investor Relations
NVIDIA Corporation
2788 San Tomas Expressway
Santa Clara, California 95051
NVIDIAInvestorRelations@nvidia.com



NVIDIA CORPORATION | 2788 San Tomas Expressway, Santa Clara, California 95051 | www.nvidia.com

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