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8e3e2417-55a3-4582-aa27-f4ca95200542,PDF-Parsing-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to- End Driving at Scale category , highlighting the importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. There have been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

Three Months Ended	Six Months Ended
Jul 28, 2024	Jul 30, 2023
Jul 28, 2024	Jul 30, 2023

Revenue 100.0 % 100.0 % 100.0 % 100.0 %

Cost of revenue 24.9 29.9 23.4 31.8

Gross profit 75.1 70.1 76.6 68.2

Operating expenses

Research and development 10.3 15.1 10.4 18.9

Sales, general and administrative 2.8 4.7 2.9 6.1

Total operating expenses 13.1 19.8 13.3 25 .0

Operating income 62.0 50.3 63.3 43.2

Interest income 1.5 1.4 1.4 1.6

Interest expense (0.2) (0.5) (0.2) (0.6)

Other , net 0.6 0.4 0.5 0.2

Other income (expense), net 1.9 1.3 1.7 1.2

Income before income tax 63.9 51.6 65.0 44.4

Income tax expense 8.7 5.9 8.9 4.6

Net income 55.2 % 45.7 % 56.1 % 39.8 %

Revenue

Revenue by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 26,446 \$ 10,402 \$ 16,044 154 %\$ 49,121 \$ 14,862 \$ 34,259 231 %

Graphics 3,5 94 3,105 489 16 % 6,963 5,837 1,126 19 %

Total \$ 30,040 \$ 13,507 \$ 16,533 122 % \$ 56,084 \$ 20,699 \$ 35,385 171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 18,848 \$ 6,728 \$ 12,120 180 % \$ 35,896 \$ 8,887 \$ 27,009 304 %

Graphics 1,369 1,211 158 13 % \$ 2,609 2,258 351 16 %

All Other (1,575) (1,139) (436) 38 % \$ (2,954) (2,204) (750) 34 %

Total \$ 18,642 \$ 6,800 \$ 11,842 174 % \$ 35,551 \$ 8,941 \$ 26,610 298 %

Compute & Networking revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year

2024 was due to strength in Data Center computing and networking for accelerated computing and AI solutions. Revenue from GPU computing grew 166% year-

on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our Hopper GPU architecture computing platform for training and

inferencing of large language models, recommendation engines, and generative AI applications.

Networking was also up 114% year-on-year and 159%

compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was led

by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal

year 2025 compared to the second quarter and first half of fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was due to an increase in stock-based compensation expense reflecting employee growth and compensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Compute & Networking segment, are presented in the following table:

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 28, 2024

Customer A 14 % 14 %

Customer B 11 % *

Customer C 11 % *

Customer D 10 % 10 %

Customer E * 10 %

* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 2025, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the second quarter and first half of fiscal year 2024, respectively. The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of

154% and 234% for the second quarter and first half of 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3 billion for the second quarter and first half of fiscal year 2025, respectively , and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$85 millio n and \$199 million for the second quarter and first half of fiscal year 2025, respectively . The net effect on our

29gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively . Sales of previously reserved invent ory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the seco nd quarter and first half of fiscal year 2024, respectively . The net effect on our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, re spectively .

We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operat ing Expenses

Three Months Ended Six Months Ended
Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in

compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2025 was primarily driven by compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), ne t \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increas es in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt secu rity balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other , net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact of changes in foreign currency rates. The change in Other , net, compared to the second quarter and first half of fis cal year 2024 was primarily driven by an increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7 of the Notes to Condensed Consolidated Financial

Statem ents in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in privately-held and publicly-held equity securities.

30Income T axes

We recognized i ncome tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively , and \$793 million and \$958 million for the second quarter and first half of fiscal year 2024, respectively . Income tax expense as a percentage of income before income tax was 13.6% and 13.7% for the second quarter and first half of fiscal year 2025, respectively , and 11.4% and

10.4% for the second quarter and first half of fiscal year 2024, respectively .

The effective tax rate increased primarily due to a lower percentage of tax benefits from the foreign-derived intangible income deduction relative to the increase in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8, 877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain

maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars.

Refer to Note 6 of the Notes to Condensed Consolidated

Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related

foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash equivalents and marketable securities held outside the U.S.

as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and

\$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On

August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset dilution from shares issued to employees while maintaining adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment opportunities. We plan to continue share repurchases this fiscal year.

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of Ju

ly 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of

July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the

underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations, long-term debt, and purchase obligations, refer to Notes 2,

11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required

disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for

a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on

Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form

10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any

one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a failure to estimate customer demand accurately,

has led and could lead to mismatches between supply and demand.

We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer, component

or capacity supply, and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as

we have experienced in the past, there could be a significant mismatch between supply and demand. This mismatch has resulted in both product shortages and

excess inventory, has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient commitments or capacity to address our business needs, or our long-term demand expectations may change. Additionally, our ability to sell certain products has been and could be impeded if components necessary for the finished products are not available from third parties. This risk may increase as a result of our platform strategy. In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity, which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity, which may require additional deposits. We may not have the ability to reduce our supply commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or overestimate our customers' future demand for our products, or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

- changes in product development cycles and time to market;

- competing technologies and competitor product releases, announcements or other actions;

- changes in business and economic conditions;

- sudden or sustained government lockdowns or public health issues;

- rapidly changing technology or customer requirements;

the availability of sufficient data center capacity or energy for customers to procure;
new product introductions and transitions resulting in less demand for existing products;
new or unexpected end-use cases;
increase in demand for competitive products;
business decisions made by third parties;
the demand for accelerated computing, AI-related cloud services, or large language models;
34 changes that impact the ecosystem for the architectures underlying our products and technologies;
the demand for our products; or
government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase volumes and integration of new suppliers and contract manufacturers into our supply chain may create more complexity in managing multiple suppliers with variations in production planning, execution and logistics. Our expanding product portfolio and varying component compatibility and quality may lead to increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support

new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated computing platforms to meet a growing and diverse set of AI opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product configurations may magnify the challenges associated with managing our supply and demand. Qualification time for new products, customers anticipating product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in our revenue . We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty , or other costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our

product road map may impact our ability to develop other products

or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be

able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product

transitions and have sold multiple product architectures at the same time, these transitions are difficult, may impair our ability to predict demand and impact our

supply mix, and may cause us to incur additional costs. Many end customers often do not purchase directly from us but instead purchase indirectly through

multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by our multiple OEMs, ODMs, system

integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have

impacted and could in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various

downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contract manufacturers experience supply constraints, we may not be

able to increase supply to meet customer demand in a timely manner, or at all. If we cannot procure sufficient supply to meet demand or otherwise 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 harmed. Additionally, since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any

one component have had and may have a broader revenue impact.

If we overestimate our customers' future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may

not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including

due to channel pricing programs that we have implemented and may continue to implement, as a result of our overestimation of future demand, and we may

need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers' increase in prices, and we may need to

continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may

have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of

our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of

35 these impacts has increased and may continue to increase as our purchase obligations and prepaids have grown and are expected to continue to grow and

become a greater portion of our total supply. All of these factors may negatively impact our gross margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to

generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for

Data Center, the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with

any reasonable degree of precision the impact of generative AI models on our reported revenue or

forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers, contract manufacturers, and assembly partners who are critical to our supply continuity, could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand. For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0 merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum mining. This has created and may in the future create increased aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or

previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and reseller marketplaces compete with our new products and distribution channels.

Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content available on our platforms, such as GeForce NOW. Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our platforms, or failure by third-party content providers or publishers to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adversely affect customer demand.

We receive a significant amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectly from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of these customers.

We receive a significant amount of our revenue from a limited number of customers within our distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%, 11%, 11% and 10% of total revenue, respectively, for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networking segment. With several of these channel partners, we are selling multiple products and systems in our portfolio through their channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partners that are involved in system integration with our

key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key customers. Changes in our partners' or customers' business models or their ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to customers. In the future, these partners may decide to purchase fewer products, not to incorporate our products into their ecosystem, or to alter their purchasing patterns in some other way. Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners' or customers' purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors and other channel partners. For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue, attributable to the Compute & Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large customers, a significant reduction in purchases by them, our inability to sell to a customer due to U.S. or other countries' trade restrictions or any difficulties in collecting accounts receivable would likely harm our

financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement; taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our

business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests,

including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying, tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and negatively impact our business and financial results.

37Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI, which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial results. Export controls targeting GPUs and semiconductors associated with AI have subjected and

may in the future subject downstream users of our products

to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively

impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and

customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China

and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our

products, benefiting competitors that offer alternatives less likely to be restricted by further controls.

Repeated changes in the export control rules are likely to

impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting

our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and

development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve

overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our

products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our

sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to various penalties or restrictions on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East. In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to China and Country Groups D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40,

L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The

requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new restrictions or may be able to acquire licenses for their products.

Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing

requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control. Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain

U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or shifting export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government may also impose restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may

restrict the ability of customers to use some of our data center

products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the

products of our suppliers could negatively impact our business and financial results.

39 Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that

negatively impact our ability to receive supply of components, parts, or services from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1

billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase

programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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.

In the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in cash dividends. Our cash dividend program and the

payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the

declaration of dividends thereunder are in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

Period	Total Number of Shares Purchased (In millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (In millions)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (In billions)
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April 29, 2024 - May 26, 2024	23.0	\$ 91.50	23.0	\$ 12.4
May 27, 2024 - June 23, 2024	14.7	\$ 121.36	14.7	\$ 10.6
June 24, 2024 - July 28, 2024	25.1	\$ 123.63	25.1	\$ 7.5
Total	62.8		62.8	

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of \$53.9 billion was available for repurchase.

Restricted Stock Unit Share Withholding

We withhold common stock shares associated with net share settlements to cover tax withholding

obligations upon the vesting of RSU awards under our employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively, for a total value of \$1.6 billion and \$3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approximately \$25 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approximately \$26 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

The above securities were issued in transactions not involving a public offering pursuant to an exemption from registration set forth in Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operations, terminated a Rule 10b5-1 trading arrangement adopted on April 12, 2024 for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11, 2025. 100,110 shares were sold under the plan prior to termination.

40Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Schedule/Form	Exhibit Filing Date
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3.1	Amendment to Restated Certificate of Incorporation of NVIDIA Corporation	8-K 3.1	6/7/2024
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10.1+*	Amended and Restated 2007 Equity Incentive Plan		
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10.2+*	Amended and Restated 2012 Employee Stock Purchase Plan		
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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* Inline XBRL Instance Document - the instance document does not appear in the Interactive

Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema Document

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document

104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

42NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the

Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the

terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company

anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are

foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan

covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign nationals or are employed outside the United States (such 100,000 share reserve, the Foreign Transition Reserve). On the Effective Date, all of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Recipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance

Cash Awards, and (viii) Other Stock Awards.(d)Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive Awards as set forth in Section 1(b), to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Stock Awards.

(e)Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in accordance with the TCJA and any applicable guidance, rulings or regulations issued by any governmental authority.

2. Administration.

(a)Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b)Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each Award will be granted; (C) what type or combination of types of Award will be granted; (D) the

provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award

Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in

accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may be exercised or the time during which it

will vest (or at which cash or shares of Common Stock may be issued); provided, however, that notwithstanding the foregoing or anything in the

Plan to the contrary, the time at which a Participant's Award may be exercised or the time during which a Participant's Award or any part thereof

will vest may only be accelerated in the event of the Participant's death or Disability or in the event of a Corporate Transaction or Change in Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan, but only to the extent required by applicable law or listing requirements. Except as otherwise provided in

the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended

to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based

compensation from the limit on corporate deductibility of compensation paid to Covered Employees,

(ii) Section 422 of the Code regarding

Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including,

but not limited to, amendments to provide terms more favorable than previously provided in the Award Agreement, subject to any specified limits

in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the

status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be

materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant

consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants

consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain the qualified status of the Award as a n

Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code and

the related guidance thereunder, or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best

interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are

necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or

Consultants who are foreign nationals or employed or located outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the

Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d)Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do

one or more of the following to the extent permitted by applicable law: (i) design ate recipients, other than Officers, of Stock Awards, provided that

no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject

to such Stock Awards; and(iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the

terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General

Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to

this section will be granted on the applicable form of Stock Award Agreement most recently approved for use by the Board or the Committee,

with any mod ifications necessary to incorporate or reflect the terms of such Stock Award. Notwithstanding anything to the contrary in this Section

2(d), neither the Board nor any Committee may delegate to any per son or body (who is not a Director or that is not comprised solely of Directors,

respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e)Effect of Board s Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to

review by any person and will be final, binding and conclusive on all persons.

(f)Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the

authority to: (i) reduce the exercise

or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel any outstanding Options or Stock

Appreciation Rights that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Stock

Awards under the Plan, unless the stockholders of the Company have approved such an action within twelve (12) months prior to such an event.

(g) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any

shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; provided,

however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested

under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be

subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any

vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the

Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under

the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of

Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective

Date will not exceed 10,289,710,640 shares

(the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total

reserve that the Company's stockholders approved at the Company's 2007 Annual Meeting of Stockholders, including but not limited to the

shares remaining available for issuance under the Prior Plans on the Effective Date and the Prior Plans Returning Shares, (ii) 25,000,000

shares that were approved at the Company's 2012 Annual Meeting of Stockholders (and reapproved at the Company's 2013 Annual Meeting of

Stockholders), (iii) 10,000,000 shares that were approved at the Company's 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that

were approved at the Company's 2016 Annual Meeting of Stockholders, (v) 23,000,000 shares that were approved at the Company's 2018

Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Company's 2020 Annual Meeting of Stockholders, (vii)

733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii) 51,500,000 shares that were approved at the

Company's 2022 Annual Meeting of Stockholders, and (ix) 9,260,739,576 shares that were added to reflect a 10-for-1 stock split effective June

7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued

pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may

be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company

Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such

issuance will not reduce the number of shares

available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or otherwise terminate, in

whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are

forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase

rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of

such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or

repurchased by the Company, shall revert to and again become available for issuance under the Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the

number of shares subject to the Stock Award that are not delivered to the Participant shall not

remain available for subsequent issuance under the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price of any Stock Award, or the withholding of taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award, then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section 9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an

exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including

shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent

corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b)Ten Percent Stockholders. A Ten Percent S tockholder will not be granted an Incentive Stock Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Optio n is not exercisable after the

expiration of five (5) years from the date of grant.

(c)Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Re gistration Statement

under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of

the Companys securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the

Consultant is a natural person, or because of any other rule governing the use of For m S-8.

5.Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will deem appropriate. All Option s will be

separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate

certificate or certificates will be issued for s hares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically

designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to

qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The

provision s of separate Options or SARs need not be identical; provided, however, that each Award

Agreement will include (through incorporation

of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement (the Expiration Date).

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the

Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the

Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike

price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option

or stock appreciation right in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR

will be denominated in shares of Common Stock equivalents.

(c) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent

permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to

use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of

payment permitted by this Section 5(c) are:

(i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance

of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay

the aggregate exercise price to the Company from the sales proceeds; (iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the

number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not

exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent

of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided,

further, that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (A)

shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise, (B) shares are delivered to the Participant as

a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer,

an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a

Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated

broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and

receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or

administrator of the Participants estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or

SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a

beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of

applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become

exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the

time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board

may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided,

however, that in all cases, in the event that a Participant's Continuous Service terminates as a result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between

the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's

death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award

as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the

termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If,

after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the

Award Agreement (as applicable), the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service

(other than for Cause or upon the Participant's death or Disability) would either (i) be prohibited solely because the issuance of shares of

Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under

Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or

her termination of Continuous Service, then

the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participants Continuous

Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the

Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of the term of the Option or SAR as set forth in

the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant

and the Company, in the event that a Participants Continuous Service terminates as a result of the Participants Disability, the Participant may

exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of

Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous

Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement.

If, after termination of Continuous Service,

the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option

or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and

the Company, in the event that (i) a Participants Continuous Service terminates as a result of the Participants death (which termination event

will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies within the period (if any) specified in the Award Agreement after the termination of the Participants Continuous Service for a reason other than death (which event will not give rise to acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participants estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participants death, but only within the period ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participants death, the Option or SAR is not exercised within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participants Award Agreement, or other individual written agreement between the Company or any Affiliate and the Participant, if a Participants Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participants termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of

grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participants retirement (as such term may be defined in the Participants Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Companys then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six (6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employees regular rate of pay, the provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6.Provisions of Stock Awards other than Options and SARs.

(a)Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Companys Bylaws, at the Boards election, shares of Common Stock may be

(x) held in book entry form subject to the Companys instructions until any restrictions relating to the

Restricted Stock Award lapse; or

(y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of

Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award

Agreements need not be identical, provided, however, that each Restricted Stock Award Agreement will include (through incorporation of the

provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or

electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal

consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the

Company in accordance with a vesting schedule to be determined by the Board; provided, however, that in all cases, in the event a Participant's

Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of

termination of Continuous Service.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company

may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not

vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by

the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its

sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted

Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and

conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to

time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each

Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be

paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if

any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration

that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such

restrictions or conditions to the

vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a

Participants Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of the date of termination of Continuous Service.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Termination of Participants Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participants termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may

require the completion of a specified period of Continuous Service. In the event a Participant's Continuous Service terminates as a result of his or her death, then the Performance Stock Award will be deemed to have been earned at 100% of the target level of performance, will be fully vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such

terms and conditions as the Board or the Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will

certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). With respect to any Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of Continuous Service.

7. Covenants of the Company.

(a) Availability of Shares. During the terms of the Stock Awards, the Company will keep available at

all times the number of shares of

Common Stock reasonably required to satisfy such Stock Awards.

(b)Securities Law Compliance. The Company will s eek to obtain from each regulatory commission or agency having jurisdiction over the

Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue an d sell shares of Common

Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities

Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if

the cost or efforts to obtain the approval is unreasonable in relation to the value of the ben efits to be provided under the Plan, as determined by

the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such

regulator y commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common

Stock under the Plan, the Company will be relieved from any liability for f ailure to issue and sell Common Stock upon exercise of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent iss uance of cash

or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c)No Obligation to Notify or Minimize Taxes. The Company will ha ve no duty or obligation to any Participant to advise such Participant

as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or othe rwise advise

such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. Miscellaneous.

(a) Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any

Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the

instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that

the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g.,

exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the

papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in

the Award Agreement.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any

shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance

of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the

books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the

event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f) Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to

which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company

and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing

Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise

do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option

Agreement(s) or any Board or Committee resolutions related thereto.

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any

Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business

matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial

and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of

exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given

pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h)Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance contributions, payment on account or any other taxes) by any of the following means (in addition to the Companys right to withhold from any compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the

Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered

electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock

or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs

and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the

Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise

providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual

percentages, Participants may receive payments, including lump sum payments, following the Participants termination of Continuous Service,

and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k)Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will

be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of

the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted

hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award

Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines.

necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, and upon ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested,

exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated)

before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate

Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or

continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate

Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards

may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such

Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar

stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose

Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness

of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine

(or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction),

and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or

repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate

Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring

corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such

outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Companys right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(d)Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such Change in Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or

substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness

of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if

the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Change in Control), and such

Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Change in Control, and any reacquisition or

repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock Award is assumed, continued, or substituted by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or

constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10. Termination or Suspension of the Plan.

(a) Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the foregoing definition.

(b) Award means a Stock Award or a Performance Cash Award.

(c) Award Agreement means a written agreement between the Company and a Participant

evidencing the terms and conditions of an

Award.

(d)Board means the Board of Directors of the Company.

(e)Capitalization Adjustment means any change that is made in, or other events that occur with respect to, the Common Stock subject

to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger,

consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating

dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is

used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the

foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment .

(f)Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that relates to equity awards and contains a

definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not party to any such agreement, such

Participants termination because of (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (B) the Participants commission

of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer, Director or Consultant to the Company or an Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the Participant, (D) the Participants disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property, reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Companys then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Companys

securities in a transaction or series of related

transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the

outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares

outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting

securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that,

assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the

Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and,

immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior

thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting

power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power

of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as

their Ownership of the outstanding voting securities of the Company immediately prior to such

transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of

all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or

right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not include a sale of assets, merger or other

transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any

analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of Change in Control to conform to the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h) Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i) Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(j) Common Stock means the common stock of the Company.

(k) Company means, "Here is a structured extraction of the relevant sections from Nvidia's 10-K report, including financial statements, risk factors, and market analysis:

Financial Statements

Results of Operations

Condensed Consolidated Statements of Income (as a percentage of revenue)

Item	Three Months Ended		Six Months Ended	
	Jul 28, 2024		Jul 30, 2023	
	Jul 28, 2024	Jul 30, 2023	Jul 28, 2024	Jul 30, 2023
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of Revenue	24.9%	29.9%	23.4%	31.8%
Gross Profit	75.1%	70.1%	76.6%	68.2%
Operating Expenses				
- Research and Development	10.3%	15.1%	10.4%	18.9%
- Sales, General and Admin	2.8%	4.7%	2.9%	6.1%
Total Operating Expenses	13.1%	19.8%	13.3%	25.0%
Operating Income	62.0%	50.3%	63.3%	43.2%
Interest Income	1.5%	1.4%	1.4%	1.6%
Interest Expense	(0.2%)	(0.5%)	(0.2%)	(0.6%)
Other, Net	0.6%	0.4%	0.5%	0.2%
Other Income (Expense), Net	1.9%	1.3%	1.7%	1.2%
Income Before Income Tax	63.9%	51.6%	65.0%	44.4%
Income Tax Expense	8.7%	5.9%	8.9%	4.6%
Net Income	55.2%	45.7%	56.1%	39.8%

Revenue by Reportable Segments

**** (in millions) ****

Segment	Three Months Ended	Change %	Six Months Ended	Change %
	Jul 28, 2024		Jul 28, 2024	
Compute & Networking	\$26,446	154%	\$49,121	231%
Graphics	\$3,594	16%	\$6,963	19%
Total	**\$30,040**	122%	**\$56,084**	171%

Risk Factors

- **Supply Chain Risks****: Long manufacturing lead times and uncertain supply and component availability could lead to mismatches between supply and demand, resulting in product shortages or excess inventory.
- **Customer Demand Estimation****: Inaccurate estimates of customer demand can lead to significant mismatches between supply and demand, impacting revenue and financial results.
- **Regulatory Risks****: Compliance with complex laws and regulations, including export controls and tariffs, could adversely affect operations and financial results.
- **Concentration of Revenue****: A significant portion of revenue comes from a limited number of customers, and losing any of these customers could harm financial performance.
- **Geopolitical Risks****: Tensions, particularly involving Taiwan and China, could disrupt supply chains and impact revenue.

6. **Technological Changes**: Rapid changes in technology and customer requirements could affect demand for products and services.

Market Analysis

- **Generative AI Demand**: The introduction of generative AI models has driven increased demand for Data Center products, with revenue from GPU computing growing significantly year-on-year.
- **Automotive Sector Growth**: Automotive revenue increased by 37% year-on-year, indicating strong growth in this segment.
- **International Revenue**: Revenue from sales to customers outside the U.S. accounted for 57% of total revenue for the second quarter of fiscal year 2025, reflecting a strong international market presence.
- **Investment in R&D**: Increased investment in research and development is expected to drive future growth, with a focus on next-generation products.

This structured format provides a clear overview of Nvidia's financial performance, risk factors, and market analysis, facilitating further analysis by other agents.",2024-08-31T16:29:38.8931328e3e2417-55a3-4582-aa27-f4ca95200542,Financial-Analysis-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA

Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer

Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to- End Driving at Scale category , highlighting the importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

R efer to Part II, Item 7, ""Critical Accounting Policies and Estimates"" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. There have been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

	Three Months Ended		Six Months Ended	
	Jul 28, 2024	Jul 30, 2023	Jul 28, 2024	Jul 30, 2023
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	24.9	29.9	23.4	31.8
Gross profit	75.1	70.1	76.6	68.2
Operating expenses				
Research and development	10.3	15.1	10.4	18.9
Sales, general and administrative	2.8	4.7	2.9	6.1

Total operating expenses 13.1 19.8 13.3 25 .0

Operating income 62.0 50.3 63.3 43.2

Interest income 1.5 1.4 1.4 1.6

Interest expense (0.2) (0.5) (0.2) (0.6)

Other , net 0.6 0.4 0.5 0.2

Other income (expense), net 1.9 1.3 1.7 1.2

Income before income tax 63.9 51.6 65.0 44.4

Income tax expense 8.7 5.9 8.9 4.6

Net income 55.2 % 45.7 % 56.1 % 39.8 %

Revenue

Revenue by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 26,446 \$ 10,402 \$ 16,044 154 %\$ 49,121 \$ 14,862 \$ 34,259 231 %

Graphics 3,5 94 3,105 489 16 % 6,963 5,837 1,126 19 %

Total \$ 30,040 \$ 13,507 \$ 16,533 122 %\$ 56,084 \$ 20,699 \$ 35,385 171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 18,848 \$ 6,728 \$ 12,120 180 % \$ 35,896 \$ 8,887 \$ 27,009 304 %

Graphics 1,369 1,211 158 13 % \$ 2,609 2,258 351 16 %

All Other (1,575) (1,139) (436) 38 % \$ (2,954) (2,204) (750) 34 %

Total \$ 18,642 \$ 6,800 \$ 11,842 174 % \$ 35,551 \$ 8,941 \$ 26,610 298 %

Compute & Networking revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year

2024 was due to strength in Data Center computing and networking for accelerated computing and AI solutions. Revenue from GPU computing grew 166% year-

on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our Hopper GPU architecture computing platform for training and

inferencing of large language models, recommendation engines, and generative AI applications. Networking was also up 114% year-on-year and 159%

compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was led by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024

was due to an increase in stock-based compensation expense reflecting employee growth and c

ompensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Compute & Networking segment, are presented in the following table:

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 28, 2024

Customer A 14 % 14 %

Customer B 11 % *

Customer C 11 % *

Customer D 10 % 10 %

Customer E * 10 %

* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 2025, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the second quarter and first half of fiscal year 2024, respectively. The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of 154% and 234% for the second quarter and first half of 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3 billion for the second quarter and first half of fiscal year 2025, respectively, and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase

obligations resulted in a provision release of \$85 million and \$199 million for the second quarter and first half of fiscal year 2025, respectively . The net effect on our

gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively . Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the second quarter and first half of fiscal year 2024, respectively . The net effect on our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, respectively .

We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operating Expenses

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in

compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in

compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2025 was primarily driven by compensation and

benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), net \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increases in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt security balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other, net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact of changes in foreign currency rates. The change in Other, net, compared to the second quarter and first half of fiscal year 2024 was primarily driven by an increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7 of the Notes to Condensed Consolidated Financial

Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in privately-held and publicly-held equity securities.

30Income Taxes

We recognized income tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively, and \$793 million and \$958 million for the second quarter and first half of fiscal year 2024, respectively. Income tax expense as a percentage of income before income tax was 13.6% and 13.7% for the second quarter and first half of fiscal year 2025, respectively, and 11.4% and 10.4% for the second quarter and first half of fiscal year 2024, respectively.

The effective tax rate increased primarily due to a lower percentage of tax benefits from the foreign-derived intangible income deduction relative to the increase in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation

allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8,877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 6 of the Notes to Condensed Consolidated

Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related

foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash

equivalents and marketable securities held outside the U.S.

as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and

\$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On

August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a

total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset dilution from shares issued to employees while maintaining

adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment

opportunities. We plan to continue share repurchases this fiscal year .

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of July 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of

July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations, long-term debt, and purchase obligations, refer to Notes 2,

11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk

in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024,

there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of

our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a failure to estimate customer demand accurately, has led and could lead to mismatches between supply and demand.

We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer, component or capacity supply, and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as we have experienced in the past, there could be a significant mismatch between supply and demand. This mismatch has resulted in both product shortages and excess inventory, has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient commitments for capacity to address our business needs, or our long-term demand expectations may change. Additionally, our ability to sell certain products has been and could be impeded if components necessary for the

finished products are not available from third parties. This risk may increase as a result of our platform strategy . In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity , which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity , which may require additional deposits. We may not have the ability to reduce our supply commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or overestimate our customers future demand for our products, or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

changes in product development cycles and time to market;

competing technologies and competitor product releases, announcements or other actions;

changes in business and economic conditions;

sudden or sustained government lockdowns or public health issues ;

rapidly changing technology or customer requirements;

the availability of sufficient data center capacity or energy for customers to procure;

new product introductions and transitions resulting in less demand for existing products;

new or unexpected end-use cases;

increase in demand for competitive products;

business decisions made by third parties;

the demand for accelerated computing, AI-related cloud services, or large language models;

34 changes that impact the ecosystem for the architectures underlying our products and technologies;

the demand for our products; or

government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have

also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase

volumes and integration of new suppliers and contract manufacturers into our supply chain may create more complexity in managing multiple suppliers with

variations in production planning, execution and logistics. Our expanding product portfolio and varying component compatibility and quality may lead to

increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments

exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have

experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support

new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated computing platforms to meet a growing and diverse set of AI

opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year

and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product configurations may magnify the challenges associated with managing our supply and demand. Qualification time for new products, customers anticipating product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in our revenue. We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty, or other costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our product road map may impact our ability to develop other products or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product transitions and have sold multiple product architectures at the same time, these transitions are

difficult, may impair our ability to predict demand and impact our supply mix, and may cause us to incur additional costs. Many end customer s often do not purchase directly from us but instead purchase indirectly through multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by o ur multiple OEMs, ODMs, system integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have impacted and c ould in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contra ct manufacturers experience supply constraints, we may not be able to increase supply to meet customer dema nd in a timely manner , or at all. If we cannot procure sufficient sup ply to meet demand or otherwise fail to fulfill our custome rs orders on a timely basis, or at all, our customer relationships could be damage d, we could lose revenue and market share and our reputa tion could be harmed. Additionally , since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any one component have had and may have a broader revenue impact.

If we overestimate our customers future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including due to channel pricing programs that we have imple mented and may continue to implement, as a

result of our overestimation of future demand, and we may need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers' increase in prices, and we may need to continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of these impacts has increased and may continue to increase as our purchase obligations and prepaids have grown and are expected to continue to grow and become a greater portion of our total supply. All of these factors may negatively impact our gross margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for Data Center, the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with any reasonable degree of precision the impact of generative AI models on our reported revenue or forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers,

contract manufacturers, and assembly partners who are critical to our supply continuity, could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand. For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0 merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum mining. This has created and may in the future create increased aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and reseller marketplaces compete with our new products and distribution channels.

Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content

available on our platforms, such as GeForce NOW . Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our p latforms, or failure by third-party content providers or publisher s to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adverse ly affect customer demand.

We receive a significa nt amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectl y from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of these customers.

We receive a significant amount of our revenue from a limited numb er of customers within our distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%,11%, 11% and 10% of total revenue, respectively , for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networ king segment. With several of these channel partners, we are selling multiple products and systems in our portfolio throug h their channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partner s that are involved in system integration with our key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key custome rs. Changes in our partners' or customers' business models or their ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to custome rs. In the future, these partners may decide to purchase fewer products , not to incorporate our products into their

ecosystem, or to alter their purchasing patterns in some other way.

Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners or customers purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors and other channel partners. For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue, attributable to the Compute & Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large customers, a significant reduction in purchases by them, our inability to sell to a customer due to U.S. or other countries trade restrictions or any difficulties in collecting accounts receivable would likely harm our financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement;

taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received

requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our

customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying, tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and

negatively impact our business and financial results.

37Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export

control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated

products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and

application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively

impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and

could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI,

which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even

though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial

results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products

to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively

impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and

customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to various penalties or restrictions on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East. In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to China and Country Group's D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40, L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to

China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new restrictions or may be able to acquire licenses for their products. Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive

position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling

mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control.

Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or shifting export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls

may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government may also impose restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the products of our suppliers could negatively impact our business and financial results.

39Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that

negatively impact our ability to receive supply of components, parts, or services from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively . As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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.

In the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively , in cash dividends. Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors ' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

Period	Total Number of Shares Purchased (In millions)	Average Price Paid
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per Share Total Number of Shares

Purchased as Part of

Publicly Announced

Program

(In millions) Approximate Dollar Value

of Shares that May Yet Be

Purchased Under the

Program

(In billions)

April 29, 2024 - May 26, 2024 23.0 \$ 91.50 23.0 \$ 12.4

May 27, 2024 - June 23, 2024 14.7 \$ 121.36 14.7 \$ 10.6

June 24, 2024 - July 28, 2024 25.1 \$ 123.63 25.1 \$ 7.5

Total 62.8 62.8

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024

through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of

\$53.9 billion was available for repurchase.

Restricted Stock Unit Share Withholding

We withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU awards under our

employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively,

for a total value of \$1.6 billion and \$3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approxi-

ately \$25 million based on our closing stock price on the date of
issuanc e, to key employees of a company we acquired.
On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approxima tely
\$26 million based on our closing stock price on the dat e of
issuance, to key employees of a company we acquired.
The above securities were issued in transactions not involving a public offering pursuant to an
exemption from registration set forth in Secti on4(a)(2) of
theSecurities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operatio ns, terminated a
Rule 10b5-1 trading arrangement adopted on April 12, 2024
for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11,
2025. 100,1 10 shares were sold under the plan prior to
termination.

40Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Schedule/Form	Exhibit Filing Date
3.1	Amendment to Restated Certificate of Incor poration of NVIDIA Corporation	8-K	3.1 6/7/2024
10.1+*	Amended and Restated 2007 Equity Incentive Plan		
10.2+*	Amended and Restated 2012 Employee Stock Purchase Plan		
31.1*	Certification of Chief Execu tive Of ficer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
31.2*	Certification of Chief Financial Of ficer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
32.1#*	Certification of Chief Executive Of ficer 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* Inline XBRL Instance Document - the instance document does not appear in the Interactive

Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema Document

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document

104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

42NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the

Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the

terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company

anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are

foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan

covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign

nationals or are employed outside the United States (such 100,000 share reserve, the Foreign Transition Reserve). On the Effective Date, all

of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that

the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Recipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options,

(iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance

Cash Awards, and (viii) Other Stock Awards.(d)Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive

Awards as set forth in Section 1(b), to provide incentives for such persons to exert maximum efforts for the success of the Company and any

Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common

Stock through the granting of Stock Awards.

(e)Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in accordance with the TCJA and any applicable guidance, rulings or regulations issued by any governmental authority.

2. Administration.

(a)Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b)Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each Award will be granted; (C) what type or combination of types of Award will be granted; (D) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and

revoke rules and regulations for its

administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award

Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the

Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in

accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may be exercised or the time during which it

will vest (or at which cash or shares of Common Stock may be issued); provided, however, that notwithstanding the foregoing or anything in the

Plan to the contrary, the time at which a Participant's Award may be exercised or the time during which a Participant's Award or any part thereof

will vest may only be accelerated in the event of the Participant's death or Disability or in the event of a Corporate Transaction or Change in

Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan, but only to the extent required by applicable law or listing requirements. Except as otherwise provided in

the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended

to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based

compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (ii) Section 422 of the Code regarding

Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including,

but not limited to, amendments to provide terms more favorable than previously provided in the

Award Agreement, subject to any specified limits

in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the

status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be

materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant

consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants

consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain the qualified status of the Award as a n

Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code and

the related guidance thereunder, or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best

interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are

necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or Consultants who are foreign nationals or

employed or located outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration

of the Plan is delegated to a Committee, the Committee will have, in connection with the

administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do

one or more of the following to the extent permitted by applicable law: (i) designate recipients, other

than Officers, of Stock Awards, provided that

no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject

to such Stock Awards; and(iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the

terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General

Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to

this section will be granted on the applicable form of Stock Award Agreement most recently approved for use by the Board or the Committee,

with any modifications necessary to incorporate or reflect the terms of such Stock Award.

Notwithstanding anything to the contrary in this Section

2(d), neither the Board nor any Committee may delegate to any person or body (who is not a Director or that is not comprised solely of Directors,

respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e)Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to

review by any person and will be final, binding and conclusive on all persons.

(f)Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the authority to: (i) reduce the exercise

or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel any outstanding Options or Stock

Appreciation Rights that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Stock

Awards under the Plan, unless the stockholders of the Company have approved such an action

within twelve (12) months prior to such an event.

(g) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any

shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; provided,

however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested

under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be

subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any

vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the

Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under

the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of

Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective Date will not exceed 10,289,710,640 shares

(the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total

reserve that the Company's stockholders approved at the Company's 2007 Annual Meeting of Stockholders, including but not limited to the

shares remaining available for issuance under the Prior Plans on the Effective Date and the Prior

Plans Returning Shares, (ii) 25,000,000

shares that were approved at the Companys 2012 Annual Meeting of Stockholders (and reapproved at the Companys 2013 Annual Meeting of

Stockholders), (iii) 10,000,000 shares that were approved at the Companys 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that

were approved at the Companys 2016 Annual Meeting of Stockholders, (v) 23,000,000 shares that were approved at the Companys 2018

Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Companys 2020 Annual Meeting of Stockholders, (vii)

733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii) 51,500,000 shares that were approved at the

Companys 2022 Annual Meeting of Stockholders, and (ix) 9,260,739,576 shares that were added to reflect a 10-for-1 stock split effective June

7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued

pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may

be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company

Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares

available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or

otherwise terminate, in

whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are

forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase

rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of

such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or

repurchased by the Company, shall revert to and again become available for issuance under the Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the

number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under

the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in

satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant

shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price

of any Stock Award, or the withholding of

taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual

delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares

of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award,

then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section 9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be

eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an

exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more

than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance

Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e)Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including

shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a)Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent

corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b)Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the

expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Registration Statement

under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of

the Company's securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the

Consultant is a natural person, or because of any other rule governing the use of Form S-8.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will deem appropriate. All Options will be

separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate

certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically

designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to

qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The

provisions of separate Options or SARs need not be identical; provided, however, that each Award Agreement will include (through incorporation

of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the

expiration of ten (10) years from the date of its grant or such shorter period specified in the Award

Agreement (the Expiration Date).

(b)Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the

Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the

Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike

price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option

or stock appreciation right in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR

will be denominated in shares of Common Stock equivalents.

(c)Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent

permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to

use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of

payment permitted by this Section 5(c) are:

(i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance

of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay

the aggregate exercise price to the Company from the sales proceeds;(iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the

number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not

exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent

of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided,

further, that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (A)

shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise, (B) shares are delivered to the Participant as

a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d)Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of

the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is

vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation

distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the

Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options

and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such

additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the

following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or

pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided,

however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities

laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer,

an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an

Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a

Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participants estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided, however, that in all cases, in the event that a Participants Continuous Service terminates as a result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause or upon the Participant's death or Disability) would either (i) be prohibited solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or her termination of Continuous Service, then the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of

the term of the Option or SAR as set forth in

the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant

and the Company, in the event that a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may

exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of

Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous

Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement.

If, after termination of Continuous Service,

the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option

or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and

the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death (which termination event

will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies within the period (if any) specified in the

Award Agreement after the termination of the Participant's Continuous Service for a reason other than death (which event will not give rise to

acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled

to exercise such Option or SAR as of the date of death) by the Participants estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participants death, but only within the period ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participants death, the Option or SAR is not exercised within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(k)Termination for Cause. Except as explicitly provided otherwise in a Participants Award Agreement, or other individual written agreement between the Company or any Affiliate and the Participant, if a Participants Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participants termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.(l)Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participants retirement (as such term may be defined in the

Participant's Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six (6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. Provisions of Stock Awards other than Options and SARs.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical, provided, however, that each Restricted Stock Award

Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of termination of Continuous Service.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its

sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of the date of termination of Continuous Service.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Termination of Participants Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participants termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may require the completion of a specified period of Continuous Service. In the event a Participants Continuous Service terminates as a result of his or her death, then the Performance Stock Award will be deemed to have been earned at 100% of the target level of performance, will be fully vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance

Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such

Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to

qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent

permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be

used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during

a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of

Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the

measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to

the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its

sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such terms and conditions as the Board or the

Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a

specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may

be cash or other property, or may provide for a Participant to have the option for his or her

Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code

with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance

Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after

the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any

event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any

compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will

certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases

where such relate solely to the increase in the value of the Common Stock). With respect to any Award intended to qualify as performance-

based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due

upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of Continuous Service.

7. Covenants of the Company.

(a) Availability of Shares. During the terms of the Stock Awards, the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue and sell shares of Common

Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities

Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if

the cost or efforts to obtain the approval is unreasonable in relation to the value of the benefits to be provided under the Plan, as determined by

the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such

regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common

Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash

or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c)No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such Participant

as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise

such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the

Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an Award to the holder of such Award.8.Miscellaneous.

(a)Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b)Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

(c)Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d)No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the

employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e)Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f)Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company

and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing

Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise

do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option

Agreement(s) or any Board or Committee resolutions related thereto.

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any

Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business

matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial

and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of

exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently

effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the

Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon

advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h)Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance contributions, payment on account or any other taxes) by any of the following means (in addition to the Companys right to withhold from any compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may

determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participants termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically

provides otherwise), if the shares of Common

Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a

specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation

from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date

that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless

such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in

a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.(l) Clawback/Recovery. All Awards granted under the Plan will be subject to

recoupment in accordance with any clawback policy that the

Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's

securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In

addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines

necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other

cash or property upon the occurrence of Cause.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the

class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b)Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, and upon ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to the Companys right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Companys repurchase rights or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c)Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate

Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate

Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards

may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such

Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose

Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be

exercised) will (contingent upon the effectiveness of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at least five (5) business days to the

holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(d) Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in

Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue

any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in

Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be

assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Change in

Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or

substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Change in Control in which the surviving corporation

or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Change in Control), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Change in Control, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock Award is assumed, continued, or substituted by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10. Termination or Suspension of the Plan.

(a) Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the

tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the foregoing definition.

(b) Award means a Stock Award or a Performance Cash Award.

(c) Award Agreement means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) Board means the Board of Directors of the Company.

(e) Capitalization Adjustment means any change that is made in, or other events that occur with respect to, the Common Stock subject

to the Plan or subject to any Stock Award after the Effective Date without the receipt of

consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment .

(f) Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that relates to equity awards and contains a definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not party to any such agreement, such

Participants termination because of (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (B) the Participants commission

of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an

Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer, Director or Consultant to the Company or an

Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such

Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the Participant, (D) the Participant's disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property, reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the

outstanding voting securities as a result of a repurchase or other acquisition of voting securities by

the Company reducing the number of shares

outstanding, provided that if a Change in Control would occur (but for the operation of this sentence)

as a result of the acquisition of voting

securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that,

assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the

Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and,

immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior

thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting

power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power

of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as

their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the

voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of

all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or

right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not include a sale of assets, merger or other

transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any

analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing

definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term

is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed

to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other

transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such

transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of

the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition

thereunder). The Board may, in its sole discretion and without a Participants consent, amend the definition of Change in Control to conform to

the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h)Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i)Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with

Section 2(c).

(j)Common Stock means the common stock of the Company.

(k)Company means, "### Financial Analysis of Nvidia's 10-K Report

Overview

Nvidia has demonstrated significant growth in revenue and profitability, driven primarily by its Compute & Networking segment, which has seen explosive demand due to advancements in AI and data center technologies. The company's financial health appears robust, with strong liquidity and manageable debt levels.

Key Financial Metrics

1. **Revenue Growth**

- **Total Revenue**: For the second quarter of fiscal year 2025, Nvidia reported total revenue of \$30.04 billion, a 122% increase from \$13.51 billion in the same quarter of the previous year.
- **Segment Performance**:
 - **Compute & Networking**: Revenue surged by 154% year-over-year to \$26.45 billion.
 - **Graphics**: Revenue increased by 16% year-over-year to \$3.59 billion.
- **Year-to-Date Revenue**: For the first half of fiscal year 2025, total revenue reached \$56.08 billion, up 171% from \$20.70 billion in the prior year.

2. **Profitability**

- **Gross Profit Margin**: The gross profit margin improved significantly to 75.1% for the second quarter and 76.6% for the first half of fiscal year 2025, compared to 70.1% and 68.2% in the same periods of the previous year.
- **Operating Income**: Operating income for the second quarter was \$18.64 billion, a 174% increase from \$6.80 billion year-over-year. The operating margin also improved to 62% from 50.3%.
- **Net Income**: Net income for the second quarter was \$16.56 billion, representing a net margin of 55.2%, up from 45.7% in the previous year.

3. **Operating Expenses**

- **Total Operating Expenses**: Operating expenses decreased as a percentage of revenue, with R&D expenses at 10.3% and SG&A at 2.8% for the second quarter, down from 15.1% and 4.7%, respectively, in the prior year.
- **R&D Investment**: Despite the decrease in percentage terms, R&D expenses increased in absolute terms, reflecting Nvidia's commitment to innovation.

4. **Liquidity**

- **Cash and Cash Equivalents**: As of July 28, 2024, Nvidia had \$8.56 billion in cash and cash equivalents, and \$26.24 billion in marketable securities, totaling \$34.80 billion in liquid assets.
- **Operating Cash Flow**: Net cash provided by operating activities was \$29.83 billion for the first half of fiscal year 2025, significantly up from \$9.26 billion in the prior year.

5. **Solvency**

- **Debt Levels**: Nvidia's total long-term debt stood at \$8.46 billion, with no short-term debt. The company has a manageable debt-to-equity ratio, indicating a strong solvency position.
- **Interest Coverage**: The interest expense was minimal at \$61 million for the second quarter, suggesting that Nvidia can comfortably cover its interest obligations.

Financial Ratios

- **Gross Margin**: 75.1% (Q2 FY2025) vs. 70.1% (Q2 FY2024)
- **Operating Margin**: 62% (Q2 FY2025) vs. 50.3% (Q2 FY2024)
- **Net Profit Margin**: 55.2% (Q2 FY2025) vs. 45.7% (Q2 FY2024)
- **Current Ratio**: Not explicitly provided, but liquidity appears strong with significant cash reserves.
- **Debt-to-Equity Ratio**: Not explicitly provided, but manageable given the low level of debt relative to equity.

Trends and Insights

- **Strong Demand for AI Solutions**: The growth in the Compute & Networking segment is largely attributed to the increasing demand for AI and data center solutions, particularly for Nvidia's GPU products.

- ****Investment in R&D****: Nvidia continues to invest heavily in R&D, which is crucial for maintaining its competitive edge in the rapidly evolving tech landscape.
- ****Shareholder Returns****: Nvidia has been active in returning capital to shareholders through dividends and share repurchases, indicating confidence in its cash flow generation.

Conclusion

Nvidia's financial performance in the latest quarter reflects a strong growth trajectory, driven by robust demand for its products in AI and data centers. The company maintains a solid liquidity position and profitability metrics, positioning it well for future growth. Executive decision-making should focus on sustaining this momentum through continued investment in innovation and strategic capital allocation.",2024-08-31T16:29:38.893132

8e3e2417-55a3-4582-aa27-f4ca95200542,Risk-Assessment-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer

Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to-End Driving at Scale category, highlighting the importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. There have been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

	Three Months Ended		Six Months Ended	
	Jul 28, 2024	Jul 30, 2023	Jul 28, 2024	Jul 30, 2023
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	24.9	29.9	23.4	31.8
Gross profit	75.1	70.1	76.6	68.2
Operating expenses				
Research and development	10.3	15.1	10.4	18.9
Sales, general and administrative	2.8	4.7	2.9	6.1
Total operating expenses	13.1	19.8	13.3	25.0
Operating income	62.0	50.3	63.3	43.2
Interest income	1.5	1.4	1.4	1.6
Interest expense	(0.2)	(0.5)	(0.2)	(0.6)
Other , net	0.6	0.4	0.5	0.2
Other income (expense), net	1.9	1.3	1.7	1.2
Income before income tax	63.9	51.6	65.0	44.4
Income tax expense	8.7	5.9	8.9	4.6
Net income	55.2 %	45.7 %	56.1 %	39.8 %
Revenue				

Revenue by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 26,446 \$ 10,402 \$ 16,044 154 %\$ 49,121 \$ 14,862 \$ 34,259 231 %

Graphics 3,5 94 3,105 489 16 % 6,963 5,837 1,126 19 %

Total \$ 30,040 \$ 13,507 \$ 16,533 122 %\$ 56,084 \$ 20,699 \$ 35,385 171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 18,848 \$ 6,728 \$ 12,120 180 %\$ 35,896 \$ 8,887 \$ 27,009 304 %

Graphics 1,369 1,211 158 13 %\$ 2,609 2,258 351 16 %

All Other (1,575) (1,139) (436) 38 %\$ (2,954) (2,204) (750) 34 %

Total \$ 18,642 \$ 6,800 \$ 11,842 174 %\$ 35,551 \$ 8,941 \$ 26,610 298 %

Compute & Networking revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year

2024 was due to strength in Data Center computing and networking for accelerated computing and

AI solutions. Revenue from GPU computing grew 166% year-on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our Hopper GPU architecture computing platform for training and inferencing of large language models, recommendation engines, and generative AI applications. Networking was also up 114% year-on-year and 159% compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was led by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was due to an increase in stock-based compensation expense reflecting employee growth and compensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and

system integ rators. We have certain customers that may purchase products directly from NVIDIA and may use either internal re sources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service provide rs, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Comp ute & Networking segment, are presented in the following table:

	Three Months Ended	Six Months Ended
	Jul 28, 2024	Jul 28, 2024

Customer A	14 %	14 %
------------	------	------

Customer B	11 %	*
------------	------	---

Customer C	11 %	*
------------	------	---

Customer D	10 %	10 %
------------	------	------

Customer E	*	10 %
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* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distrib utors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 202 5, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data

and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the second quarter and first half of fiscal year 2024, respectively. The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of 154% and 234% for the second quarter and first half of 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3 billion for the second quarter and first half of fiscal year 2025, respectively, and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$85 million and \$199 million for the second quarter and first half of fiscal year 2025, respectively. The net effect on our

gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the second quarter and first half of fiscal year 2024, respectively. The net effect on

our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, respectively . We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operating Expenses

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 20 25 was primarily driven by compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2 024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), ne t \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increas es in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt secu rity balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other , net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact

of changes in foreign currency rates. The change in Other , net, compared to the second quarter and first half of fis cal year 2024 was primarily driven by an

increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7

of the Notes to Condensed Consolidated Financial

Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in privately-held and publicly-held equity securities.

Income Taxes

We recognized income tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively, and \$793 million and \$958 million for the second quarter and first half of fiscal year 2024, respectively. Income tax expense as a percentage of income before income tax was 13.6% and 13.7% for the second quarter and first half of fiscal year 2025, respectively, and 11.4% and 10.4% for the second quarter and first half of fiscal year 2024, respectively.

The effective tax rate increased primarily due to a lower percentage of tax benefits from the foreign-derived intangible income deduction relative to the increase in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8,877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have

sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 6 of the Notes to Condensed Consolidated

Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash equivalents and marketable securities held outside the U.S.

as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are

subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and

\$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On

August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a

total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset dilution from shares issued to employees while maintaining

adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment

opportunities. We plan to continue share repurchases this fiscal year.

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made

after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of July 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of

July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual

Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations, long-term debt, and purchase obligations, refer to Notes 2, 11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively .

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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 re

flect 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a

failure to estimate customer demand accurately ,
has led and could lead to mismatches between supply and demand.
We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer , component or capacity supply , and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as we have experienced in the past, there could be a significant mismatch between supply and demand. This mismatch has resulted in both product shortages and excess inventory , has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient commitments for capacity to address our business needs, or our long-term demand expectations may change. Additionally , our ability to sell certain products has been and could be impeded if components necessary for the finished products are not available from third parties. This risk may increase as a result of our platform strategy . In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity , which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity , which may require additional deposits. We may not have the ability to reduce our supply

commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or overestimate our customers' future demand for our products,

or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

changes in product development cycles and time to market;

competing technologies and competitor product releases, announcements or other actions;

changes in business and economic conditions;

sudden or sustained government lockdowns or public health issues ;

rapidly changing technology or customer requirements;

the availability of sufficient data center capacity or energy for customers to procure;

new product introductions and transitions resulting in less demand for existing products;

new or unexpected end-use cases;

increase in demand for competitive products;

business decisions made by third parties;

the demand for accelerated computing, AI-related cloud services, or large language models;

34 changes that impact the ecosystem for the architectures underlying our products and technologies;

the demand for our products; or

government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have

also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase

volumes and integration of new suppliers and contract manufacturers into our supply chain may

create more complexity in managing multiple suppliers with variations in production planning, execution and logistics. Our expanding product portfolio and varying component compatibility and quality may lead to increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated computing platforms to meet a growing and diverse set of AI opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product configurations may magnify the challenges associated with managing our supply and demand. Qualification time for new products, customers anticipating product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in our revenue . We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to

execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty, or other costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our product road map may impact our ability to develop other products or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product transitions and have sold multiple product architectures at the same time, these transitions are difficult, may impair our ability to predict demand and impact our supply mix, and may cause us to incur additional costs. Many end customers often do not purchase directly from us but instead purchase indirectly through multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by our multiple OEMs, ODMs, system integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have impacted and could in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contract manufacturers experience supply constraints, we may not be able to increase supply to meet customer demand in a timely manner, or at all. If we cannot procure sufficient supply to meet demand or otherwise 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 harmed. Additionally, since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any one component have had and may have a broader revenue impact.

If we overestimate our customers' future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including due to channel pricing programs that we have implemented and may continue to implement, as a result of our overestimation of future demand, and we may need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers' increase in prices, and we may need to continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of

35 these impacts has increased and may continue to increase as our purchase obligations and

prepaids have grown and are expected to continue to grow and become a greater portion of our total supply . All of these factors may negatively impact our gross margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for Data Center , the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with any reasonable degree of precision the impact of generative AI models on our reported revenue or forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers, contract manufacturers, and assembly partners who are critical to our supply continuity , could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand. For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new

compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0 merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum mining. This has created and may in the future create increased aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and reseller marketplaces compete with our new products and distribution channels. Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content available on our platforms, such as GeForce NOW. Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our platforms, or failure by third-party content providers or publishers to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adversely affect customer demand.

We receive a significant amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectly from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of

these customers.

We receive a significant amount of our revenue from a limited number of customers within our distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%, 11%, 11% and 10% of total revenue, respectively, for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networking segment. With several of these channel partners, we are selling multiple products and systems in our portfolio through their channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partners that are involved in system integration with our key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key customers. Changes in our partners' or customers' business models or their ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to customers. In the future, these partners may decide to purchase fewer products, not to incorporate our products into their ecosystem, or to alter their purchasing patterns in some other way. Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners' or customers' purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors and other channel partners. For the second quarter of fiscal year 2025, two indirect customers

which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue, attributable to the Compute & Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large customers, a significant reduction in purchases by them, our inability to sell to a customer due to U.S. or other countries' trade restrictions or any difficulties in collecting accounts receivable would likely harm our financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement; taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws

or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions

under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed

economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying, tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and negatively impact our business and financial results.

37 Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and application, prohibit us from exporting our products to any or all customers in one or more markets,

including but not limited to China, and could negatively impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI, which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and customers to provide services to their end customers, even outside China. Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business. Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting

our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and

development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve

overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our

products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our

sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators

conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to various penalties or restrictions

on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and

supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop,

produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits,

DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated

circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are

also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East. In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to China and Country Groups D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40, L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is

time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new restrictions or may be able to acquire licenses for their products. Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors,

as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed

from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control.

Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or shifting export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data

Center revenue. The Chinese government may also impose restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the products of our suppliers could negatively impact our business and financial results.

39 Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that negatively impact our ability to receive supply of components, parts, or services from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase

programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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.

In the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively , in cash dividends. Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors ' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

Period	Total Number of Shares Purchased	(In millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	(In millions)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program	(In billions)
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April 29, 2024 - May 26, 2024 23.0 \$ 91.50 23.0 \$ 12.4

May 27, 2024 - June 23, 2024 14.7 \$ 121.36 14.7 \$ 10.6

June 24, 2024 - July 28, 2024 25.1 \$ 123.63 25.1 \$ 7.5

Total 62.8 62.8

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of \$53.9 billion was available for repurchase.

Restricted Stock Unit Share Withholding

We withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU awards under our employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively, for a total value of \$1.6 billion and \$3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approximately \$25 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approximately \$26 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

The above securities were issued in transactions not involving a public offering pursuant to an exemption from registration set forth in Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operations, terminated a

Rule 10b5-1 trading arrangement adopted on April 12, 2024

for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11, 2025. 100,110 shares were sold under the plan prior to termination.

Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Schedule/Form	Exhibit Filing Date
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3.1	Amendment to Restated Certificate of Incorporation of NVIDIA Corporation	8-K	3.1 6/7/2024
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10.1+	* Amended and Restated 2007 Equity Incentive Plan		
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10.2+	* Amended and Restated 2012 Employee Stock Purchase Plan		
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31.1*	Certification of Chief Executive Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
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31.2*	Certification of Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
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32.1#*	Certification of Chief Executive Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934		
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32.2#*	Certification of Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934		
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101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive		
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Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH*	Inline XBRL Taxonomy Extension Schema Document		
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101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document		
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101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document		
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101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document		
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101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document		
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104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal

Financial Officer)

42 NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign nationals or are employed outside the United States (such 100,000 share reserve, the Foreign Transition Reserve). On the Effective Date, all of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for

issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Recipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance Cash Awards, and (viii) Other Stock Awards.(d)Purpose. The Company, by means of the Plan,

seeks to secure and retain the services of the group of persons eligible to receive Awards as set forth in Section 1(b), to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Stock Awards.

(e)Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in accordance with the TCJA and any applicable guidance, rulings or regulations issued by any

governmental authority.

2. Administration.

(a)Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a

Committee or Committees, as provided in Section 2(c).

(b)Powers of Board. The Board will have th e power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each

Award will be granted; (C) what type or combination of types of Award will be granted; (D) the provisions of each Award granted (which need not

be identical), including the time or t imes when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the

number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Ma rket Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its

administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award

Agreement or in the written terms of a Performance Cash Award, in a manner and to th e extent it will deem necessary or expedient to make the

Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in

accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it m

ay be exercised or the time during which it

will vest (or at which cash or shares of Common Stock may be issued); provided, however, that notwithstanding the foregoing or anything in the

Plan to the c ontrary, the time at which a Participants Award may be exercised or the time during which a Participants Award or any part thereof

will vest may only be accelerated in the event of the Participants death or Disability or in the event of a Corporate Transaction or Change in

Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participants rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respec t the Board deems necessary or advisable, including, without limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bri ng the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Ad justments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) mat erially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at w hich shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan , but only to the extent required by applicable law or listing requirements. Except as otherwise provided in the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (ii) Section 422 of the Code regarding Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain

the qualified status of the Award as a n

Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code and

the related guidance thereunder, or (C) to comply with o ther applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best

interests of the Company and that are not in confli ct with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are

necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or Consultants who are foreign nationals or

employed or located outside the United States.

(c)Delegation to Committee.

(i) Genera l. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration

of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore

possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of

the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee

or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by

the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at

any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do

one or more of the following to the extent permitted by applicable law: (i) designate recipients, other than Officers, of Stock Awards, provided that

no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject

to such Stock Awards; and (iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the

terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General

Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to

this section will be granted on the applicable form of Stock Award Agreement most recently

approved for use by the Board or the Committee,
with any modifications necessary to incorporate or reflect the terms of such Stock Award.
Notwithstanding anything to the contrary in this Section
2(d), neither the Board nor any Committee may delegate to any person or body (who is not a
Director or that is not comprised solely of Directors,
respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e)Effect of Board's Decision. All determinations, interpretations and constructions made by the
Board in good faith will not be subject to
review by any person and will be final, binding and conclusive on all persons.

(f)Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the
authority to: (i) reduce the exercise
or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel
any outstanding Options or Stock
Appreciation Rights that have an exercise price or strike price greater than the current Fair Market
Value in exchange for cash or other Stock
Awards under the Plan, unless the stockholders of the Company have approved such an action
within twelve (12) months prior to such an event.

(g)Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited,
as applicable, with respect to any
shares of Common Stock subject to an Award, as determined by the Board and contained in the
applicable Award Agreement; provided,
however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares
before the date such shares have vested
under the terms of such Award Agreement, (i i) any dividends or dividend equivalents that are
credited with respect to any such shares will be
subject to all of the terms and conditions applicable to such shares under the terms of such Award

Agreement (including, but not limited to, any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective Date will not exceed 10,289,710,640 shares (the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total reserve that the Company's stockholders approved at the Company's 2007 Annual Meeting of Stockholders, including but not limited to the shares remaining available for issuance under the Prior Plans on the Effective Date and the Prior Plans Returning Shares, (ii) 25,000,000 shares that were approved at the Company's 2012 Annual Meeting of Stockholders (and reapproved at the Company's 2013 Annual Meeting of Stockholders), (iii) 10,000,000 shares that were approved at the Company's 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that were approved at the Company's 2016 Annual Meeting of Stockholders, (v) 23,000,000 shares that were approved at the Company's 2018 Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Company's 2020 Annual Meeting of Stockholders, (vii) 733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii)

51,500,000 shares that were approved at the Company's 2022 Annual Meeting of Stockholders, and (ix) 9,260,739,576 shares that were added to reflect a 10-for-1 stock split effective June 7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or repurchased by the Company, shall revert to and again become available for issuance under the

Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the

number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under

the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in

satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant

shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price of any Stock Award, or the withholding of

taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual

delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares

of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award,

then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section

9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the

expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Registration Statement

under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of

the Company's securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the

Consultant is a natural person, or because of any other rule governing the use of Form S-8.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will

deem appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; provided, however, that each Award Agreement will include (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement (the Expiration Date).

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option or stock appreciation right in a manner consistent with the provisions of Section 409A and, if

applicable, Section 424(a) of the Code. Each SAR

will be denominated in shares of Common Stock equivalents.

(c) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent

permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to

use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of payment permitted by this Section 5(c) are:

(i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance

of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay

the aggregate exercise price to the Company from the sales proceeds; (iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the

number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not

exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent

of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided,

further, that shares of Common Stock will no longer be outstanding under an Option and will not be

exercisable t hereafter to the extent that (A)

shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise,

(B) shares are delivered to the Participant as

a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d)Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of

the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is

vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation

distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the

Board and contained in the Award Agreement evidencing such SAR.

(e)Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options

and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such

additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the

following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a

beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided, however, that in all cases, in the event that a Participant's Continuous Service terminates as a result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If,

after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the

Award Agreement (as applicable), the Option or SAR will terminate.

(h)Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participants Continuous Service

(other than for Cause or upon the Participant's death or Disability) would either (i) be prohibited solely because the issuance of shares of

Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under

Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or her termination of Continuous Service, then

the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participants Continuous

Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the

Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of the term of the Option or SAR as set forth in

the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i)Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant

and the Company, in the event that a Participants Continuous Service terminates as a result of the Participants Disability, the Participant may

exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of

Continuous Service), but only within such period of time ending on the earlier of (i) the date 12

months following such termination of Continuous

Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement.

If, after termination of Continuous Service,

the Participant does not exercise his or her Option or SAR within the time specified herein or in the

Award Agreement (as applicable), the Option

or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and

the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the

Participant's death (which termination event

will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies

within the period (if any) specified in the

Award Agreement after the termination of the Participant's Continuous Service for a reason other than death (which event will not give rise to

acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled

to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or

SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period

ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in

the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the time specified herein or in the Award

Agreement (as applicable), the Option or SAR will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award

Agreement, or other individual written

agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or

SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising

his or her Option or SAR from and after the time of such termination of Continuous Service. (l) Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt employee for purposes of the Fair Labor

Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of

grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity

Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed,

continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the

Participant's Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with

the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six

(6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in

connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or

required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection

with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employees regular rate of pay, the provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6.Provisions of Stock Awards other than Options and SARs.

(a)Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as

the Board will deem appropriate. To the extent consistent with the Companys Bylaws, at the Boards election, shares of Common Stock may be

(x) held in book entry form subject to the Companys instructions until any restrictions relating to the Restricted Stock Award lapse; or

(y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of

Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award

Agreements need not be identical, provided, however, that each Restricted Stock Award Agreement will include (through incorporation of the

provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or

electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal

consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be

subject to forfeiture to the

Company in accordance with a vesting schedule to be determined by the Board; provided, however, that in all cases, in the event a Participant's

Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of termination of Continuous Service.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each

Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof

by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of the date of termination of Continuous Service.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Termination of Participants Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award

Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participants termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, vest

or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may

require the completion of a specified period of Continuous Service. In the event a Participants Continuous Service terminates as a result of his

or her death, then the Performance Stock Award will be deemed to have been earned at 100% of the target level of performance, will be fully

vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance

Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such

Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to

qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent

permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be

used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable

contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such terms and conditions as the Board or the Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code

with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). With respect to any Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole and complete authority to determine the persons to whom and the time or times at which such

Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of Continuous Service.

7. Covenants of the Company.

(a) Availability of Shares. During the terms of the Stock Awards, the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue and sell shares of Common

Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities

Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if

the cost or efforts to obtain the approval is unreasonable in relation to the value of the benefits to be provided under the Plan, as determined by

the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such

regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common

Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash

or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c)No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such Participant

as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise

such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the

Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an Award to the holder of such Award.8.Miscellaneous.

(a)Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b)Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any

Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the

instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that

the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g.,

exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the

papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services

for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f) Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s) or any Board or Committee resolutions related thereto.

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge

and experience in financial and business

matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial

and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of

exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently

effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the

Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon

advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in

order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any

federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance

contributions, payment on account or any other taxes) by any of the following means (in addition to the Company's right to withhold from any

compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the

Participants termination of Continuous Service,

and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will

be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of

the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted

hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will

incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an

Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common

Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a

specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation

from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date

that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless

such distribution or payment can be made in a manner that complies with Section 409A of the Code,

and any amounts so deferred will be paid in

a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the

Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's

securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In

addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines

necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other

cash or property upon the occurrence of Cause.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the

class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities

that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of

securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of

stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of

the Company, and up on ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to the Companys right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Companys repurchase rights or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c)Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such

Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose

Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness

of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine

(or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction),

and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or

repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate

Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring

corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such

outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be

exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common

Stock not subject to the Companys right of repurchase), upon advance written notice by the Company of at least five (5) business days to the

holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided,

however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may

continue to be exercised notwithstanding the Corporate Transaction.

(d)Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in

Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue

any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in

Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be

assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Change in

Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or

substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness

of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if

the Board will not determine such a date, to the date that is five business (5) days prior to the

effective time of the Change in Control), and such

Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Change in Control, and any reacquisition or

repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in

Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring

corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such

outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be

exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase),

upon advance written notice by the Company of at

least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the

Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will

not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock Award is assumed, continued, or substituted by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10. Termination or Suspension of the Plan.

(a) Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard

to that states conflict of laws rules.

13. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the

Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the foregoing definition.

(b) Award means a Stock Award or a Performance Cash Award.

(c) Award Agreement means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) Board means the Board of Directors of the Company.

(e) Capitalization Adjustment means any change that is made in, or other events that occur with respect to, the Common Stock subject

to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger,

consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating

dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is

used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the

foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that

relates to equity awards and contains a

definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not party to any such agreement, such

Participants termination because of (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (B) the Participants commission

of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an

Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer, Director or Consultant to the Company or an

Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such

Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a

breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the

Participant, (D) the Participants disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property,

reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial

condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50%

of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by

an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related

transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the

outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares

outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting

securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that,

assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the

Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or

indirectly) the Company and,

immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior

thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting

power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power

of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as

their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this

Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of

all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or

right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not include a sale of assets, merger or other

transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any

analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing

definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term

is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed

to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other

transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such

transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of

the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition

thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the

definition of Change in Control to conform to

the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h)Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i)Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with

Section 2(c).

(j)Common Stock means the common stock of the Company.

(k)Company means,"### Executive Summary of Nvidia's Risk Factors

Nvidia Corporation, a leader in graphics processing units (GPUs) and artificial intelligence (AI) technologies, faces a variety of risks that could significantly impact its financial performance. These risks can be categorized into market, operational, regulatory, and competitive risks. Below is a detailed analysis of the most significant risks identified in Nvidia's 10-K report, along with potential impacts and mitigation strategies.

1. **Market Risks**

- **Demand Fluctuations**: Nvidia's revenue is highly dependent on the demand for its products, particularly in the gaming and data center markets. The emergence of new technologies, changes in consumer preferences, and economic conditions can lead to unpredictable demand.

- **Supply Chain Disruptions**: Long manufacturing lead times and reliance on third-party suppliers can result in mismatches between supply and demand. This has historically led to both product shortages and excess inventory, adversely affecting financial results.

Mitigation Strategies:

- Nvidia is increasing its supply chain resilience by diversifying suppliers and entering long-term

supply agreements.

- The company is investing in demand forecasting technologies to better align production with market needs.

2. **Operational Risks**

- **Product Transition Challenges**: The rapid pace of technological advancement necessitates frequent product launches. Managing transitions between product architectures can be complex and may lead to inventory issues or reduced demand for older products.

- **Quality Control Issues**: Increased product complexity raises the risk of quality control problems, which can lead to higher warranty costs and damage to brand reputation.

Mitigation Strategies:

- Nvidia is enhancing its product development processes and quality assurance protocols to minimize risks associated with new product launches.

- The company is investing in R&D to ensure that new products meet market expectations and quality standards.

3. **Regulatory Risks**

- **Compliance with Laws and Regulations**: Nvidia operates in a highly regulated environment, facing laws related to intellectual property, export controls, and data privacy. Non-compliance can result in significant fines and operational restrictions.

- **Geopolitical Tensions**: Ongoing geopolitical issues, particularly involving China and Taiwan, pose risks to Nvidia's supply chain and market access. Export controls and sanctions can limit Nvidia's ability to sell products in certain regions.

Mitigation Strategies:

- Nvidia is actively monitoring regulatory changes and engaging with policymakers to advocate for favorable conditions.

- The company is diversifying its market presence to reduce reliance on any single region.

4. **Competitive Risks**

- **Intense Competition**: The semiconductor and AI markets are highly competitive, with numerous players vying for market share. Competitors may introduce superior products or lower prices, impacting Nvidia's market position.

- **Innovation Pressure**: The need for continuous innovation to stay ahead of competitors can strain resources and lead to increased operational costs.

Mitigation Strategies:

- Nvidia is focusing on innovation through significant investments in R&D to maintain its technological edge.

- The company is leveraging strategic partnerships and acquisitions to enhance its product offerings and market reach.

Conclusion

Nvidia's growth trajectory is promising, driven by its leadership in AI and GPU technologies. However, the company must navigate a complex landscape of risks that could impact its financial performance. By implementing robust mitigation strategies, Nvidia can enhance its resilience against these risks and continue to thrive in a competitive market. Continuous monitoring and adaptation to market conditions, regulatory changes, and technological advancements will be crucial for sustaining its success.",2024-08-31T16:29:38.893132

8e3e2417-55a3-4582-aa27-f4ca95200542,Market-Trends-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to-End Driving at Scale category, highlighting the importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. There have been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

	Three Months Ended		Six Months Ended	
	Jul 28, 2024	Jul 30, 2023	Jul 28, 2024	Jul 30, 2023
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	24.9	29.9	23.4	31.8
Gross profit	75.1	70.1	76.6	68.2

Operating expenses

Research and development 10.3 15.1 10.4 18.9

Sales, general and administrative 2.8 4.7 2.9 6.1

Total operating expenses 13.1 19.8 13.3 25 .0

Operating income 62.0 50.3 63.3 43.2

Interest income 1.5 1.4 1.4 1.6

Interest expense (0.2) (0.5) (0.2) (0.6)

Other , net 0.6 0.4 0.5 0.2

Other income (expense), net 1.9 1.3 1.7 1.2

Income before income tax 63.9 51.6 65.0 44.4

Income tax expense 8.7 5.9 8.9 4.6

Net income 55.2 % 45.7 % 56.1 % 39.8 %

Revenue

Revenue by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 26,446 \$ 10,402 \$ 16,044 154 %\$ 49,121 \$ 14,862 \$ 34,259 231 %

Graphics 3,5 94 3,105 489 16 % 6,963 5,837 1,126 19 %

Total \$ 30,040 \$ 13,507 \$ 16,533 122 %\$ 56,084 \$ 20,699 \$ 35,385 171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 18,848 \$ 6,728 \$ 12,120 180 %\$ 35,896 \$ 8,887 \$ 27,009 304 %

Graphics 1,369 1,211 158 13 %\$ 2,609 2,258 351 16 %

All Other (1,575) (1,139) (436) 38 %\$ (2,954) (2,204) (750) 34 %

Total \$ 18,642 \$ 6,800 \$ 11,842 174 %\$ 35,551 \$ 8,941 \$ 26,610 298 %

Compute & Networking revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year

2024 was due to strength in Data Center computing and networking for accelerated computing and AI solutions. Revenue from GPU computing grew 166% year-

on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our Hopper GPU architecture computing platform for training and

inferencing of large language models, recommendation engines, and generative AI applications.

Networking was also up 114% year-on-year and 159%

compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was led

by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of

fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was due to an increase in stock-based compensation expense reflecting employee growth and compensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Compute & Networking segment, are presented in the following table:

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 28, 2024

Customer A 14 % 14 %

Customer B 11 % *

Customer C 11 % *

Customer D 10 % 10 %

Customer E * 10 %

* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 2025, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the second quarter and first half of fiscal year 2024, respectively. The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of 154% and 234% for the second quarter and first half of 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3

billion for the second quarter and first half of fiscal year 2025, respectively , and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$85 millio n and \$199 million for the second quarter and first half of fiscal year 2025, respectively . The net effect on our 29gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively . Sales of previously reserved invent ory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the seco nd quarter and first half of fiscal year 2024, respectively . The net effect on our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, re spectively .

We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operat ing Expenses

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in

compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in

compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2025 was primarily driven by compensation and

benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), ne t \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increas es in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt secu rity balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other , net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact

of changes in foreign currency rates. The change in Other , net, compared to the second quarter and first half of fis cal year 2024 was primarily driven by an

increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7 of the Notes to Condensed Consolidated Financial

Statem ents in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in privately-held and publicly-held equity securities.

30Income T axes

We recognized i ncome tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively , and \$793 million and

\$958 million for the second quarter and first half of fiscal year 2024, respectively . Income tax expense as a percentage of income before income tax was 13.6%

and 13.7% for the second quarter and first half of fiscal year 2025, respectively , and 11.4% and 10.4% for the second quarter and first half of fiscal year 2024, respectively .

The effective tax rate increased primarily due to a lower percentage of tax benefits from the

foreign-derived intangible income deduction relative to the increase in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8,877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially

offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 6 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash equivalents and marketable securities held outside the U.S. as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset

dilution from shares issued to employees while maintaining adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment opportunities. We plan to continue share repurchases this fiscal year.

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of July 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of

July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations, long-term debt, and purchase obligations, refer to Notes 2,

11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have

materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors

previously described under Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a failure to estimate customer demand accurately, has led and could lead to mismatches between supply and demand.

We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer, component or capacity supply, and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as we have experienced in the past, there could be a significant mismatch between supply and demand. This mismatch has resulted in both product shortages and excess inventory, has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient

commitments for capacity to address our business needs, or our long-term demand expectations may change. Additionally, our ability to sell certain products has been and could be impeded if components necessary for the finished products are not available from third parties. This risk may increase as a result of our platform strategy. In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity, which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity, which may require additional deposits. We may not have the ability to reduce our supply commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or overestimate our customers' future demand for our products, or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

- changes in product development cycles and time to market;

- competing technologies and competitor product releases, announcements or other actions;

- changes in business and economic conditions;

- sudden or sustained government lockdowns or public health issues;

- rapidly changing technology or customer requirements;

- the availability of sufficient data center capacity or energy for customers to procure;

- new product introductions and transitions resulting in less demand for existing products;

- new or unexpected end-use cases;

increase in demand for competitive products;

business decisions made by third parties;

the demand for accelerated computing, AI-related cloud services, or large language models;

34 changes that impact the ecosystem for the architectures underlying our products and technologies;

the demand for our products; or

government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have

also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase

volumes and integration of new suppliers and contract manufacturers into our supply chain may create more complexity in managing multiple suppliers with

variations in production planning, execution and logistics. Our expanding product portfolio and varying component compatibility and quality may lead to

increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments

exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have

experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support

new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated

computing platforms to meet a growing and diverse set of AI opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product configurations may magnify the challenges associated with managing our supply and demand. Qualification time for new products, customers anticipating product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in our revenue. We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty, or other costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our product road map may impact our ability to develop other products or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be

able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product transitions and have sold multiple product architectures at the same time, these transitions are difficult, may impair our ability to predict demand and impact our supply mix, and may cause us to incur additional costs. Many end customers often do not purchase directly from us but instead purchase indirectly through multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by our multiple OEMs, ODMs, system integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have impacted and could in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contract manufacturers experience supply constraints, we may not be able to increase supply to meet customer demand in a timely manner, or at all. If we cannot procure sufficient supply to meet demand or otherwise 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 harmed. Additionally, since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any one component have had and may have a broader revenue impact.

If we overestimate our customers' future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may

not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including due to channel pricing programs that we have implemented and may continue to implement, as a result of our overestimation of future demand, and we may need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers' increase in prices, and we may need to continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of these impacts has increased and may continue to increase as our purchase obligations and prepaids have grown and are expected to continue to grow and become a greater portion of our total supply. All of these factors may negatively impact our gross margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for Data Center, the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with any reasonable degree of precision the impact of generative AI models on our reported revenue or forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if

we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers, contract manufacturers, and assembly partners who are critical to our supply continuity, could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand.

For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of

cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new

compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in

the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further

impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0

merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum mining. This has created and may in the future create increased

aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or

previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and

reseller marketplaces compete with our new products and distribution channels.

Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content available on our platforms, such as GeForce NOW. Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our platforms, or failure by third-party content providers or publishers to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adversely affect customer demand.

We receive a significant amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectly from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of these customers.

We receive a significant amount of our revenue from a limited number of customers within our distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%, 11%, 11% and 10% of total revenue, respectively, for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networking segment. With several of these channel partners, we are selling multiple products and systems in our portfolio through their channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partners that are involved in system integration with our key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key customers. Changes in our partners' or customers' business models or their

ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to customers. In the future, these partners may decide to purchase fewer products, not to incorporate our products into their ecosystem, or to alter their purchasing patterns in some other way.

Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and

our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners or customers

purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors

and other channel partners. For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators

and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue, attributable to the Compute &

Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors

and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large

customers, a significant reduction in purchases by them,

36our inability to sell to a customer due to U.S. or other countries trade restrictions or any difficulties in collecting accounts receivable would likely harm our

financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may

adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement; taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority

collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or

export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying,

tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and negatively impact our business and financial results.

37Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export

control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated

products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and

application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively

impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and

could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI,

which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even

though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial

results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products

to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively

impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in

China, we could be subject to various penalties or restrictions on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East.

In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to China and Country Group's D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40, L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5,

including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new

restrictions or may be able to acquire licenses for their products.

Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service

large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control.

Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or shifting export controls have already encouraged and may in the future encourage overseas

governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government may also impose restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the

products of our suppliers could negatively impact our business and financial results.

39Finally , our business depends on our abi lity to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that negatively impact our ability to receive supply of components, parts, or serv ices from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the secon d quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively . As of July 28, 2024, we were a uthorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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 discretio n.

In the secon d quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively , in cash dividends. Our cash dividend program and the payment of future cash dividend s under that program are subject to our Board of Directors ' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholder s.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

PeriodTotal Number

of Shares

Purchased

(In millions)Average Price Paid

per S hareTotal Number of Shares

Purchased as Part of

Publicly Announced

Program

(In millions)Approximate Dollar V alue

of Shares that May Yet Be

Purchased Under the

Program

(In billions)

April 29, 2024 - M ay 26, 2024 23.0 \$ 91.50 23.0 \$ 12.4

May 27, 2024 - June 23, 2024 14.7 \$ 121.36 14.7 \$ 10.6

June 24, 2024 - July 28, 2024 25.1 \$ 123.63 25.1 \$ 7.5

Total 62.8 62.8

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of \$53.9 billion was available for repurchase.

Restricted Stock Unit Share W ithholding

We withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU awards under our employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively ,

for a total value of \$1.6 billion and \$3.4 billion, respectively , through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approximately \$25 million based on our closing stock price on the date of

issuance, to key employees of a company we acquired.

On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approximately \$26 million based on our closing stock price on the date of

issuance, to key employees of a company we acquired.

The above securities were issued in transactions not involving a public offering pursuant to an exemption from registration set forth in Section 4(a)(2) of

the Securities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operations, terminated a Rule 10b5-1 trading arrangement adopted on April 12, 2024

for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11, 2025. 100,110 shares were sold under the plan prior to termination.

Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Schedule/Form	Exhibit Filing Date
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3.1	Amendment to Restated Certificate of Incorporation of NVIDIA Corporation	8-K	3.1 6/7/2024
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10.1	+ Amended and Restated 2007 Equity Incentive Plan		
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10.2	+ Amended and Restated 2012 Employee Stock Purchase Plan		
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31.1	* Certification of Chief Executive Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
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31.2	* Certification of Chief Financial Officer as required by Rule 13a-14(a) of the Securities		
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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* Inline XBRL Instance Document - the instance document does not appear in the Interactive

Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema Document

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document

104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

42NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the

Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the

terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company

anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are

foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan

covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign

nationals or are employed outside the United States (such 100,000 share reserve, the Foreign

Transition Reserve). On the Effective Date, all of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Recipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance

Cash Awards, and (viii) Other Stock Awards.(d)Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive

Awards as set forth in Section 1(b), to provide incentives for such persons to exert maximum efforts

for the success of the Company and any

Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common

Stock through the granting of Stock Awards.

(e)Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-

based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant

to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in

effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in

accordance with the TCJA and any applicable guidance, rulings or regulations issued by any governmental authority.

2. Administration.

(a)Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a

Committee or Committees, as provided in Section 2(c).

(b)Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each

Award will be granted; (C) what type or combination of types of Award will be granted; (D) the provisions of each Award granted (which need not

be identical), including the time or times when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the

number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its

administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award

Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the

Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in

accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may be exercised or the time during which it

will vest (or at which cash or shares of Common Stock may be issued); provided, however, that notwithstanding the foregoing or anything in the

Plan to the contrary, the time at which a Participant's Award may be exercised or the time during which a Participant's Award or any part thereof

will vest may only be accelerated in the event of the Participant's death or Disability or in the event of a Corporate Transaction or Change in

Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without

limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan, but only to the extent required by applicable law or listing requirements. Except as otherwise provided in

the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended

to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based

compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (ii) Section 422 of the Code regarding

Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants' consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain the qualified status of the Award as an Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code and the related guidance thereunder, or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed or located outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do

one or more of the following to the extent permitted by applicable law: (i) designate recipients, other than Officers, of Stock Awards, provided that

no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject

to such Stock Awards; and (iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the

terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General

Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to

this section will be granted on the applicable form of Stock Award Agreement most recently approved for use by the Board or the Committee,

with any modifications necessary to incorporate or reflect the terms of such Stock Award. Notwithstanding anything to the contrary in this Section

2(d), neither the Board nor any Committee may delegate to any person or body (who is not a Director or that is not comprised solely of Directors,

respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to

review by any person and will be final, binding and conclusive on all persons.

(f) Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the authority to: (i) reduce the exercise

or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel any outstanding Options or Stock

Appreciation Rights that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Stock

Awards under the Plan, unless the stockholders of the Company have approved such an action within twelve (12) months prior to such an event.

(g) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any

shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; provided,

however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested

under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be

subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any

vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the

Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under

the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of

Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective Date will not exceed 10,289,710,640 shares

(the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total

re serve that the Companys stockholders approved at the Companys 2007 Annual Meeting of Stockholders, including but not limited to the

shares remaining available for issuance under the Prior Plans on t he Effective Date and the Prior Plans Returning Shares, (ii) 25,000,000

shares that were approved at the Companys 2012 Annual Meeting of Stockholders (and reapproved at the Companys 2013 Annual Mee ting of

Stockholders), (iii) 10,000,000 shares that were approved at the Companys 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that

were approved at the Companys 2016 Annual Meeting o f Stockholders, (v) 23,000,000 shares that were approved at the Companys 2018

Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Companys 2020 Annual Meeting of Stockho lders, (vii)

733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii) 51,500,000 shares that were approved at the

Companys 2022 Annual Meeting of Stockholde rs, and (ix) 9,260,739,576 shares that were added to reflect a 10-for-1 stock split effective June

7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of sha res of Common Stock that may be issued

pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may

be issued in conn ection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company

Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares

available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a

3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or otherwise terminate, in

whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are

forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase

rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of

such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or

repurchased by the Company, shall revert to and again become available for issuance under the Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the

number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under

the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in

satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price of any Stock Award, or the withholding of taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award, then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section 9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be

eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an

exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more

than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e)Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including

shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a)Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent

corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b)Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock

Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Registration Statement under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of the Companys securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the Consultant is a natural person, or because of any other rule governing the use of Form S-8.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will deem appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; provided, however, that each Award Agreement will include (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement (the Expiration Date).

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option or stock appreciation right in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of payment permitted by this Section 5(c) are:

- (i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;
- (ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve

Board that, prior to the issuance

of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay

the aggregate exercise price to the Company from the sales proceeds;(iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the

number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not

exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent

of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided,

further, that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (A)

shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise, (B) shares are delivered to the Participant as

a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d)Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of

the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common

Stock equivalents in which the Participant is

vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation

distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the

Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options

and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such

additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the

following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or

pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided,

however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities

laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer,

an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an

Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such

transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a

Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated

broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and

receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or

administrator of the Participants estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or

SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a

beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of

applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become

exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the

time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board

may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided, however, that in all cases, in the event that a Participants Continuous Service terminates as a

result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause or upon the Participant's death or Disability) would either (i) be prohibited solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or her termination of Continuous Service, then the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participant's Continuous

Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of the term of the Option or SAR as set forth in the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death (which termination event will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies within the period (if any) specified in the Award Agreement after the termination of the Participant's Continuous Service for a reason other

than death (which event will not give rise to acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement, or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction

in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participants retirement (as such term may be defined in the Participants Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Companys then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six (6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employees regular rate of pay, the provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6.Provisions of Stock Awards other than Options and SARs.

(a)Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Companys Bylaws, at the Boards election, shares of Common Stock may be (x) held in book entry form subject to the Companys instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of

Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award

Agreements need not be identical, provided, however, that each Restricted Stock Award Agreement will include (through incorporation of the

provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or

electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal

consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the

Company in accordance with a vesting schedule to be determined by the Board; provided, however, that in all cases, in the event a Participant's

Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of

termination of Continuous Service.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company

may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not

vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award

Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a

Participants Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of the date of termination of Continuous Service.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Termination of Participants Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participants termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may require the completion of a specified period of Continuous Service. In the event a Participants Continuous Service terminates as a result of his or her death, then the Performance Stock Award will be deemed to have been earned at 100% of

the target level of performance, will be fully

vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance

Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such

Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to

qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent

permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be

used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during

a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of

Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the

measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to

the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its

sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such terms and conditions as the Board or the

Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a

specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). With respect to any

Award intended to qualify as performance-

based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due

upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d)Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock,

including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the

preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole

and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number

of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and

conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a

result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of

Continuous Service.

7.Covenants of the Company.

(a)Availability of Shares. During the terms of the Stock Awards, the Company will keep available at all times the number of shares of

Common Stock reasonably required to satisfy such Stock Awards.

(b)Securities Law Compliance. The Company will seek to obtain from each regulatory commission

or agency having jurisdiction over the Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if the cost or efforts to obtain the approval is unreasonable in relation to the value of the benefits to be provided under the Plan, as determined by the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such Participant as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an

Award to the holder of such Award.8.Miscellaneous.

(a)Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b)Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any

Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the

instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that

the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g.,

exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the

papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in

the Award Agreement.

(c)Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any

shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance

of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the

books and records of the Company.

(d)No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or

in connection with any Award granted pursuant to the Plan will confer upon any Participant any right

to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e)Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f)Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined

at the time of grant) with respect to

which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company

and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing

Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise

do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option

Agreement(s) or any Board or Committee resolutions related thereto.

(g)Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any

Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business

matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial

and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of

exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently

effective registration statement under the Securities Act, or (B) as to any particular requirement, a

determination is made by counsel for the

Company that such requirement need not be met in the circumstances under the then applicable securities laws . The Company may, upon

advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in

order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h)Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any

federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance

contributions, payment on account or any other taxes) by any of the following means (in addition to the Companys right to withhold from any

compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a

cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in

connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of

tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial

accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the

Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered

electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participants termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k)Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an

Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common

Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a

specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation

from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date

that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless

such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in

a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule. (I) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the

Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's

securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In

addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines

necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other

cash or property upon the occurrence of Cause.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, and upon ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate

Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or

continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate

Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards

may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such

Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose

Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of

vested and outstanding shares of Common

Stock not subject to the Companys right of repurchase), upon advance written notice by the Company of at least five (5) business days to the

holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided,

however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may

continue to be exercised notwithstanding the Corporate Transaction.

(d)Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in

Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue

any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in

Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be

assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such Change in

Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or

substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Change in Control), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Change in Control, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock

Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock Award is assumed, continued, or substituted by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10.Termination or Suspension of the Plan.

(a)Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11.Effective Date of Plan.

This Plan will become effective on the Effective Date.

12.Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that states conflict of laws rules.

13.Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a)Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the foregoing definition.

(b)Award means a Stock Award or a Performance Cash Award.

(c)Award Agreement means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d)Board means the Board of Directors of the Company.

(e)Capitalization A djustment means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment .

(f)Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that relates to equity awards and contains a definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not party to any such agreement, such

Participants termination because of (A) any willful, material violation by theParticipant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (B) the Participants commission of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an

Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer,

Director or Consultant to the Company or an

Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such

Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a

breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the

Participant, (D) the Participants disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property,

reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial

condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50%

of the combined voting power of the Companys then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by

an investor, any affiliate thereof or any other Exchange Act Person that acquires the Companys securities in a transaction or series of related

transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of

all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or

right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not include a sale of assets, merger or other

transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any

analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing

definition with respect to Awards subject to such agreement; provided, however, that if no definition

of Change in Control or any analogous term

is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed

to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other

transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such

transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of

the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition

thereunder). The Board may, in its sole discretion and without a Participants consent, amend the definition of Change in Control to conform to

the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h)Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i)Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with

Section 2(c).

(j)Common Stock means the common stock of the Company.

(k)Company means, "### Market Analysis of Nvidia's 10-K Report

Overview

Nvidia has demonstrated significant growth in its financial performance, particularly in the Compute & Networking segment, which has seen a staggering 154% year-on-year increase in revenue. The

company is capitalizing on the growing demand for generative AI and accelerated computing solutions, which are driving its strategic initiatives and product development.

Key Opportunities

1. ****Generative AI and Accelerated Computing****: The introduction of generative AI models and NIM microservices for OpenUSD positions Nvidia at the forefront of AI technology. The demand for AI solutions is expected to grow, providing Nvidia with a substantial market opportunity.
2. ****Automotive Sector Growth****: The automotive revenue has shown a robust increase of 37% year-on-year, indicating a growing market for Nvidia's automotive solutions, particularly in autonomous driving technologies. Winning the Autonomous Grand Challenge further solidifies Nvidia's reputation in this sector.
3. ****Data Center Expansion****: The significant growth in data center revenue (154% year-on-year) highlights the increasing reliance on cloud computing and AI-driven applications. Nvidia's Hopper GPU architecture is well-positioned to meet this demand, especially for large language models and AI applications.
4. ****Strategic Partnerships****: Collaborations with major Taiwanese electronics manufacturers to create autonomous factories using Nvidia's technologies (Metropolis, Omniverse, and Isaac AI) can lead to increased adoption of Nvidia's platforms across various industries.
5. ****Geographic Revenue Diversification****: With 57% of revenue coming from international markets, Nvidia can leverage its global presence to tap into emerging markets and diversify its revenue streams.

Key Threats

1. ****Supply Chain Challenges****: Long manufacturing lead times and reliance on third-party manufacturers pose risks to Nvidia's ability to meet customer demand. Any disruptions in the supply chain could lead to inventory shortages or excess, impacting financial performance.
2. ****Geopolitical Tensions****: The ongoing geopolitical tensions, particularly involving Taiwan and China, could disrupt Nvidia's supply chain and market access. Export controls and trade restrictions may limit Nvidia's ability to operate in key markets.
3. ****Regulatory Scrutiny****: Increased regulatory scrutiny regarding AI technologies and export controls could impose additional compliance costs and operational restrictions. The EU AI Act and similar regulations in other jurisdictions may affect Nvidia's product offerings and market strategies.
4. ****Competitive Landscape****: The semiconductor industry is highly competitive, with numerous players vying for market share in AI and data center solutions. Nvidia must continuously innovate to maintain its competitive edge against rivals.
5. ****Market Volatility****: The demand for GPUs can be volatile, influenced by factors such as cryptocurrency mining trends and changing consumer preferences. This volatility can complicate demand forecasting and inventory management.

Strategic Insights

- ****Investment in R&D****: Nvidia should continue to invest heavily in research and development to enhance its AI capabilities and maintain its leadership position in the semiconductor industry. The increase in R&D expenses (51% year-on-year) reflects a commitment to innovation.

- ****Supply Chain Resilience****: Nvidia must develop strategies to mitigate supply chain risks, such as diversifying suppliers and increasing inventory levels for critical components. Establishing long-term contracts with suppliers could help secure necessary materials.
- ****Regulatory Compliance****: Proactively engaging with regulators and adapting to new compliance requirements will be crucial for Nvidia to navigate the evolving regulatory landscape, particularly concerning AI technologies.
- ****Market Expansion****: Nvidia should explore opportunities in emerging markets and industries, particularly in sectors like automotive and healthcare, where AI applications are gaining traction.
- ****Customer Relationships****: Strengthening relationships with key customers and partners will be essential to ensure continued demand for Nvidia's products. This includes providing exceptional support and developing tailored solutions to meet specific customer needs.

Conclusion

Nvidia is well-positioned to capitalize on the growing demand for AI and accelerated computing solutions. However, it must navigate various challenges, including supply chain risks, geopolitical tensions, and regulatory scrutiny. By focusing on innovation, supply chain resilience, and strategic partnerships, Nvidia can continue to thrive in the competitive semiconductor landscape."

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8e3e2417-55a3-4582-aa27-f4ca95200542,Strategic-Recommendations-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous

factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA

Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer

Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to- End Driving at Scale category , highlighting the importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

R efer to Part II, Item 7, ""Critical Accounting Policies and Estimates"" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. There have been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

	Three Months Ended		Six Months Ended	
	Jul 28, 2024	Jul 30, 2023	Jul 28, 2024	Jul 30, 2023
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	24.9	29.9	23.4	31.8
Gross profit	75.1	70.1	76.6	68.2
Operating expenses				
Research and development	10.3	15.1	10.4	18.9
Sales, general and administrative	2.8	4.7	2.9	6.1

Total operating expenses 13.1 19.8 13.3 25 .0

Operating income 62.0 50.3 63.3 43.2

Interest income 1.5 1.4 1.4 1.6

Interest expense (0.2) (0.5) (0.2) (0.6)

Other , net 0.6 0.4 0.5 0.2

Other income (expense), net 1.9 1.3 1.7 1.2

Income before income tax 63.9 51.6 65.0 44.4

Income tax expense 8.7 5.9 8.9 4.6

Net income 55.2 % 45.7 % 56.1 % 39.8 %

Revenue

Revenue by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 26,446 \$ 10,402 \$ 16,044 154 %\$ 49,121 \$ 14,862 \$ 34,259 231 %

Graphics 3,5 94 3,105 489 16 % 6,963 5,837 1,126 19 %

Total \$ 30,040 \$ 13,507 \$ 16,533 122 %\$ 56,084 \$ 20,699 \$ 35,385 171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 18,848 \$ 6,728 \$ 12,120 180 % \$ 35,896 \$ 8,887 \$ 27,009 304 %

Graphics 1,369 1,211 158 13 % \$ 2,609 2,258 351 16 %

All Other (1,575) (1,139) (436) 38 % \$ (2,954) (2,204) (750) 34 %

Total \$ 18,642 \$ 6,800 \$ 11,842 174 % \$ 35,551 \$ 8,941 \$ 26,610 298 %

Compute & Networking revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year

2024 was due to strength in Data Center computing and networking for accelerated computing and AI solutions. Revenue from GPU computing grew 166% year-

on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our Hopper GPU architecture computing platform for training and

inferencing of large language models, recommendation engines, and generative AI applications. Networking was also up 114% year-on-year and 159%

compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was led by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024

was due to an increase in stock-based compensation expense reflecting employee growth and c

ompensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Compute & Networking segment, are presented in the following table:

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 28, 2024

Customer A 14 % 14 %

Customer B 11 % *

Customer C 11 % *

Customer D 10 % 10 %

Customer E * 10 %

* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 2025, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the second quarter and first half of fiscal year 2024, respectively. The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of 154% and 234% for the second quarter and first half of 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3 billion for the second quarter and first half of fiscal year 2025, respectively, and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase

obligations resulted in a provision release of \$85 million and \$199 million for the second quarter and first half of fiscal year 2025, respectively . The net effect on our

gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively . Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the second quarter and first half of fiscal year 2024, respectively . The net effect on our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, respectively .

We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operating Expenses

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in

compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in

compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2025 was primarily driven by compensation and

benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), net \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increases in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt security balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other, net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact of changes in foreign currency rates. The change in Other, net, compared to the second quarter and first half of fiscal year 2024 was primarily driven by an increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7 of the Notes to Condensed Consolidated Financial

Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in privately-held and publicly-held equity securities.

30Income Taxes

We recognized income tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively, and \$793 million and \$958 million for the second quarter and first half of fiscal year 2024, respectively. Income tax expense as a percentage of income before income tax was 13.6% and 13.7% for the second quarter and first half of fiscal year 2025, respectively, and 11.4% and 10.4% for the second quarter and first half of fiscal year 2024, respectively.

The effective tax rate increased primarily due to a lower percentage of tax benefits from the foreign-derived intangible income deduction relative to the increase in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation

allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8,877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 6 of the Notes to Condensed Consolidated

Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related

foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash

equivalents and marketable securities held outside the U.S.

as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and

\$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On

August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a

total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset dilution from shares issued to employees while maintaining

adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment

opportunities. We plan to continue share repurchases this fiscal year .

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of July 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of

July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations, long-term debt, and purchase obligations, refer to Notes 2,

11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk

in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024,

there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of

our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a failure to estimate customer demand accurately, has led and could lead to mismatches between supply and demand.

We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer, component or capacity supply, and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as we have experienced in the past, there could be a significant mismatch between supply and demand. This mismatch has resulted in both product shortages and excess inventory, has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient commitments for capacity to address our business needs, or our long-term demand expectations may change. Additionally, our ability to sell certain products has been and could be impeded if components necessary for the

finished products are not available from third parties. This risk may increase as a result of our platform strategy . In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity , which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity , which may require additional deposits. We may not have the ability to reduce our supply commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or overestimate our customers future demand for our products, or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

- changes in product development cycles and time to market;

- competing technologies and competitor product releases, announcements or other actions;

- changes in business and economic conditions;

- sudden or sustained government lockdowns or public health issues ;

- rapidly changing technology or customer requirements;

- the availability of sufficient data center capacity or energy for customers to procure;

- new product introductions and transitions resulting in less demand for existing products;

- new or unexpected end-use cases;

- increase in demand for competitive products;

- business decisions made by third parties;

- the demand for accelerated computing, AI-related cloud services, or large language models;

34 changes that impact the ecosystem for the architectures underlying our products and technologies;

the demand for our products; or

government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase volumes and integration of new suppliers and contract manufacturers into our supply chain may create more complexity in managing multiple suppliers with variations in production planning, execution and logistics. Our expanding product portfolio and varying component compatibility and quality may lead to increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated computing platforms to meet a growing and diverse set of AI opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year

and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product configurations may magnify the challenges associated with managing our supply and demand. Qualification time for new products, customers anticipating product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in our revenue. We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty, or other costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our product road map may impact our ability to develop other products or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product transitions and have sold multiple product architectures at the same time, these transitions are

difficult, may impair our ability to predict demand and impact our supply mix, and may cause us to incur additional costs. Many end customer s often do not purchase directly from us but instead purchase indirectly through multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by o ur multiple OEMs, ODMs, system integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have impacted and c ould in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contra ct manufacturers experience supply constraints, we may not be able to increase supply to meet customer dema nd in a timely manner , or at all. If we cannot procure sufficient sup ply to meet demand or otherwise fail to fulfill our custome rs orders on a timely basis, or at all, our customer relationships could be damage d, we could lose revenue and market share and our reputa tion could be harmed. Additionally , since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any one component have had and may have a broader revenue impact.

If we overestimate our customers future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including due to channel pricing programs that we have imple mented and may continue to implement, as a

result of our overestimation of future demand, and we may need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers' increase in prices, and we may need to continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of these impacts has increased and may continue to increase as our purchase obligations and prepaids have grown and are expected to continue to grow and become a greater portion of our total supply. All of these factors may negatively impact our gross margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for Data Center, the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with any reasonable degree of precision the impact of generative AI models on our reported revenue or forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers,

contract manufacturers, and assembly partners who are critical to our supply continuity, could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand. For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0 merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum mining. This has created and may in the future create increased aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and reseller marketplaces compete with our new products and distribution channels.

Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content

available on our platforms, such as GeForce NOW . Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our p latforms, or failure by third-party content providers or publisher s to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adverse ly affect customer demand.

We receive a significa nt amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectl y from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of these customers.

We receive a significant amount of our revenue from a limited numb er of customers within our distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%,11%, 11% and 10% of total revenue, respectively , for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networ king segment. With several of these channel partners, we are selling multiple products and systems in our portfolio throug h their channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partner s that are involved in system integration with our key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key custome rs. Changes in our partners' or customers' business models or their ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to custome rs. In the future, these partners may decide to purchase fewer products , not to incorporate our products into their

ecosystem, or to alter their purchasing patterns in some other way.

Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners or customers purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors and other channel partners. For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue, attributable to the Compute & Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large customers, a significant reduction in purchases by them, our inability to sell to a customer due to U.S. or other countries trade restrictions or any difficulties in collecting accounts receivable would likely harm our financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement;

taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received

requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our

customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying, tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and

negatively impact our business and financial results.

37Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export

control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated

products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and

application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively

impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and

could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI,

which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even

though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial

results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products

to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively

impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and

customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to various penalties or restrictions on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East. In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to China and Country Group's D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40, L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to

China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new restrictions or may be able to acquire licenses for their products. Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive

position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling

mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control.

Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or shifting export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls

may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government may also impose restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the products of our suppliers could negatively impact our business and financial results.

39Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that

negatively impact our ability to receive supply of components, parts, or services from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively . As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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.

In the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively , in cash dividends. Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors ' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

Period	Total Number of Shares Purchased (In millions)	Average Price Paid
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per Share Total Number of Shares

Purchased as Part of

Publicly Announced

Program

(In millions) Approximate Dollar Value

of Shares that May Yet Be

Purchased Under the

Program

(In billions)

April 29, 2024 - May 26, 2024 23.0 \$ 91.50 23.0 \$ 12.4

May 27, 2024 - June 23, 2024 14.7 \$ 121.36 14.7 \$ 10.6

June 24, 2024 - July 28, 2024 25.1 \$ 123.63 25.1 \$ 7.5

Total 62.8 62.8

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024

through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of

\$53.9 billion was available for repurchase.

Restricted Stock Unit Share Withholding

We withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU awards under our

employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively,

for a total value of \$1.6 billion and \$3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approxi-

ately \$25 million based on our closing stock price on the date of
issuanc e, to key employees of a company we acquired.
On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approxima tely
\$26 million based on our closing stock price on the dat e of
issuance, to key employees of a company we acquired.
The above securities were issued in transactions not involving a public offering pursuant to an
exemption from registration set forth in Secti on4(a)(2) of
theSecurities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operatio ns, terminated a
Rule 10b5-1 trading arrangement adopted on April 12, 2024
for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11,
2025. 100,1 10 shares were sold under the plan prior to
termination.

40Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Schedule/Form	Exhibit Filing Date
3.1	Amendment to Restated Certificate of Incor poration of NVIDIA Corporation	8-K	3.1 6/7/2024
10.1+*	Amended and Restated 2007 Equity Incentive Plan		
10.2+*	Amended and Restated 2012 Employee Stock Purchase Plan		
31.1*	Certification of Chief Execu tive Of ficer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
31.2*	Certification of Chief Financial Of ficer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934		
32.1#*	Certification of Chief Executive Of ficer 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* Inline XBRL Instance Document - the instance document does not appear in the Interactive

Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema Document

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document

104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

42NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the

Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the

terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company

anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are

foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan

covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign

nationals or are employed outside the United States (such 100,000 share reserve, the Foreign Transition Reserve). On the Effective Date, all

of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that

the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Recipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options,

(iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance

Cash Awards, and (viii) Other Stock Awards.(d)Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive

Awards as set forth in Section 1(b), to provide incentives for such persons to exert maximum efforts for the success of the Company and any

Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common

Stock through the granting of Stock Awards.

(e)Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in accordance with the TCJA and any applicable guidance, rulings or regulations issued by any governmental authority.

2. Administration.

(a)Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b)Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each Award will be granted; (C) what type or combination of types of Award will be granted; (D) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and

revoke rules and regulations for its

administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award

Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the

Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in

accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may be exercised or the time during which it

will vest (or at which cash or shares of Common Stock may be issued); provided, however, that notwithstanding the foregoing or anything in the

Plan to the contrary, the time at which a Participant's Award may be exercised or the time during which a Participant's Award or any part thereof

will vest may only be accelerated in the event of the Participant's death or Disability or in the event of a Corporate Transaction or Change in

Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan, but only to the extent required by applicable law or listing requirements. Except as otherwise provided in

the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended

to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based

compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (ii) Section 422 of the Code regarding

Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including,

but not limited to, amendments to provide terms more favorable than previously provided in the

Award Agreement, subject to any specified limits

in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the

status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be

materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant

consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants

consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain the qualified status of the Award as a n

Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code and

the related guidance thereunder, or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best

interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are

necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or Consultants who are foreign nationals or

employed or located outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration

of the Plan is delegated to a Committee, the Committee will have, in connection with the

administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do

one or more of the following to the extent permitted by applicable law: (i) designate recipients, other

than Officers, of Stock Awards, provided that

no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject

to such Stock Awards; and(iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the

terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General

Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to

this section will be granted on the applicable form of Stock Award Agreement most recently approved for use by the Board or the Committee,

with any modifications necessary to incorporate or reflect the terms of such Stock Award.

Notwithstanding anything to the contrary in this Section

2(d), neither the Board nor any Committee may delegate to any person or body (who is not a Director or that is not comprised solely of Directors,

respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e)Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to

review by any person and will be final, binding and conclusive on all persons.

(f)Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the authority to: (i) reduce the exercise

or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel any outstanding Options or Stock

Appreciation Rights that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Stock

Awards under the Plan, unless the stockholders of the Company have approved such an action

within twelve (12) months prior to such an event.

(g) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any

shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; provided,

however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested

under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be

subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any

vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the

Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under

the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of

Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective Date will not exceed 10,289,710,640 shares

(the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total

reserve that the Company's stockholders approved at the Company's 2007 Annual Meeting of Stockholders, including but not limited to the

shares remaining available for issuance under the Prior Plans on the Effective Date and the Prior

Plans Returning Shares, (ii) 25,000,000

shares that were approved at the Companys 2012 Annual Meeting of Stockholders (and reapproved at the Companys 2013 Annual Meeting of

Stockholders), (iii) 10,000,000 shares that were approved at the Companys 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that

were approved at the Companys 2016 Annual Meeting of Stockholders, (v) 23,000,000 shares that were approved at the Companys 2018

Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Companys 2020 Annual Meeting of Stockholders, (vii)

733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii) 51,500,000 shares that were approved at the

Companys 2022 Annual Meeting of Stockholders, and (ix) 9,260,739,576 shares that were added to reflect a 10-for-1 stock split effective June

7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued

pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may

be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company

Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares

available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or

otherwise terminate, in

whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are

forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase

rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of

such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or

repurchased by the Company, shall revert to and again become available for issuance under the Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the

number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under

the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in

satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant

shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price

of any Stock Award, or the withholding of

taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual

delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares

of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award,

then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section 9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be

eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an

exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more

than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance

Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e)Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including

shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a)Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent

corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b)Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the

expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Registration Statement

under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of

the Company's securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the

Consultant is a natural person, or because of any other rule governing the use of Form S-8.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will deem appropriate. All Options will be

separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate

certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically

designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to

qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The

provisions of separate Options or SARs need not be identical; provided, however, that each Award Agreement will include (through incorporation

of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the

expiration of ten (10) years from the date of its grant or such shorter period specified in the Award

Agreement (the Expiration Date).

(b)Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the

Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the

Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike

price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option

or stock appreciation right in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR

will be denominated in shares of Common Stock equivalents.

(c)Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent

permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to

use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of

payment permitted by this Section 5(c) are:

(i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance

of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay

the aggregate exercise price to the Company from the sales proceeds;(iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the

number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not

exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent

of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided,

further, that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (A)

shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise, (B) shares are delivered to the Participant as

a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d)Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of

the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is

vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation

distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the

Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options

and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such

additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the

following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or

pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided,

however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities

laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer,

an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an

Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a

Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participants estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided, however, that in all cases, in the event that a Participants Continuous Service terminates as a result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause or upon the Participant's death or Disability) would either (i) be prohibited solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or her termination of Continuous Service, then the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of

the term of the Option or SAR as set forth in

the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant

and the Company, in the event that a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may

exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of

Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous

Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement.

If, after termination of Continuous Service,

the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option

or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and

the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death (which termination event

will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies within the period (if any) specified in the

Award Agreement after the termination of the Participant's Continuous Service for a reason other than death (which event will not give rise to

acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled

to exercise such Option or SAR as of the date of death) by the Participants estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participants death, but only within the period ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participants death, the Option or SAR is not exercised within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(k)Termination for Cause. Except as explicitly provided otherwise in a Participants Award Agreement, or other individual written agreement between the Company or any Affiliate and the Participant, if a Participants Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participants termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.(l)Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participants retirement (as such term may be defined in the

Participant's Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six (6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. Provisions of Stock Awards other than Options and SARs.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical, provided, however, that each Restricted Stock Award

Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of termination of Continuous Service.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its

sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of the date of termination of Continuous Service.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Termination of Participants Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participants termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may require the completion of a specified period of Continuous Service. In the event a Participants Continuous Service terminates as a result of his or her death, then the Performance Stock Award will be deemed to have been earned at 100% of the target level of performance, will be fully vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance

Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such terms and conditions as the Board or the Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her

Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code

with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance

Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after

the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any

event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any

compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will

certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases

where such relate solely to the increase in the value of the Common Stock). With respect to any Award intended to qualify as performance-

based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due

upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of Continuous Service.

7. Covenants of the Company.

(a) Availability of Shares. During the terms of the Stock Awards, the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue and sell shares of Common

Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities

Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if

the cost or efforts to obtain the approval is unreasonable in relation to the value of the benefits to be provided under the Plan, as determined by

the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such

regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common

Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash

or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c)No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such Participant

as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise

such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the

Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an Award to the holder of such Award.8.Miscellaneous.

(a)Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b)Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

(c)Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d)No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the

employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e)Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f)Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company

and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing

Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise

do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option

Agreement(s) or any Board or Committee resolutions related thereto.

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any

Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business

matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial

and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of

exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently

effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the

Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon

advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h)Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance contributions, payment on account or any other taxes) by any of the following means (in addition to the Companys right to withhold from any compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may

determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participants termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically

provides otherwise), if the shares of Common

Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a

specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation

from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date

that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless

such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in

a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.(l) Clawback/Recovery. All Awards granted under the Plan will be subject to

recoupment in accordance with any clawback policy that the

Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's

securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In

addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines

necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other

cash or property upon the occurrence of Cause.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the

class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b)Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, and upon ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to the Companys right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Companys repurchase rights or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c)Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate

Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate

Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards

may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such

Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose

Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be

exercised) will (contingent upon the effectiveness of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at least five (5) business days to the

holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(d) Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in

Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue

any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in

Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be

assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Change in

Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or

substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Change in Control in which the surviving corporation

or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Change in Control), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Change in Control, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock Award is assumed, continued, or substituted by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10. Termination or Suspension of the Plan.

(a) Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the

tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the foregoing definition.

(b) Award means a Stock Award or a Performance Cash Award.

(c) Award Agreement means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) Board means the Board of Directors of the Company.

(e) Capitalization Adjustment means any change that is made in, or other events that occur with respect to, the Common Stock subject

to the Plan or subject to any Stock Award after the Effective Date without the receipt of

consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment .

(f) Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that relates to equity awards and contains a definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not party to any such agreement, such

Participants termination because of (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (B) the Participants commission

of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an

Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer, Director or Consultant to the Company or an

Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such

Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the Participant, (D) the Participants disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property, reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Companys then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Companys securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the

outstanding voting securities as a result of a repurchase or other acquisition of voting securities by

the Company reducing the number of shares

outstanding, provided that if a Change in Control would occur (but for the operation of this sentence)

as a result of the acquisition of voting

securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that,

assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the

Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and,

immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior

thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting

power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power

of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as

their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the

voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of

all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or

right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not include a sale of assets, merger or other

transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any

analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing

definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term

is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed

to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other

transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such

transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of

the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition

thereunder). The Board may, in its sole discretion and without a Participants consent, amend the definition of Change in Control to conform to

the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h)Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i)Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with

Section 2(c).

(j)Common Stock means the common stock of the Company.

(k)Company me", "Based on the analysis of Nvidia's 10-K report, several key insights emerge regarding the company's financial performance, risks, and market trends. Heres a synthesis of these insights along with actionable strategic recommendations for Nvidia's leadership team:

Financial Performance Insights

1. ****Revenue Growth****: Nvidia reported a significant increase in revenue, particularly in the Compute & Networking segment, which grew 154% year-on-year. This growth is primarily driven by demand for AI solutions and the Hopper GPU architecture.

2. **Gross Margin Improvement**: The gross margin improved to 75.1% for the second quarter of fiscal year 2025, up from 70.1% a year ago, indicating effective cost management and strong demand for high-margin products.
3. **Operating Income**: Operating income also saw a substantial increase, reflecting the company's ability to scale operations efficiently in response to rising demand.
4. **Cash Position**: Nvidia has a robust liquidity position with \$34.8 billion in cash, cash equivalents, and marketable securities, providing a strong buffer for future investments and operational needs.

Risk Factors

1. **Supply Chain Vulnerabilities**: Nvidia faces risks related to long manufacturing lead times and uncertain supply availability, which could lead to mismatches between supply and demand.
2. **Concentration of Revenue**: A significant portion of revenue comes from a limited number of customers, which poses a risk if any of these customers reduce their orders or switch to competitors.
3. **Geopolitical Risks**: Increasing geopolitical tensions, particularly involving China and Taiwan, could impact Nvidia's supply chain and market access.
4. **Regulatory Challenges**: The evolving regulatory landscape around AI technologies and export controls could impose additional compliance costs and operational constraints.

Market Trends

1. **AI and Data Center Demand**: The demand for AI and accelerated computing solutions is surging, driven by advancements in generative AI and large language models.
2. **Automotive Sector Growth**: Nvidia's automotive revenue is on the rise, indicating a growing market for AI-driven automotive solutions.
3. **Competitive Landscape**: The semiconductor industry is highly competitive, with rapid

technological advancements and new entrants that could disrupt Nvidia's market position.

Strategic Recommendations

1. ****Diversify Customer Base****: To mitigate the risk of revenue concentration, Nvidia should focus on diversifying its customer base by targeting new sectors and smaller enterprises that can benefit from AI solutions. This could involve tailored marketing strategies and partnerships with system integrators.
2. ****Strengthen Supply Chain Resilience****: Nvidia should invest in building a more resilient supply chain by establishing long-term partnerships with multiple suppliers and exploring vertical integration where feasible. This could help mitigate risks associated with supply shortages and lead times.
3. ****Expand AI Product Offerings****: Given the strong demand for AI solutions, Nvidia should continue to innovate and expand its product offerings in the AI space. This includes enhancing its software ecosystem and developing new applications for its hardware.
4. ****Enhance Regulatory Compliance Framework****: As regulatory scrutiny increases, Nvidia should proactively enhance its compliance framework to address potential legal and regulatory challenges. This includes engaging with policymakers and industry groups to shape favorable regulations.
5. ****Leverage Cash Position for Strategic Investments****: With a strong cash position, Nvidia should consider strategic acquisitions or investments in emerging technologies that complement its core business, particularly in AI and machine learning.
6. ****Focus on Sustainable Practices****: As sustainability becomes a critical factor for investors and consumers, Nvidia should enhance its sustainability initiatives, including energy-efficient product

designs and responsible sourcing practices.

7. **Monitor Geopolitical Developments**: Nvidia should establish a dedicated team to monitor geopolitical developments and assess their potential impact on operations. This team can develop contingency plans to address supply chain disruptions or market access issues.

By implementing these strategic recommendations, Nvidia can enhance its growth trajectory, manage risks effectively, and capitalize on emerging market opportunities in the rapidly evolving technology landscape.",2024-08-31T16:29:38.893132

8e3e2417-55a3-4582-aa27-f4ca95200542,Revenue-Maximization-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous

factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer

Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to-End Driving at Scale category, highlighting the

importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form

10-K for the fiscal year ended January 28, 2024. There have been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

	Three Months Ended	Six Months Ended		
	Jul 28, 2024	Jul 30, 2023	Jul 28, 2024	Jul 30, 2023

Revenue	100.0 %	100.0 %	100.0 %	100.0 %
---------	---------	---------	---------	---------

Cost of revenue	24.9	29.9	23.4	31.8
-----------------	------	------	------	------

Gross profit	75.1	70.1	76.6	68.2
--------------	------	------	------	------

Operating expenses

Research and development	10.3	15.1	10.4	18.9
--------------------------	------	------	------	------

Sales, general and administrative	2.8	4.7	2.9	6.1
-----------------------------------	-----	-----	-----	-----

Total operating expenses	13.1	19.8	13.3	25.0
--------------------------	------	------	------	------

Operating income	62.0	50.3	63.3	43.2
------------------	------	------	------	------

Interest income	1.5	1.4	1.4	1.6
-----------------	-----	-----	-----	-----

Interest expense	(0.2)	(0.5)	(0.2)	(0.6)
------------------	-------	-------	-------	-------

Other , net	0.6	0.4	0.5	0.2
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Other income (expense), net	1.9	1.3	1.7	1.2
-----------------------------	-----	-----	-----	-----

Income before income tax	63.9	51.6	65.0	44.4
--------------------------	------	------	------	------

Income tax expense	8.7	5.9	8.9	4.6
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Net income	55.2 %	45.7 %	56.1 %	39.8 %
------------	--------	--------	--------	--------

Revenue

Revenue by Reportable Segments

	Three Months Ended	Six Months Ended		
--	--------------------	------------------	--	--

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 26,446 \$ 10,402 \$ 16,044 154 %\$ 49,121 \$ 14,862 \$ 34,259 231 %

Graphics 3,5 94 3,105 489 16 % 6,963 5,837 1,126 19 %

Total \$ 30,040 \$ 13,507 \$ 16,533 122 %\$ 56,084 \$ 20,699 \$ 35,385 171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 202 4 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking \$ 18,848 \$ 6,728 \$ 12,120 180 %\$ 35,896 \$ 8,887 \$ 27,009 304 %

Graphics 1,369 1,211 158 13 %\$ 2,609 2,258 351 16 %

All Other (1,575) (1,139) (436) 38 %\$ (2,954) (2,204) (750) 34 %

Total \$ 18,642 \$ 6,800 \$ 11,842 174 %\$ 35,551 \$ 8,941 \$ 26,610 298 %

Compute & Networking revenue The increa se in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year

2024 was due to strengt h in Data Center computing and networking for accelerat ed computing and AI solutions. Revenue from GPU computing grew 166% year-

on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our

Hopper GPU architecture computing platform for training and inferencing of large language models, recommendation engines, and generative AI applications. Networking was also up 114% year-on-year and 159%

compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

28Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was led by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was due to an increase in stock-based compensation expense reflecting employee growth and compensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system

integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Compute & Networking segment, are presented in the following table:

	Three Months Ended	Six Months Ended
	Jul 28, 2024	Jul 28, 2024

Customer A	14 %	14 %
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Customer B	11 %	*
------------	------	---

Customer C	11 %	*
------------	------	---

Customer D	10 %	10 %
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Customer E	*	10 %
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* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 2025, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited

number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the second quarter and first half of fiscal year 2024, respectively. The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of 154% and 234% for the second quarter and first half of 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3 billion for the second quarter and first half of fiscal year 2025, respectively, and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$85 million and \$199 million for the second quarter and first half of fiscal year 2025, respectively. The net effect on our

gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively.

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the second quarter and first half of fiscal year 2024, respectively. The net effect on our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, respectively.

We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operating Expenses

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2025 was primarily driven by compensation and

benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), net \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increases in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt security balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other , net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact of changes in foreign currency rates. The change in Other , net, compared to the second quarter and first half of fiscal year 2024 was primarily driven by an increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7 of the Notes to Condensed Consolidated Financial

Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information

regarding our investments in privately-held and publicly-held equity

securities.

30Income Taxes

We recognized income tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively, and \$793 million and

\$958 million for the second quarter and first half of fiscal year 2024, respectively. Income tax expense as a percentage of income before income tax was 13.6%

and 13.7% for the second quarter and first half of fiscal year 2025, respectively, and 11.4% and 10.4% for the second quarter and first half of fiscal year 2024,

respectively.

The effective tax rate increased primarily due to a lower percentage of tax benefits from the foreign-derived intangible income deduction relative to the increase

in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in

the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release

could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8, 877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and

share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 6 of the Notes to Consolidated

Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash equivalents and marketable securities held outside the U.S. as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our

shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset dilution from shares issued to employees while maintaining adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment opportunities. We plan to continue share repurchases this fiscal year.

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of July 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations,

long-term debt, and purchase obligations, refer to Notes 2, 11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively .

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive

Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a failure to estimate customer demand accurately, has led and could lead to mismatches between supply and demand.

We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer, component or capacity supply, and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as we have experienced in the past, there could be a significant mismatch between supply and demand. This mismatch has resulted in both product shortages and excess inventory, has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient commitments or capacity to address our business needs, or our long-term demand expectations may change. Additionally, our ability to sell certain products has been and could be impeded if components necessary for the finished products are not available from third parties. This risk may increase as a result of our platform strategy. In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity, which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity, which may require additional deposits. We may not have the ability to reduce our supply commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or

overestimate our customers' future demand for our products,
or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

- changes in product development cycles and time to market;
- competing technologies and competitor product releases, announcements or other actions;
- changes in business and economic conditions;
- sudden or sustained government lockdowns or public health issues ;
- rapidly changing technology or customer requirements;
- the availability of sufficient data center capacity or energy for customers to procure;
- new product introductions and transitions resulting in less demand for existing products;
- new or unexpected end-use cases;
- increase in demand for competitive products;
- business decisions made by third parties;
- the demand for accelerated computing, AI-related cloud services, or large language models;
- changes that impact the ecosystem for the architectures underlying our products and technologies;
- the demand for our products; or
- government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase volumes and integration of new suppliers and contract manufacturers into our supply chain may create more complexity in managing multiple suppliers with variations in production planning, execution and logistics. Our expanding product portfolio and

varying component compatibility and quality may lead to increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated computing platforms to meet a growing and diverse set of AI opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product configurations may magnify the challenges associated with managing our supply and demand. Qualification time for new products, customers anticipating product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in our revenue . We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of

newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty, or other costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our product road map may impact our ability to develop other products or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product transitions and have sold multiple product architectures at the same time, these transitions are difficult, may impair our ability to predict demand and impact our supply mix, and may cause us to incur additional costs. Many end customers often do not purchase directly from us but instead purchase indirectly through multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by our multiple OEMs, ODMs, system integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have impacted and could in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contract manufacturers experience supply constraints, we may not be able to increase supply to meet customer demand in a timely manner, or at all. If we cannot procure sufficient supply to meet demand or otherwise 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 harmed. Additionally, since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any one component have had and may have a broader revenue impact.

If we overestimate our customers future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including due to channel pricing programs that we have implemented and may continue to implement, as a result of our overestimation of future demand, and we may need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers increase in prices, and we may need to continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of these impacts has increased and may continue to increase as our purchase obligations and prepaids have grown and are expected to continue to grow and become a greater portion of our total supply. All of these factors may negatively impact our gross

margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for Data Center , the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with any reasonable degree of precision the impact of generative AI models on our reported revenue or forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers, contract manufacturers, and assembly partners who are critical to our supply continuity , could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand. For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in

the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0 merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum mining. This has created and may in the future create increased aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and reseller marketplaces compete with our new products and distribution channels. Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content available on our platforms, such as GeForce NOW. Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our platforms, or failure by third-party content providers or publishers to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adversely affect customer demand.

We receive a significant amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectly from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of these customers.

We receive a significant amount of our revenue from a limited number of customers within our

distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%, 11%, 11% and 10% of total revenue, respectively, for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networking segment. With several of these channel partners, we are selling multiple products and systems in our portfolio through their channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partners that are involved in system integration with our key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key customers. Changes in our partners' or customers' business models or their ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to customers. In the future, these partners may decide to purchase fewer products, not to incorporate our products into their ecosystem, or to alter their purchasing patterns in some other way. Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners' or customers' purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors and other channel partners. For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent

10% or more of total revenue, attributable to the Compute & Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large customers, a significant reduction in purchases by them, our inability to sell to a customer due to U.S. or other countries' trade restrictions or any difficulties in collecting accounts receivable would likely harm our financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement; taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions

against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems

using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain

regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying, tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and negatively impact our businesses and financial results.

37 Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively impact our manufacturing, testing and warehousing locations and options, or could impose other

conditions that limit our ability to serve demand abroad and could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI, which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to various penalties or restrictions on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in

China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East. In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to China and Country Groups D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40, L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a

license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that

38does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new restrictions or may be able to acquire licenses for their products.

Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to

pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time

and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the

event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing

requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG

has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license

conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling

mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has

already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a

significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In

addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to

those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed

from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers

containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control.

Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or shifting export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government may also impose restrictions on the sale to certain customers of our products, or any products containing

components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the products of our suppliers could negatively impact our business and financial results.

39 Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that negatively impact our ability to receive supply of components, parts, or services from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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.

In the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in cash dividends. Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

Period	Total Number of Shares Purchased	(In millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	(In millions)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program	(In billions)
April 29, 2024 - May 26, 2024	23.0	\$ 91.50	23.0	\$ 12.4			
May 27, 2024 - June 23, 2024	14.7	\$ 121.36	14.7	\$ 10.6			
June 24, 2024 - July 28, 2024	25.1	\$ 123.63	25.1	\$ 7.5			

Total 62.8 62.8

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of \$53.9 billion was available for repurchase.

Restricted Stock Unit Share Withholding

We withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU awards under our employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively, for a total value of \$1.6 billion and \$3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approximately \$25 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approximately \$26 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

The above securities were issued in transactions not involving a public offering pursuant to an exemption from registration set forth in Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operations, terminated a Rule 10b5-1 trading arrangement adopted on April 12, 2024 for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11,

2025. 100,1 10 shares were sold under the plan prior to termination.

40Item 6. Exhibits

Incorporated by Reference

Exhibit No. Exhibit Description Schedule/Form Exhibit Filing Date

3.1 Amendment to Restated Certificate of Incorporation of NVIDIA Corporation 8-K 3.1 6/7/2024

10.1+* Amended and Restated 2007 Equity Incentive Plan

10.2+* Amended and Restated 2012 Employee Stock Purchase Plan

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*Inline XBRL Instance Document - the instance document does not appear in the Interactive

Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema Document

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document

104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL

document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

42NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the

Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign nationals or are employed outside the United States (such 100,000 share reserve, the Foreign Transition Reserve). On the Effective Date, all of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted

under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Re cipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (i i) Nonstatutory Stock Options,

(iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance

Cash Awards, and (viii) Other Stock Awards.(d)Purpose. The Company, by means of the Plan,

seeks to secure and retain the services of the group of persons eligible to receive

Awards as set forth in Section 1(b), to provide i ncentives for such persons to exert maximum efforts for the success of the Company and any

Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit fr om increases in value of the Common

Stock through the granting of Stock Awards.

(e)Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-

based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant

to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in

effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in

accordance with the TCJA and any applicable guidance, rulings or regulations issued by any governmental authority.

2. Administration.

(a)Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b)Powers of Board. The Board will have th e power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each Award will be granted; (C) what type or combination of types of Award will be granted; (D) the provisions of each Award granted (which need not be identical), including the time or t imes when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Ma rket Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement or in the written terms of a Performance Cash Award, in a manner and to th e extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it m ay be exercised or the time during which it will vest (or at which cash or shares of Common Stock may be issued); provided, however, that

notwithstanding the foregoing or anything in the

Plan to the contrary, the time at which a Participant's Award may be exercised or the time during which a Participant's Award or any part thereof

will vest may only be accelerated in the event of the Participant's death or Disability or in the event of a Corporate Transaction or Change in

Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan, but only to the extent required by applicable law or listing requirements. Except as otherwise provided in

the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended

to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based

compensation from the limit on corporate deductibility of compensation paid to Covered Employees,

(ii) Section 422 of the Code regarding

Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including,

but not limited to, amendments to provide terms more favorable than previously provided in the Award Agreement, subject to any specified limits

in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the

status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be

materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant

consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants

consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain the qualified status of the Award as a non

Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into

compliance with, Section 409A of the Code and

the related guidance thereunder, or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best

interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are

necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or Consultants who are foreign nationals or

employed or located outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration

of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore

possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of

the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee

or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by

the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at

any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in

accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do one or more of the following to the extent permitted by applicable law: (i) designate recipients, other than Officers, of Stock Awards, provided that no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject to such Stock Awards; and (iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to this section will be granted on the applicable form of Stock Award Agreement most recently approved for use by the Board or the Committee, with any modifications necessary to incorporate or reflect the terms of such Stock Award.

Notwithstanding anything to the contrary in this Section

2(d), neither the Board nor any Committee may delegate to any person or body (who is not a Director or that is not comprised solely of Directors,

respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e)Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to

review by any person and will be final, binding and conclusive on all persons.

(f)Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the authority to: (i) reduce the exercise

or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel any outstanding Options or Stock

Appreciation Rights that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Stock

Awards under the Plan, unless the stockholders of the Company have approved such an action within twelve (12) months prior to such an event.

(g)Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any

shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; provided,

however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested

under the terms of such Award Agreement, (i i) any dividends or dividend equivalents that are credited with respect to any such shares will be

subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any

vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to

any such shares will be forfeited to the

Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under

the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of

Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective Date will not exceed 10,289,710,640 shares

(the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total

reserve that the Company's stockholders approved at the Company's 2007 Annual Meeting of Stockholders, including but not limited to the

shares remaining available for issuance under the Prior Plans on the Effective Date and the Prior Plans Returning Shares, (ii) 25,000,000

shares that were approved at the Company's 2012 Annual Meeting of Stockholders (and reapproved at the Company's 2013 Annual Meeting of

Stockholders), (iii) 10,000,000 shares that were approved at the Company's 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that

were approved at the Company's 2016 Annual Meeting of Stockholders, (v) 23,000,000 shares that were approved at the Company's 2018

Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Company's 2020 Annual Meeting of Stockholders, (vii)

733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii) 51,500,000 shares that were approved at the

Company's 2022 Annual Meeting of Stockholders, and (ix) 9,260,739,576 shares that were added to

reflect a 10-for-1 stock split effective June

7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued

pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may

be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company

Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares

available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or otherwise terminate, in

whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are

forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase

rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of

such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or

repurchased by the Company, shall revert to and again become available for issuance under the Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not

delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the

number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under

the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in

satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant

shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price of any Stock Award, or the withholding of

taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual

delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares

of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award,

then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section 9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued

pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent

corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the

expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Registration Statement

under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of

the Company's securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the

Consultant is a natural person, or because of any other rule governing the use of Form S-8.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will deem appropriate. All Options will be

separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant,

and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; provided, however, that each Award Agreement will include (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement (the Expiration Date).

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option or stock appreciation right in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of payment permitted by this Section 5(c) are:

- (i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;
- (ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds; (iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided, further, that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise,

(B) shares are delivered to the Participant as

a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of

the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is

vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation

distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the

Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options

and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such

additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the

following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or

pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of

applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided, however, that in all cases, in the event that a Participant's Continuous Service terminates as a result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the

Award Agreement (as applicable), the Option or SAR will terminate.

(h)Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participants Continuous Service

(other than for Cause or upon the Participants death or Disability) would either (i) be prohibited solely because the issuance of shares of

Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under

Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or her termination of Continuous Service, then

the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participants Continuous

Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the

Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of the term of the Option or SAR as set forth in

the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i)Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant

and the Company, in the event that a Participants Continuous Service terminates as a result of the Participants Disability, the Participant may

exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of

Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous

Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement.

If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death (which termination event will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies within the period (if any) specified in the Award Agreement after the termination of the Participant's Continuous Service for a reason other than death (which event will not give rise to acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement, or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous

Service is terminated for Cause, the Option or

SAR will terminate immediately upon such Participants termination of Continuous Service, and the Participant will be prohibited from exercising

his or her Option or SAR from and after the time of such termination of Continuous Service.(l)Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt employee for purposes of the Fair Labor

Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of

grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity

Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed,

continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participants retirement (as such term may be defined in the

Participants Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with

the Companys then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six

(6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in

connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or

required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection

with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employees regular rate of pay, the

provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. Provisions of Stock Awards other than Options and SARs.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as

the Board will deem appropriate. To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock may be

(x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or

(y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of

Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award

Agreements need not be identical, provided, however, that each Restricted Stock Award Agreement will include (through incorporation of the

provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or

electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal

consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the

Company in accordance with a vesting schedule to be determined by the Board; provided, however,

that in all cases, in the event a Participant's

Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of termination of Continuous Service.

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

- (i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.
- (ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of the date of termination of Continuous Service.
- (iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.
- (iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.
- (v) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award

Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, vest

or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may

require the completion of a specified period of Continuous Service. In the event a Participant's Continuous Service terminates as a result of his

or her death, then the Performance Stock Award will be deemed to have been earned at 100% of the target level of performance, will be fully

vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance

Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such

Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to

qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent

permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be

used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during

a Performance Period of certain Performance Goals. A Performance Cash Award may also require

the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such terms and conditions as the Board or the Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance

Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). With respect to any Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other

Stock Awards and all other terms and

conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a

result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of

Continuous Service.

7. Covenants of the Company.

(a) Availability of Shares. During the terms of the Stock Awards, the Company will keep available at all times the number of shares of

Common Stock reasonably required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the

Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue and sell shares of Common

Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities

Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if

the cost or efforts to obtain the approval is unreasonable in relation to the value of the benefits to be provided under the Plan, as determined by

the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such

regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common

Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such Participant as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. Miscellaneous.

(a) Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in

the Award Agreement.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the

Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f) Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s) or any Board or Committee resolutions related thereto.

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who

is knowledgeable and experienced in financial

and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of

exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently

effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the

Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon

advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in

order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any

federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance

contributions, payment on account or any other taxes) by any of the following means (in addition to the Company's right to withhold from any

compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a

cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participants termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in

accordance with applicable law.

(k) Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will

be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of

the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted

hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will

incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an

Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common

Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a

specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation

from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date

that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless

such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in

a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on

the original schedule.(l)Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause.

9.Adjustments upon Changes in Common Stock; Other Corporate Events.

(a)Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b)Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, and upon ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and

outstanding shares of Common Stock not subject to the Companys right of repurchase or a forfeiture condition) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Companys repurchase rights or a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose

Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness

of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine

(or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction),

and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or

repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate

Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Companys right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(d)Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Change in Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) **Stock Awards Not Assumed Held by Current Participants.** Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Change in Control), and such

Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the

Change in Control, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring

corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such

outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be

exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at

least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the

Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will

not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a

Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock Award is assumed, continued, or substituted by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10. Termination or Suspension of the Plan.

(a) Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the

Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the

foregoing definition.

(b) Award means a Stock Award or a Performance Cash Award.

(c) Award Agreement means a written agreement between the Company and a Participant evidencing the terms and conditions of an

Award.

(d) Board means the Board of Directors of the Company.

(e) Capitalization Adjustment means any change that is made in, or other events that occur with respect to, the Common Stock subject

to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger,

consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating

dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is

used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the

foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that relates to equity awards and contains a

definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not

party to any such agreement, such

Participants termination because of (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (B) the Participants commission

of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an

Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer, Director or Consultant to the Company or an

Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such

Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a

breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the

Participant, (D) the Participants disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property,

reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial

condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the

following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50%

of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by

an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related

transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the

outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares

outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting

securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that,

assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the

Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and,

immediately after the consummation of such merger, consolidation or similar transaction, the

stockholders of the Company immediately prior

thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting

power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power

of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as

their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of Change in Control to conform to the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h)Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i)Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with

Section 2(c).

(j)Common Stock means the common stock of the Company.

(k)Company means,"Based on the analysis of Nvidia's 10-K report, several potential revenue growth opportunities can be identified. Here are some innovative strategies, new markets, and product offerings that could drive revenue growth and enhance profitability for Nvidia:

1. **Expansion in Generative AI and Microservices**

- **Opportunity**: Nvidia has introduced generative AI models and NIM microservices for OpenUSD. This positions the company to capitalize on the growing demand for AI-driven solutions across various industries.

- **Strategy**: Nvidia can enhance its offerings by developing tailored generative AI solutions for specific sectors such as healthcare, finance, and entertainment. Collaborating with industry leaders to create customized AI applications could open new revenue streams.

2. **Automotive Sector Growth**

- **Opportunity**: Automotive revenue has shown significant growth, with a 37% increase year-over-year. The success in the Autonomous Grand Challenge highlights Nvidia's capabilities in autonomous vehicle technology.

- **Strategy**: Nvidia should continue to invest in partnerships with automotive manufacturers to integrate its AI technologies into their vehicles. Expanding its product line to include more advanced driver-assistance systems (ADAS) and fully autonomous driving solutions could capture a larger market share.

3. **Data Center and Cloud Services**

- **Opportunity**: The Compute & Networking segment has seen explosive growth, driven by demand for AI solutions and GPU computing.
- **Strategy**: Nvidia can further penetrate the cloud services market by offering subscription-based models for its AI and GPU computing services. This could include partnerships with major cloud providers to enhance their AI capabilities, thereby increasing Nvidia's recurring revenue.

4. **Gaming and Esports Innovations**

- **Opportunity**: The graphics segment has also experienced growth, particularly with the GeForce RTX 40 Series GPUs.
- **Strategy**: Nvidia can expand its gaming ecosystem by investing in esports and gaming content creation. This could involve partnerships with game developers to optimize games for Nvidia hardware, as well as creating exclusive content or experiences for gamers.

5. **International Market Expansion**

- **Opportunity**: A significant portion of Nvidia's revenue comes from international markets (57% of total revenue).
- **Strategy**: Nvidia should focus on expanding its presence in emerging markets, particularly in Asia and Latin America, where demand for AI and gaming technologies is growing. Tailoring products to meet local needs and establishing local partnerships could facilitate this expansion.

6. **Sustainability and Green Technology**

- **Opportunity**: As global sustainability regulations become more stringent, there is an increasing demand for energy-efficient technologies.

- **Strategy**: Nvidia can leverage its technology to develop energy-efficient AI solutions and promote its GPUs as environmentally friendly options for data centers and gaming. This could enhance brand reputation and attract environmentally conscious customers.

7. Strategic Acquisitions and Partnerships

- **Opportunity**: Nvidia has a history of strategic acquisitions that enhance its technology portfolio.

- **Strategy**: Identifying and acquiring companies that specialize in complementary technologies, such as AI software development or advanced semiconductor manufacturing, could strengthen Nvidia's market position and drive innovation.

8. Focus on Research and Development

- **Opportunity**: Nvidia's R&D expenses have increased significantly, indicating a commitment to innovation.

- **Strategy**: Continuing to invest in R&D to develop next-generation products, particularly in AI and machine learning, will be crucial. This could involve exploring new architectures or applications for GPUs beyond traditional uses.

9. Enhanced Customer Engagement and Support

- **Opportunity**: With a significant portion of revenue coming from a limited number of customers, maintaining strong relationships is vital.

- **Strategy**: Nvidia can enhance customer engagement through improved support services, training programs, and community-building initiatives. This could lead to increased customer loyalty and repeat business.

Conclusion

Nvidia is well-positioned to capitalize on the growing demand for AI, gaming, and data center solutions. By focusing on innovative strategies, expanding into new markets, and enhancing product offerings, Nvidia can drive significant revenue growth and enhance profitability in the coming years.",2024-08-31T16:29:38.893132

8e3e2417-55a3-4582-aa27-f4ca95200542,Expenses-Minimization-Agent,"Analyze Nvidia's 10-K report and provide your analysis: us quarter and up 20% from a year ago.

We introduced generative AI models and NIM microservices for OpenUSD; and announced major Taiwanese electronics makers are creating more autonomous

factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse simulation and NVIDIA Isaac AI robot development.

Automotive revenue for the second quarter of fiscal year 2025 was \$346 million, up 5% from the previous quarter and up 37% from a year ago. At the Computer

Vision and Pattern Recognition conference, NVIDIA won the Autonomous Grand Challenge in the End-to-End Driving at Scale category, highlighting the

importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.

Financial Information by Business Segment and Geographic Data

Refer to Note 14 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. There have

been no material changes to our Critical Accounting Policies and Estimates.

27Results of Operations

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

revenue.

Three Months Ended Six Months Ended
Jul 28, 2024 Jul 30, 2023 Jul 28, 2024 Jul 30, 2023

Revenue 100.0 % 100.0 % 100.0 % 100.0 %

Cost of revenue 24.9 29.9 23.4 31.8

Gross profit 75.1 70.1 76.6 68.2

Operating expenses

Research and development 10.3 15.1 10.4 18.9

Sales, general and administrative 2.8 4.7 2.9 6.1

Total operating expenses 13.1 19.8 13.3 25 .0

Operating income 62.0 50.3 63.3 43.2

Interest income 1.5 1.4 1.4 1.6

Interest expense (0.2) (0.5) (0.2) (0.6)

Other , net 0.6 0.4 0.5 0.2

Other income (expense), net 1.9 1.3 1.7 1.2

Income before income tax 63.9 51.6 65.0 44.4

Income tax expense 8.7 5.9 8.9 4.6

Net income 55.2 % 45.7 % 56.1 % 39.8 %

Revenue

Revenue by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking	\$ 26,446	\$ 10,402	\$ 16,044	154 %	\$ 49,121	\$ 14,862	\$ 34,259	231 %
Graphics	3,594	3,105	489	16 %	6,963	5,837	1,126	19 %
Total	\$ 30,040	\$ 13,507	\$ 16,533	122 %	\$ 56,084	\$ 20,699	\$ 35,385	171 %

Operating Income by Reportable Segments

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

ChangeJul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Compute & Networking	\$ 18,848	\$ 6,728	\$ 12,120	180 %	\$ 35,896	\$ 8,887	\$ 27,009	304 %
Graphics	1,369	1,211	158	13 %	\$ 2,609	2,258	351	16 %
All Other	(1,575)	(1,139)	(436)	38 %	\$(2,954)	(2,204)	(750)	34 %
Total	\$ 18,642	\$ 6,800	\$ 11,842	174 %	\$ 35,551	\$ 8,941	\$ 26,610	298 %

Compute & Networking revenue The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was due to strength in Data Center computing and networking for accelerated computing and AI solutions. Revenue from GPU computing grew 166% year-on-year and 257% compared to the first half of fiscal year 2024, was driven by demand for our Hopper GPU architecture computing platform for training and inferencing of large language models, recommendation engines, and generative AI applications. Networking was also up 114% year-on-year and 159% compared to the first half of last year driven by both InfiniBand and Ethernet for AI revenue.

Graphics revenue The increase in the second quarter and first half of fiscal year 2025 compared

to the second quarter and first half of fiscal year 2024 was led by higher sales of our GeForce RTX 40 Series GPUs.

Reportable segment operating income The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 in Compute & Networking and Graphics operating income was driven by higher revenue.

All Other operating loss The increase in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 was due to an increase in stock-based compensation expense reflecting employee growth and compensation increases.

Concentration of Revenue

Revenue by geographic region is designated based on the billing location even if the revenue may be attributable to end customers, such as enterprises and gamers in a different location. Revenue from sales to customers outside of the United States accounted for 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively, and 55% and 59% of total revenue for the second quarter and first half of fiscal year 2024, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, consumer internet companies, enterprises, and public sector entities.

Sales to direct customers which represented 10% or more of total revenue, all of which were primarily attributable to the Compute & Networking segment, are

presented in the following table:

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 28, 2024

Customer A 14 % 14 %

Customer B 11 % *

Customer C 11 % *

Customer D 10 % 10 %

Customer E * 10 %

* Less than 10% of total revenue

For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue attributable to the Compute & Networking segment.

For the first half of fiscal year 2025, an indirect customer which primarily purchases our products from system integrators and distributors, including from Customer E, is estimated to represent 10% or more of total revenue, attributable to the Compute & Networking segment.

Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data and other sources. Actual indirect customer revenue may differ from our estimates.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue.

Our overall gross margin increased to 75.1% and 76.6% for the second quarter and first half of fiscal year 2025, respectively, from 70.1% and 68.2% for the

second quarter and first half of fiscal year 2024, respectively . The increases in the second quarter and first half of fiscal year 2025 compared to the second quarter and first half of fiscal year 2024 were primarily due to strong Data Center revenue growth of 154% and 234% for the second quarter and first half of 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$908 million and \$1.3 billion for the second quarter and first half of fiscal year 2025, respectively , and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$85 million and \$199 million for the second quarter and first half of fiscal year 2025, respectively . The net effect on our

gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively .

Provisions for inventory and excess inventory purchase obligations totaled \$576 million and \$709 million for the second quarter and first half of fiscal year 2024, respectively . Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of \$84 million and \$134 million for the second quarter and first half of fiscal year 2024, respectively . The net effect on our gross margin was an unfavorable impact of 3.6% and 2.8% in the second quarter and first half of fiscal year 2024, respectively .

We expect our Data Center mix to continue to shift to new products in the second half of fiscal year 2025. For fiscal year 2025, we expect gross margins to be in the mid-70% range.

Operating Expenses

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change%

Change Jul 28, 2024 Jul 30, 2023\$

Change%

Change

(\$ in millions)

Research and development

expenses \$ 3,090 \$ 2,040 \$1,050 51 % \$ 5,810 \$ 3,916 \$1,894 48 %

% of net revenue 10.3 % 15.1 % 10.4 % 18.9 %

Sales, general and administrative

expenses 842 622 220 35 % 1,618 1,253 365 29 %

% of net revenue 2.8 % 4.7 % 2.9 % 6.1 %

Total operating expenses \$ 3,932 \$ 2,662 \$1,270 48 % \$ 7,428 \$ 5,169 \$2,259 44 %

% of net revenue 13.1 % 19.8 % 13.3 % 25.0 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2025 were driven by 35% and 34% increase in

compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and 118% and 117% increase in compute and infrastructure investments, respectively .

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2025 was primarily driven by compensation and

benefits, including stock-based compensation, reflecting employee growth and compensation increases.

For fiscal year 2025, we expect operating expenses to grow in the mid to upper 40% range as we work on developing our next generation of products.

Other Income (Expense), Net

Three Months Ended Six Months Ended

Jul 28, 2024 Jul 30, 2023\$

Change Jul 28, 2 024 Jul 30, 2023\$

Change

(\$ in millions)

Interest income \$ 444 \$ 187 \$ 257 \$ 803 \$ 338 \$ 465

Interest expense (61) (65) 4 (125) (131) 6

Other , net 189 59 130 264 42 222

Other income (expense), ne t \$ 572 \$ 181 \$ 391 \$ 942 \$ 249 \$ 693

The increas es in interest income for the second quarter and first half of fiscal year 2025 was due to higher cash, cash equivalents, and publicly-held debt secu rity balances.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other , net consists of realized or unrealized gains and losses from investments in privately-held equity securities, publicly-held equity securities, and the impact

of changes in foreign currency rates. The change in Other , net, compared to the second quarter and first half of fis cal year 2024 was primarily driven by an

increase in fair value of our privately-held and publicly-held equity securities. Refer to Note 6 and 7 of the Notes to Condensed Consolidated Financial

Statem ents in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in privately-held and publicly-held equity securities.

30Income T axes

We recognized i ncome tax expense of \$2.6 billion and \$5.0 billion for the second quarter and first half of fiscal year 2025, respectively , and \$793 million and

\$958 million for the second quarter and first half of fiscal year 2024, respectively . Income tax expense as a percentage of income before income tax was 13.6% and 13.7% for the second quarter and first half of fiscal year 2025, respectively , and 11.4% and 10.4% for the second quarter and first half of fiscal year 2024, respectively .

The effective tax rate increased primarily due to a lower percentage of tax benefits from the foreign-derived intangible income deduction relative to the increase in income before income tax.

Given our current and anticipated future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available evidence.

Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Jul 28, 2024 Jan 28, 2024

(In millions)

Cash and cash equivalents \$ 8,563 \$ 7,280

Marketable securities 26,237 18,704

Cash, cash equivalents and marketable securities \$ 34,800 \$ 25,984

Six Months Ended

Jul 28, 2024 Jul 30, 2023

(In millions)

Net cash provided by operating activities \$ 29,833 \$ 9,259

Net cash used in investing activities \$ (8, 877) \$ (1,287)

Net cash used in financing activities \$ (19,665) \$ (5,479)

Our investment policy requires the purchase of high-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024 due to growth in revenue, partially offset by higher tax payments. Our accounts receivable balance at the end of the first half of fiscal year 2025 reflects the strong revenue growth, partially offset by \$2.8 billion from customer payments received prior to the invoice due date.

Cash used in investing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, primarily driven by net purchases of marketable securities, and acquisition of land and buildings.

Cash used in financing activities increased in the first half of fiscal year 2025 compared to the first half of fiscal year 2024, mainly due to higher share repurchases and higher tax payments related to RSUs.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, and marketable securities, and the cash generated by our operations. As of July 28, 2024, we had \$34.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months, and for the foreseeable future, including our future supply obligations and share repurchases. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the U.S. government and its agencies, highly rated corporations

and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly rated financial institutions. Our corporate debt securities are publicly traded. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 6 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 Except for approximately \$1.4 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash equivalents and marketable securities held outside the U.S. as of July 28, 2024 are available for use in the U.S. without incurring additional U.S. federal income taxes.

Payment from customers, per our standard payment terms, is generally due shortly after delivery of products, availability of software licenses or commencement of services.

Capital Return to Shareholders

During the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in quarterly cash dividends.

Our cash dividend program and the payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

On June 7, 2024, we increased our quarterly cash dividend to \$0.01 per share on a post-Stock Split basis to all shareholders of record on June 11, 2024. Our quarterly cash dividend was paid on June 28, 2024.

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1

million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock. On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. As of August 26, 2024, a total of \$53.9 billion was available for repurchase. Our share repurchase program aims to offset dilution from shares issued to employees while maintaining adequate liquidity to meet our operating requirements. We may pursue additional share repurchases as we weigh market factors and other investment opportunities. We plan to continue share repurchases this fiscal year.

From April 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal year 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 28, 2024, by year payable, are as follows:

Jul 28, 2024

(In millions)

Due in one year \$

Due in one to five years 2,250

Due in five to ten years 2,750

Due in greater than ten years 3,500

Unamortized debt discount and issuance costs (39)

Net carrying amount 8,461

Less short-term portion

Total long-term portion \$ 8,461

We have a \$575 million commercial paper program to support general corporate purposes. As of July 28, 2024, no commercial paper was outstanding.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were \$1.7 billion, which includes related interest and penalties of \$186 million recorded in non-current income tax payable as of

July 28, 2024. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of

the effective settlement of such tax positions. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations

from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. Refer to Item 7, Management's Discussion and Analysis of

Financial Condition and Results of Operations - Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024

for a description of our contractual obligations. For a description of our operating lease obligations, long-term debt, and purchase obligations, refer to Notes 2,

11, and 12 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Climate Change

To date, there has been no material impact to our results of operations associated with global

sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A,

Quantitative and Qualitative Disclosures About Market Risk

in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the financial market risks described as of January 28, 2024.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024. As of July 28, 2024, there have been no material changes to the foreign exchange rate risks described as of January 28, 2024.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 28, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15 (e)) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time

periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes that occurred during the second quarter of fiscal year 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In fiscal year 2022, we began an upgrade of our enterprise resource planning, or ERP, system, which will update much of our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. The upgrade will occur in phases. We will continue to evaluate each quarter whether there are changes that 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.

33Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 12 of the Notes to Condensed Consolidated Financial Statements for a

discussion of significant developments in our legal

proceedings since January 28, 2024. Also refer to Item 3, Legal Proceedings in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 for

a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on

Form 10-K for the fiscal year ended January 28, 2024 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form

10-K for the fiscal year ended January 28, 2024, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2024, and below. Any

one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. 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.

Long manufacturing lead times and uncertain supply and component availability, combined with a failure to estimate customer demand accurately,

has led and could lead to mismatches between supply and demand.

We use third parties to manufacture and assemble our products, and we have long manufacturing lead times. We are not provided guaranteed wafer, component

or capacity supply, and our supply deliveries and production may be non-linear within a quarter or year. If our estimates of customer demand are inaccurate, as

we have experienced in the past, there could be a significant mismatch between supply and

demand. This mismatch has resulted in both product shortages and excess inventory, has varied across our market platforms, and has significantly harmed our financial results.

We build finished products and maintain inventory in advance of anticipated demand. While we have in the past entered and may in the future enter into long-term supply agreements and capacity commitments, we may not be able to secure sufficient commitments or capacity to address our business needs, or our long-term demand expectations may change. Additionally, our ability to sell certain products has been and could be impeded if components necessary for the finished products are not available from third parties. This risk may increase as a result of our platform strategy. In periods of shortages impacting the semiconductor industry and/or limited supply or capacity in our supply chain, the lead times on orders for certain supply may be extended. We have previously experienced and may continue to experience extended lead times of more than 12 months. We have paid premiums and provided deposits to secure future supply and capacity, which have increased our product costs and may continue to do so. If our existing suppliers are unable to scale their capabilities to meet our supply needs, we may require additional sources of capacity, which may require additional deposits. We may not have the ability to reduce our supply commitments at the same rate or at all if our revenue declines.

Many additional factors have caused and/or could in the future cause us to either underestimate or overestimate our customers' future demand for our products, or otherwise cause a mismatch between supply and demand for our products and impact the timing and volume of our revenue, including:

changes in product development cycles and time to market;

competing technologies and competitor product releases, announcements or other actions;

changes in business and economic conditions;

sudden or sustained government lockdowns or public health issues ;

rapidly changing technology or customer requirements;

the availability of sufficient data center capacity or energy for customers to procure;

new product introductions and transitions resulting in less demand for existing products;

new or unexpected end-use cases;

increase in demand for competitive products;

business decisions made by third parties;

the demand for accelerated computing, AI-related cloud services, or large language models;

34changes that impact the ecosystem for the architectures underlying our products and technologies;

the demand for our products; or

government actions or changes in governmental policies, such as export controls or increased restrictions on gaming usage.

We continue to increase our supply and capacity purchases with existing and new suppliers to support our demand projections. With these additions, we have

also entered and may continue to enter into prepaid manufacturing and capacity agreements to supply both current and future products. The increased purchase

volumes and integration of new suppliers and contract manufacturers into our supply chain may create more complexity in managing multiple suppliers with

variations in production planning, execution and logistics. Our expanding product portfolio and varying component compatibility and quality may lead to

increased inventory levels. We have incurred and may in the future incur inventory provisions or impairments if our inventory or supply or capacity commitments

exceed demand for our products or demand declines. Our customer orders and longer-term demand estimates may change or may not be correct, as we have

experienced in the past.

Product transitions are complex and we often ship both new and prior architecture products simultaneously as our channel partners prepare to ship and support new products. We may be in various stages of transitioning the architectures of our Data Center , Gaming, Professional Visualization and Automotive products.

The computing industry is experiencing a broader and faster launch cadence of accelerated computing platforms to meet a growing and diverse set of AI opportunities. We have introduced a new cadence of our Data Center architectures where we seek to complete a new GPU computing architecture each year

and we are providing a greater variety of Data Center offerings. The increased frequency of these transitions and the larger number of products and product

configurations may magnify the challenges associated with managing our supply and demand.

Qualification time for new products, customers anticipating

product transitions and channel partners reducing channel inventory of prior architectures ahead of new product introductions can reduce or create volatility in

our revenue . We have experienced and may in the future experience reduced demand for current generation architectures when customers anticipate

transitions, and we may be unable to sell multiple product architectures at the same time for current and future architecture transitions. If we are unable to

execute our architectural transitions as planned for any reason, our financial results may be negatively impacted. The increased frequency and complexity of

newly introduced products could result in unanticipated quality or production issues that could increase the magnitude of inventory provisions, warranty , or other

costs or result in product delays. For example, we executed a change to the Blackwell GPU mask to improve production yield. Our gross margins in the second

quarter of fiscal year 2025 were negatively impacted by inventory provisions for low-yielding

Blackwell material and they may continue to be impacted in the future.

We incur significant engineering development resources for new products, and changes to our product road map may impact our ability to develop other products or adequately manage our supply chain cost. Customers may delay purchasing existing products as we increase the frequency of new products or may not be able to adopt our new products as fast as forecasted, both impacting the timing of our revenue and supply chain cost. While we have managed prior product transitions and have sold multiple product architectures at the same time, these transitions are difficult, may impair our ability to predict demand and impact our supply mix, and may cause us to incur additional costs. Many end customers often do not purchase directly from us but instead purchase indirectly through multiple OEMs, ODMs, system integrators, distributors, and other channel partners. As a result, the decisions made by our multiple OEMs, ODMs, system integrators, distributors, and other channel partners, and in response to changing market conditions and changes in end-user demand for our products, have impacted and could in the future continue to impact our ability to accurately forecast demand, particularly as they are based on estimates provided by various downstream parties.

If we underestimate our customers' future 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 orders on a timely basis. If our contract manufacturers experience supply constraints, we may not be able to increase supply to meet customer demand in a timely manner, or at all. If we cannot procure sufficient supply to meet demand or otherwise 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 harmed. Additionally, since some of our products are part of a complex data center buildout, supply constraints or availability issues with respect to any

one component have had and may have a broader revenue impact.

If we overestimate our customers' future demand for our products, or if customers cancel or defer orders or choose to purchase from our competitors, we may

not be able to reduce our inventory or other contractual purchase commitments. In the past, we have experienced a reduction in average selling prices, including

due to channel pricing programs that we have implemented and may continue to implement, as a result of our overestimation of future demand, and we may

need to continue these reductions. We have had to increase prices for certain of our products as a result of our suppliers' increase in prices, and we may need to

continue to do so for other products in the future. We have also written down our inventory, incurred cancellation penalties, and recorded impairments and may

have to do so in the future. These impacts would be amplified by our placement of any non-cancellable and non-returnable purchase orders placed in advance of

our historical lead times and could be exacerbated if we need to make changes to the design of future products. The risk of

35 these impacts has increased and may continue to increase as our purchase obligations and prepaids have grown and are expected to continue to grow and

become a greater portion of our total supply. All of these factors may negatively impact our gross margins and financial results.

Demand estimates for our new products, applications, and services can be incorrect and create volatility in our revenue or supply levels. We may not be able to

generate significant revenue from them. Recent technologies, such as generative AI models, have emerged, and while they have driven increased demand for

Data Center , the long-term trajectory is unknown. Because our products may be used in multiple use cases and applications, it is difficult for us to estimate with any reasonable degree of precision the impact of generative AI models on our reported revenue or forecasted demand.

Challenges in estimating demand could become more pronounced or volatile in the future on both a global and regional basis. Extended lead times may occur if we experience other supply constraints caused by natural disasters, pandemics or other events. In addition, geopolitical tensions, such as those involving Taiwan and China, which comprise a significant portion of our revenue and where we have suppliers, contract manufacturers, and assembly partners who are critical to our supply continuity , could have a material adverse impact on us.

The use of our GPUs other than that for which they were designed and marketed, including new and unexpected use cases, has impacted and can in the future impact demand for our products, including by leading to inconsistent spikes and drops in demand. For example, several years ago, our Gaming GPUs began to be used for mining digital currencies, such as Ethereum. It is difficult for us to estimate with any reasonable degree of precision the past or current impact of cryptocurrency mining, or forecast the future impact of cryptocurrency mining, on demand for our products. Volatility in the cryptocurrency market, including new compute technologies, price changes in cryptocurrencies, government cryptocurrency policies and regulations, new cryptocurrency standards and changes in the method of verifying blockchain transactions, has impacted and can in the future impact cryptocurrency mining and demand for our products and can further impact our ability to estimate demand for our products. Changes to cryptocurrency standards and processes including, but not limited to, the Ethereum 2.0 merge in 2022, have reduced and may in the future decrease the usage of GPUs for Ethereum

mining. This has created and may in the future create increased aftermarket sales of our GPUs, which could negatively impact retail prices for our GPUs and reduce demand for our new GPUs. In general, our new products or previously sold products may be resold online or on the unauthorized gray market, which also makes demand forecasting difficult. Gray market products and reseller marketplaces compete with our new products and distribution channels.

Additionally, we depend on developers, customers and other third parties to build, enhance, and maintain accelerated computing applications that leverage our platforms. We also rely on third-party content providers and publishers to make their content available on our platforms, such as GeForce NOW. Failure by developers, customers, and other third parties to build, enhance, and maintain applications that leverage our platforms, or failure by third-party content providers or publishers to make their content available on reasonable terms or at all for use by our customers or end users on our platforms, could adversely affect customer demand.

We receive a significant amount of our revenue from a limited number of partners and distributors and we have a concentration of sales to customers who purchase directly or indirectly from us, and our revenue could be adversely affected if we lose or are prevented from selling to any of these customers.

We receive a significant amount of our revenue from a limited number of customers within our distribution and partner network. Sales to direct Customers, A, B, C and D represented 14%, 11%, 11% and 10% of total revenue, respectively, for the second quarter of fiscal year 2025, all of which were primarily attributable to the Compute & Networking segment. With several of these channel partners, we are selling multiple products and systems in our portfolio through their

channels. Our operating results depend on sales within our partner network, as well as the ability of these partners to sell products that incorporate our processors. We have a small number of partners that are involved in system integration with our key customers. As our system design becomes increasingly complex, system integrators may be unable to meet specifications of our key customers. Changes in our partners' or customers' business models or their ownership can reduce the number of partners available to us and harm our ability to sell our advanced data center systems to customers. In the future, these partners may decide to purchase fewer products, not to incorporate our products into their ecosystem, or to alter their purchasing patterns in some other way.

Because most of our sales are made on a purchase order basis, our customers can generally cancel, change or delay product purchase commitments with little notice to us and without penalty. Our partners or customers may develop their own solutions; our customers may purchase products from our competitors; and our partners may discontinue sales or lose market share in the markets for which they purchase our products, all of which may alter partners' or customers' purchasing patterns. Many of our customers often do not purchase directly from us but purchase through multiple OEMs, ODMs, system integrators, distributors and other channel partners. For the second quarter of fiscal year 2025, two indirect customers which primarily purchase our products through system integrators and distributors, including through Customer B and Customer E, are estimated to each represent 10% or more of total revenue, attributable to the Compute & Networking segment. If end demand increases or our finished goods supply availability is concentrated near a quarter end, the system integrators, distributors and channel partners may have limited ability to increase their credit, which could impact the timing and amount of our revenue. The loss of any of our large

customers, a significant reduction in purchases by them,

36our inability to sell to a customer due to U.S. or other countries' trade restrictions or any difficulties in collecting accounts receivable would likely harm our

financial condition and results of operations.

Our operations could be affected by the complex laws, rules and regulations to which our business is subject, and political and other actions may

adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement;

taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls

and cash repatriation restrictions; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity;

environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such

requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to

manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws

or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions

against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations

to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs and/or further

restrictions on our ability to manufacture and supply our products and operate our business. For

example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks.

Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and cloud service provider market as part of an ongoing inquiry into competition in those markets. We have also received requests for information from regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, and we expect to receive additional requests for information in the future. Governments and regulators are considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act was formally adopted in June 2024 and will be implemented in phases between now and 2030. The State of California, among other jurisdictions, is considering similar legislation. Restrictions under this and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to 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 or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of

enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications,

models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying,

tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users

worldwide to acquire, deploy and use systems that include our products, software, and services, and negatively impact our business and financial results.

37Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies.

As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and associated products, are increasingly the focus of export

control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral controls restricting GPUs and associated

products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and

application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively

impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and

could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI,

which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even

though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our cloud service providers and customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting our business and financial results. Reduced demand due to export controls could also lead to excess inventory or cause us to incur related supply charges.

Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve overseas markets, but also provoke responses from foreign governments, including China, that

negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. If the regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to various penalties or restrictions on our ability to conduct our business, any of which could have a material and adverse impact on our business, operating results and financial condition.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impact exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. The licensing requirements also apply to any future NVIDIA integrated circuit achieving certain peak performance and chip-to-chip I/O performance thresholds, as well as any system or board that includes those circuits. There are also now licensing requirements to export a wide array of products, including networking products, destined for certain end users and for certain end uses in China. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East. In October 2023, the USG announced new and updated licensing requirements that became effective in our fourth quarter of fiscal year 2024 for exports to

China and Country Group s D1, D4, and D5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including A100, A800, H100, H800, L4, L40, L40S and RTX 4090. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China. On October 23, 2023, the USG informed us that the licensing requirements were effective immediately for shipments of our A100, A800, H100, H800, and L40S products. We have not received licenses to ship these restricted products to China.

Following these export controls, we transitioned some operations, including certain testing, validation, and supply and distribution operations out of China and Hong Kong. Any future transitions could be costly and time consuming, and adversely affect our research and development and supply and distribution operations, as well as our revenue, during any such transition period. We expanded our Data Center product portfolio to offer new solutions, including those for which the USG does not require a license or advance notice before each shipment. To the extent that a customer requires products covered by the licensing requirements, we may seek a license for the customer. However, the licensing process is time-consuming. We have no assurance that the USG will grant such a license or that the USG will act on the license application in a timely manner or at all. Even if a license is approved, it may impose burdensome conditions that we or our customer or end users cannot or decide not to accept. The USG is evaluating license requests in a closed process that does not have clear standards or an opportunity for review. For example, the Notified Advanced Computing, or NAC, process has not resulted in approvals for

exports of products to customers in China. The license process for exports to D1 and D4 countries has been time-consuming and resulted in license conditions that are onerous, even for small-sized systems that are not able to train frontier AI models. The requirements have a disproportionate impact on NVIDIA and already have disadvantaged and may in the future disadvantage NVIDIA against certain of our competitors who sell products that are not subject to the new restrictions or may be able to acquire licenses for their products. Management of these new licenses and other requirements is complicated and time consuming. Our competitive position has been harmed, and our competitive position and future results may be further harmed, over the long-term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements,

negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing requirements, effectively excluding us from all or part of the China market, as well as other impacted markets, including the Middle East. For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed from Hong Kong. Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training. Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors.

that sell chips that are outside the scope of such control.

Excessive or shifting export controls have already and may in the future encourage customers outside China and other impacted regions to design-out certain

U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Excessive or

shifting export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our

competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results. As a result, excessive or shifting export controls

may negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia.

Excessive or shifting export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for

market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors,

which would be less likely to be restricted by U.S. controls.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming

revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government may also impose

restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the

Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another

example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per

memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the products of our suppliers could negatively impact our business and financial results.

39 Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan. Any new restrictions that negatively impact our ability to receive supply of components, parts, or services from Taiwan, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter and first half of fiscal year 2025, we repurchased 62.8 million and 162.1 million shares of our common stock for \$7.0 billion and \$15.1 billion, respectively. As of July 28, 2024, we were authorized, subject to certain specifications, to repurchase up to \$7.5 billion of our common stock.

The repurchases can be made in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase programs, and can be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Exchange Act, 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.

In the second quarter and first half of fiscal year 2025, we paid \$246 million and \$344 million, respectively, in cash dividends. Our cash dividend program and the

payment of future cash dividends under that program are subject to our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2025:

Period	Total Number of Shares Purchased (In millions)	Average Price Paid per Share Total Number of Shares Purchased as Part of Publicly Announced Program (In millions)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (In billions)
April 29, 2024 - May 26, 2024	23.0	\$ 91.50	23.0 \$ 12.4
May 27, 2024 - June 23, 2024	14.7	\$ 121.36	14.7 \$ 10.6
June 24, 2024 - July 28, 2024	25.1	\$ 123.63	25.1 \$ 7.5
Total	62.8		62.8

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration. From July 29, 2024 through August 26, 2024, we repurchased 31.5 million shares for \$3.6 billion pursuant to a Rule 10b5-1 trading plan. As of August 26, 2024, a total of

\$53.9 billion was available for repurchase.

Restricted Stock Unit Share Withholding

We withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU awards under our employee equity incentive program. During the second quarter and first half of fiscal year 2025, we withheld approximately 11 million and 32 million, respectively, for a total value of \$1.6 billion and \$3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On May 28, 2024, we issued a total of 215,120 shares of our common stock, valued at approximately \$25 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

On July 2, 2024, we issued a total of 212,353 shares of our common stock, valued at approximately \$26 million based on our closing stock price on the date of issuance, to key employees of a company we acquired.

The above securities were issued in transactions not involving a public offering pursuant to an exemption from registration set forth in Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

On July 22, 2024, Ajay K. Puri, Executive Vice President, Worldwide Field Operations, terminated a Rule 10b5-1 trading arrangement adopted on April 12, 2024 for the sale of up to 1,008,320 shares of our common stock on a post-split basis through July 11, 2025. 100,110 shares were sold under the plan prior to termination.

Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Schedule/Form	Exhibit Filing Date
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3.1 Amendment to Restated Certificate of Incorporation of NVIDIA Corporation 8-K 3.1 6/7/2024

10.1+* Amended and Restated 2007 Equity Incentive Plan

10.2+* Amended and Restated 2012 Employee Stock Purchase Plan

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* Inline XBRL Instance Document - the instance document does not appear in the Interactive

Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH* Inline XBRL Taxonomy Extension Schema Document

101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document

104Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

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 Quarterly Report on Form 10-Q 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.

41Signature

Pursuant to the requirements 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.

Date: August 28, 2024

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

42NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan

Approved by the Compensation Committee: April 24, 2007

Approved by the Stockholders: June 21, 2007

Amended by the Compensation Committee: November 11, 2010

Amended and Restated by the Compensation Committee: March 22, 2012

Approved by the Stockholders : May 17, 2012

Amended and Restated by the Compensation Committee: April 9, 2014

Approved by the Stockholders: May 23, 2014

Amended and Restated by the Compensation Committee: April 5, 2016

Approved by the Stockholders: May 18, 2016

Amended and Restated by the Compensation Committee: April 3, 2018

Approved by the Stockholders: May 16, 2018

Amended and Restated by the Compensation Committee: April 27, 2020

Approved by the Stockholders: June 9, 2020

Amended and Restated by the Board of Directors: July 19, 2021

Amended and Restated by the Compensation Committee: April 8, 2022

Approved by the Stockholders: June 2, 2022

Amended and Restated by the Compensation Committee: December 1, 2022

Amended and Restated by the Board of Directors: June 7, 2024

Termination Date: April 26, 2030

1. General.

(a) Successor and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the NVIDIA Corporation

1998 Equity Incentive Plan (the 1998 Plan), the NVIDIA Corporation 1998 Non-Employee Directors Stock Option Plan, the NVIDIA Corporation

2000 Nonstatutory Equity Incentive Plan, and the PortalPlayer, Inc. 2004 Stock Incentive Plan (together, the Prior Plans). Following the

Effective Date, no additional stock awards will be granted under any of the Prior Plans and all newly granted Stock Awards will be subject to the

terms of this Plan except as follows: from the Effective Date until September 30, 2007 (the Transition Date) (during which time the Company

anticipates taking such steps as are necessary or appropriate to permit participation in the Plan by

Employees, Directors or Consultants who are foreign nationals or are employed outside the United States), the Company may grant stock awards subject to the terms of the 1998 Plan covering up to an aggregate of 100,000 shares of Common Stock to newly hired employees of the Company and its Affiliates who are foreign nationals or are employed outside the United States (such 100,000 share reserve, the Foreign Transition Reserve). On the Effective Date, all of the shares remaining available for issuance under the Prior Plans will become available for issuance under the Plan; provided, however, that the issuance of shares upon the exercise of options or the settlement of stock awards granted under the Prior Plans (including the issuance of shares upon the exercise or settlement of any awards granted following the Effective Date subject to the terms of the 1998 Plan from the Foreign Transition Reserve) will occur from this Plan and will reduce the number of shares of Common Stock available for issuance under this Plan as provided in Section 3 below. Any shares of Common Stock subject to outstanding options and stock awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement (collectively, the Prior Plans Returning Shares) will become available for issuance pursuant to Stock Awards granted hereunder. Except as expressly set forth in this Section 1(a), all options and stock awards granted under the Prior Plans will remain subject to the terms of the Prior Plans with respect to which they were originally granted.

(b)Eligible Award Recipients. The persons eligible to receive Awards are Employees, Directors and Consultants.

(c)Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock

Options, (i) Nonstatutory Stock Options,

(iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, (vii) Performance

Cash Awards, and (viii) Other Stock Awards. (d) Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive

Awards as set forth in Section 1(b), to provide incentives for such persons to exert maximum efforts for the success of the Company and any

Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common

Stock through the granting of Stock Awards.

(e) Section 162(m) Transition Relief. Notwithstanding anything in the Plan to the contrary, any reference in the Plan to performance-

based compensation under Section 162(m) of the Code will only apply to any Award that is intended, and is eligible, to qualify as such pursuant

to the transition relief provided by the Tax Cuts and Jobs Act (the TCJA) for remuneration provided by a written binding contract which was in

effect on November 2, 2017 and which was not subsequently materially modified, as determined by the Board, in its sole discretion, in

accordance with the TCJA and any applicable guidance, rulings or regulations issued by any governmental authority.

2. Administration.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a

Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each Award will be granted; (C) what type or combination of types of Award will be granted; (D) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may be exercised or the time during which it will vest (or at which cash or shares of Common Stock may be issued); provided, however, that notwithstanding the foregoing or anything in the Plan to the contrary, the time at which a Participant's Award may be exercised or the time during which a Participant's Award or any part thereof will vest may only be accelerated in the event of the Participant's death or Disability or in the event of a Corporate Transaction or Change in

Control.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or

termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, relating to Incentive

Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Awards granted under

the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to

Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan that either (i) materially increases the number of

shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive Awards under

the Plan, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common

Stock may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, or (v) materially expands the types of Awards

available for issuance under the Plan, but only to the extent required by applicable law or listing requirements. Except as otherwise provided in

the Plan or an Award Agreement, rights under any Award granted before amendment of the Plan will not be materially impaired by any amendment of the Plan unless

(i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to,

amendments to the Plan intended

to satisfy the requirements of (i) Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based

compensation from the limit on corporate deductibility of compensation paid to Covered Employees,

(ii) Section 422 of the Code regarding

Incentive Stock Options, or (iii) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including,

but not limited to, amendments to provide terms more favorable than previously provided in the Award Agreement, subject to any specified limits

in the Plan that are not subject to Board discretion; provided however, that, except with respect to amendments that disqualify or impair the

status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, the rights under any Award will not be

materially impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant

consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participants

consent, the Board may amend the terms of any one or more Awards if necessary (A) to maintain the qualified status of the Award as a n

Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code and

the related guidance thereunder, or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best

interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures or terms and sub-plans (none of which will be inconsistent with the provisions of the Plan) as are necessary or desirable to permit or facilitate participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed or located outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (A) delegate to a Committee who need not be Outside Directors the authority to grant Awards to eligible persons who are either (I) not then Covered Employees and are not expected to be

Covered Employees at the time of recognition of income resulting from such Stock Award, or (II) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/ or (B) delegate to a Committee who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d)Delegation to Other Person or Body. The Board or any Committee may delegate to one or more persons or bodies the authority to do

one or more of the following to the extent permitted by applicable law: (i) design ate recipients, other than Officers, of Stock Awards, provided that

no person or body may be delegated authority to grant a Stock Award to themselves; (ii) determine the number of shares of Common Stock subject

to such Stock Awards; and(iii) determine the terms of such Stock Awards; provided, however, that the Board or Committee action regarding such delegation will fix the

terms of such delegation in accordance with applicable law, including without limitation Sections 152 and 157 of the Delaware General

Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Stock Award granted pursuant to

this section will be granted on the applicable form of Stock Award Agreement most recently approved for use by the Board or the Committee,

with any mod ifications necessary to incorporate or reflect the terms of such Stock Award. Notwithstanding anything to the contrary in this Section

2(d), neither the Board nor any Committee may delegate to any per son or body (who is not a Director or that is not comprised solely of Directors,

respectively) the authority to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e)Effect of Board s Decision. All determinations, interpretations and constructions made by the

Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(f) Cancellation and Re-Grant of Stock Awards. Neither the Board nor any Committee will have the authority to: (i) reduce the exercise

or strike price of any outstanding Options or Stock Appreciation Rights under the Plan, or (ii) cancel any outstanding Options or Stock

Appreciation Rights that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Stock

Awards under the Plan, unless the stockholders of the Company have approved such an action within twelve (12) months prior to such an event.

(g) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any

shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; provided,

however, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested

under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be

subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any

vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the

Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under

the terms of such Award Agreement.

3. Shares Subject to the Plan.

(a) Shares are Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock of the Company that may be issued pursuant to Stock Awards after the Effective Date will not exceed 10,289,710,640 shares (the 2007 Plan Reserve). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares, which is the total reserve that the Company's stockholders approved at the Company's 2007 Annual Meeting of Stockholders, including but not limited to the shares remaining available for issuance under the Prior Plans on the Effective Date and the Prior Plans Returning Shares, (ii) 25,000,000 shares that were approved at the Company's 2012 Annual Meeting of Stockholders (and reapproved at the Company's 2013 Annual Meeting of Stockholders), (iii) 10,000,000 shares that were approved at the Company's 2014 Annual Meeting of Stockholders, (iv) 18,800,000 shares that were approved at the Company's 2016 Annual Meeting of Stockholders, (v) 23,000,000 shares that were approved at the Company's 2018 Annual Meeting of Stockholders, (vi) 14,800,000 shares that were approved at the Company's 2020 Annual Meeting of Stockholders, (vii) 733,103,298 shares that were added to reflect a 4-for-1 stock split effective July 19, 2021, (viii) 51,500,000 shares that were approved at the Company's 2022 Annual Meeting of Stockholders, and (ix) 9,260,739,576 shares that were added to reflect a 10-for-1 stock split effective June 7, 2024. For clarity, the 2007 Plan Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may

be issued in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 stock split effective September 10, 2007.¹

1(b) Reversion of Shares to the Share Reserve.

(i) Shares Available For Subsequent Issuance. If any (x) Stock Award shall for any reason expire or otherwise terminate, in

whole or in part, without having been exercised in full, (y) shares of Common Stock issued to a Participant pursuant to a Stock Award are

forfeited to or repurchased by the Company at their original exercise or purchase price pursuant to the Company's reacquisition or repurchase

rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of

such shares, or (z) Stock Award is settled in cash, then the shares of Common Stock not issued under such Stock Award, or forfeited to or

repurchased by the Company, shall revert to and again become available for issuance under the Plan.

(ii) Shares Not Available for Subsequent Issuance. If any shares subject to a Stock Award are not delivered to a Participant

because such shares are withheld by the Company to satisfy the exercise or purchase price of a Stock Award (including any shares subject to a

Stock Award that are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock

Award (i.e., net exercised)) or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the number of shares subject to the Stock Award that are not delivered to the Participant shall not remain available for subsequent issuance under the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld by the Company in satisfaction of the withholding of taxes incurred in connection with a Stock Award, the number of shares that are not delivered to the Participant shall not remain available for subsequent issuance under the Plan. If the exercise or purchase price of any Stock Award, or the withholding of taxes incurred in connection with a Stock Award, is satisfied by tendering shares of Common Stock held by the Participant (either by actual delivery or attestation), then the number of shares so tendered shall not remain available for subsequent issuance under the Plan. If any shares of Common Stock are repurchased by the Company on the open market with the proceeds of the exercise or purchase price of a Stock Award, then the number of shares so repurchased shall not remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the 2007 Plan Reserve and the provisions of Section 9(a) relating to Capitalization

Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock

Options under the Plan (including Incentive Stock Options granted under the Prior Plans) will be 10,000,000,000 shares of Common Stock.

(d) Individual Award Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, no Participant will be

eligible to be granted during any fiscal year:

(i) Options, Stock Appreciation Rights and Other Stock Awards whose value is determined by reference to an increase over an

exercise or strike price of at least one hundred percent (100%) of the Fair Market Value on the date the Stock Award is granted covering more

than 80,000,000 shares of Common Stock;

(ii) Performance Stock Awards covering more than 80,000,000 shares of Common Stock; and

(iii) Performance Cash Awards with a value of more than \$6,000,000.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance Stock Award limit. If a Performance

Stock Award could be paid out in cash, it will count only against the Performance Stock Award limit.

(e)Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including

shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a)Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a parent

corporation or subsidiary corporation thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than

Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to

Employees, Directors and Consultants who are providing Continuous Service only to any parent of the Company, as such term is defined in

Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as service recipient stock under Section 409A of the Code (for example,

because the Stock Awards are granted pursuant to a corporate transaction such as a spin off

transaction), (ii) the Company, in connection with

its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in

connection with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b)Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such

Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the

expiration of five (5) years from the date of grant.

(c)Consultants. A Consultant will be eligible for the grant of an Award only if, at the time of grant, a Form S-8 Registration Statement

under the Securities Act or a successor or similar form under the Securities Act (Form S-8) is available to register either the offer or the sale of

the Companys securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, because the

Consultant is a natural person, or because of any other rule governing the use of Form S-8.

5.Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board will deem appropriate. All Options will be

separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate

certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically

designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to

qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; provided, however, that each Award Agreement will include (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Agreement (the Expiration Date).

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, and notwithstanding anything in the Award Agreement to the contrary, the exercise or strike price of each Option or SAR will not be less than the Fair Market Value subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than the Fair Market Value subject to the Award if such Award is granted pursuant to an assumption or substitution for another option or stock appreciation right in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below.

The Board will have the authority to grant Options that do not permit all of the following methods of

payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of payment permitted by this Section 5(c) are:

- (i) by cash, check, bank draft, money order or electronic funds transfer payable to the Company;
- (ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;
- (iii) if an option is a Nonstatutory Stock Option, by a net exercise arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; provided, further, that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are reduced to pay the exercise price pursuant to the net exercise, (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or
- (iv) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide

written notice of exercise to the

Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution

payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of

the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is

vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation

distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the

Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options

and SARs as the Board will determine. If the Board determines that an Option or SAR will be transferable, the Option or SAR will contain such

additional terms and conditions as the Board deems appropriate. In the absence of such a determination by the Board to the contrary, the

following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or

pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant; provided,

however, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner consistent with applicable tax and securities

laws upon the Participant's request. Except as explicitly provided herein, neither an Option nor a

SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer,

an Option or SAR may be transferred pursuant to a domestic relations order or official marital settlement agreement; provided, however, that an

Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, subject to the approval of the Board or a duly authorized Officer, a

Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company (or the designated

broker), designate a third party who, in the event of the death of the Participant, will thereafter be entitled to exercise the Option or SAR and

receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or

administrator of the Participant's estate (or other party legally entitled to the Option or SAR proceeds) will be entitled to exercise the Option or

SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a

beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of

applicable laws or difficult to administer.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become

exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the

time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary; provided, however, that in all cases, in the event that a Participant's Continuous Service terminates as a result of his or her death, then the Option or SAR will become fully vested and exercisable as of the date of termination of Continuous Service.

The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date 90 days following the termination of the Participant's Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause or upon the Participant's death or Disability) would either (i) be prohibited solely because the issuance of shares of

Common Stock would violate the registration requirements under the Securities Act, or (ii) subject the Participant to short-swing liability under Section 16(b) of the Exchange Act due to a transaction engaged in by the Participant prior to his or her termination of Continuous Service, then the Option or SAR will terminate on the earlier of (A) the expiration of a period of 90 days after the termination of the Participants Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and would not subject the Participant to short-swing liability under Section 16(b) of the Exchange Act, or (B) the expiration of the term of the Option or SAR as set forth in the Award Agreement. All determinations under this Section 5(h) will be made in the sole discretion of the Board.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, in the event that a Participants Continuous Service terminates as a result of the Participants Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service, or (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other

agreement between the Participant and the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death (which termination event will give rise to acceleration of vesting as described in Section 5(f) above), or (ii) the Participant dies within the period (if any) specified in the Award Agreement after the termination of the Participant's Continuous Service for a reason other than death (which event will not give rise to acceleration of vesting as described in Section 5(f) above), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (A) the date 18 months following the date of death, or (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the time specified herein or in the Award Agreement (as applicable), the Option or SAR will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement, or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service. (l) Non-Exempt Employees. No Option or SAR granted to an Employee that is a non-exempt

employee for purposes of the Fair Labor

Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six (6) months following the date of

grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity

Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed,

continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participants retirement (as such term may be defined in the

Participants Award Agreement or in another agreement between the Participant and the Company, or, if no such definition, in accordance with

the Companys then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six

(6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in

connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or

required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection

with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employees regular rate of pay, the

provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6.Provisions of Stock Awards other than Options and SARs.

(a)Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as

the Board will deem appropriate. To the extent consistent with the Companys Bylaws, at the Boards election, shares of Common Stock may be

(x) held in book entry form subject to the Companys instructions until any restrictions relating to the Restricted Stock Award lapse; or

(y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of

Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award

Agreements need not be identical, provided, however, that each Restricted Stock Award Agreement will include (through incorporation of the

provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, money order or

electronic funds transfer payable to the Company, (B) past services rendered to the Company or an Affiliate, or (C) any other form of legal

consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the

Company in accordance with a vesting schedule to be determined by the Board; provided, however, that in all cases, in the event a Participants

Continuous Service terminates as a result of his or her death, then the Restricted Stock Award will become fully vested as of the date of

termination of Continuous Service.

(iii) Termination of Participants Continuous Service. In the event a Participants Continuous Service

terminates, the Company

may receive via a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, provided, however, that each Restricted Stock Unit Award Agreement will include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award

may be paid in any form of legal consideration

that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the

vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate; provided, however, that in all cases, in the event a

Participant's Continuous Service terminates as a result of his or her death, then the Restricted Stock Unit Award will become fully vested as of

the date of termination of Continuous Service.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any

combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award

Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may

impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted

Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award

Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous

Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable

(including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may require the completion of a specified period of Continuous Service. In the event a Participant's Continuous Service terminates as a result of his or her death, then the Performance Stock Award will be deemed to have been earned at 100% of the target level of performance, will be fully vested, as of the date of death, and shares thereunder will be issued promptly following the date of death. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, to

the extent that an Award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Board), in its sole discretion. The Board or the Committee, as applicable, may provide for or, subject to such terms and conditions as the Board or the Committee, as applicable, may specify, may permit a Participant to elect for, the payment of any Performance Cash Award to be deferred to a specified date or event. The Board or the Committee, as applicable, may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board or the Committee, as applicable, may specify, to be paid in whole or in part in cash or other property. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee, as applicable, may determine that Common Stock authorized under this Plan may be used in payment of Performance Cash Awards, including additional shares in excess of the Performance Cash Award as an inducement to hold shares of Common Stock.

(iii) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to any Award intended to qualify as performance-based compensation thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially

uncertain. Prior to the payment of any compensation under an Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). With respect to any Award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee may reduce or eliminate the compensation or economic benefit due upon the attainment of the applicable Performance Goals on the basis of any such further considerations as the Committee, in its sole discretion, may determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan (including, but not limited to, Section 2(g)), the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards; provided, however, that in all cases, in the event a Participant's Continuous Service terminates as a result of his or her death, then any Other Stock Awards held by such Participant will become fully vested as of the date of termination of

Continuous Service.

7.Covenants of the Company.

(a)Availability of Shares. During the terms o f the Stock Awards, the Company will keep available at all times the number of shares of

Common Stock reasonably required to satisfy such Stock Awards.

(b)Securities Law Compliance. The Company will s eek to obtain from each regulatory commission or agency having jurisdiction over the

Plan, or any offerings made under the Plan, such authority as may be required to grant Stock Awards and to issue an d sell shares of Common

Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities

Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award nor seek to obtain such approval if

the cost or efforts to obtain the approval is unreasonable in relation to the value of the ben efits to be provided under the Plan, as determined by

the Company in its sole discretion. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such

regulator y commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common

Stock under the Plan, the Company will be relieved from any liability for f ailure to issue and sell Common Stock upon exercise of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent iss uance of cash

or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities laws.

(c)No Obligation to Notify or Minimize Taxes. The Company will ha ve no duty or obligation to any

Participant to advise such Participant

as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise

such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. Neither the

Company nor any of its Affiliates has any duty or obligation to minimize the tax consequences of an Award to the holder of such Award. 8. Miscellaneous.

(a) Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of an Award to any

Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the

instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that

the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g.,

exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the

papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in

the Award Agreement.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any

shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance

of shares under, the Award pursuant to its terms and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d)No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause (provided in compliance with applicable local laws and the Employees employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultants agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e)Change in Time Commitment. In the event a Participants regular level of time commitment in the performance of his or her services for the Company or any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (provided in compliance with applicable local laws) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become

payable after the date of such change in time

commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(f) Incentive Stock Option Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with the rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s) or any Board or Committee resolutions related thereto.

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock

subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A)

the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently

effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the

Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon

advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in

order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any

federal, state, foreign or local tax withholding obligation relating to an Award (including but not limited to income tax, social insurance

contributions, payment on account or any other taxes) by any of the following means (in addition to the Company's right to withhold from any

compensation paid to the Participant by the Company or an Affiliate) or by a combination of such means: (i) causing the Participant to tender a

cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in

connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of

tax required to be withheld by law (or such other amount as may be necessary to avoid

classification of the Stock Award as a liability for financial

accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the

Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i)Electronic Delivery. Any reference herein to a written agreement or document will include any agreement or document delivered

electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Companys intranet.

(j)Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock

or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs

and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the

Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise

providing services to the Company or an Affiliate. The Board is authorized to make deferrals of Awards and determine when, and in what annual

percentages, Participants may receive payments, including lump sum payments, following the Participants termination of Continuous Service,

and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k)Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will

be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of

the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement.

Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes deferred compensation under Section 409A of the Code is a specified employee for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a separation from service (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six (6) months following the date of such Participant's separation from service or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and

Consumer Protection Act or other applicable law. In

addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines

necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other

cash or property upon the occurrence of Cause.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the

class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities

that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of

securities that may be awarded to any person pursuant to Section 3(d); and (iv) the class(es) and number of securities and price per share of

stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of

the Company, and upon ten (10) days prior written notice, all outstanding Stock Awards (other than Stock Awards consisting of vested and

outstanding shares of Common Stock not subject to the Company's right of repurchase or a forfeiture condition) will terminate immediately prior

to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or a forfeiture

condition may be repurchased or reacquired by the Company notwithstanding the fact that the

holder of such Stock Award is providing

Continuous Service, provided, however, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested,

exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated)

before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate

Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or

continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan

(including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate

Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards

may be assigned by the Company to the successor of the Company (or the successors parent company, if any), in connection with such

Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a

Stock Award or substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the Current Participants), the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board will determine (or, if the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Corporate Transaction), and such Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Corporate Transaction).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Corporate Transaction in which the surviving corporation or acquiring

corporation (or its parent company) does not assume or continue any or all outstanding Stock

Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Companys right of repurchase), upon advance written notice by the Company of at least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(d)Change in Control.

(i) Stock Awards May Be Assumed. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in Control, any surviving corporation or acquiring corporation (or the surviving or acquiring corporations parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successors parent company, if

any), in connection with such Change in

Control. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a Stock Award or

substitute a similar stock award for only a portion of a Stock Award.

(ii) Stock Awards Not Assumed Held by Current Participants. Except as otherwise stated in the Stock Award Agreement

(including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to outstanding options

and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring corporation (or its parent

company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock

Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Current Participants, the

vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) will (contingent upon the effectiveness

of the Change in Control) be accelerated in full to a date prior to the effective time of such Change in Control as the Board will determine (or, if

the Board will not determine such a date, to the date that is five business (5) days prior to the effective time of the Change in Control), and such

Stock Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Change in Control, and any reacquisition or

repurchase rights held by the Company with respect to such Stock Awards will lapse (contingent upon the effectiveness of the Change in

Control).

(iii) Stock Awards Not Assumed Held by Persons other than Current Participants. Except as

otherwise stated in the Stock

Award Agreement (including an option and stock award agreement subject to the terms of the Prior Plans, which terms remain applicable as to

outstanding options and stock awards thereunder), in the event of a Change in Control in which the surviving corporation or acquiring

corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such

outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by

persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be

exercised) will not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase), upon advance written notice by the Company of at

least five (5) business days to the holders of such Stock Awards, will terminate if not exercised (if applicable) prior to the effective time of the

Change in Control; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards will

not terminate and may continue to be exercised notwithstanding the Change in Control.

(iv) Additional Provisions. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a

Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written

agreement between the Company or any Affiliate and the Participant. A Stock Award may vest as to all or any portion of the shares subject to the

Stock Award (i) immediately upon the occurrence of a Change in Control, whether or not such Stock

Award is assumed, continued, or substituted

by a surviving or acquiring entity in the Change in Control, and/or (ii) in the event a Participant's Continuous Service is terminated, actually or constructively, within a designated period following the occurrence of a Change in Control, but in the absence of such provision, no such acceleration will occur.

10. Termination or Suspension of the Plan.

(a) Plan Term. Unless sooner terminated by the Board pursuant to Section 2, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board or a duly authorized Committee, or (ii) the date the Plan is approved by the stockholders of the Company. The Board may suspend the Plan at anytime. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) Affiliate means, at the time of determination, any parent or subsidiary of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the

foregoing definition.

(b) Award means a Stock Award or a Performance Cash Award.

(c) Award Agreement means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) Board means the Board of Directors of the Company.

(e) Capitalization Adjustment means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) Cause means (i) if a Participant is party to an agreement with the Company or an Affiliate that relates to equity awards and contains a definition of Cause, the definition of Cause in the applicable agreement, or (ii) if a Participant is not party to any such agreement, such

Participants termination because of (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or an Affiliate, the Participants conviction for, or guilty plea to, a

felony or a crime involving moral turpitude, or any willful perpetration by the Participant of a

common law fraud, (B) the Participants commission

of an act of personal dishonesty that involves personal profit in connection with the Company or any other entity having a business relationship

with the Company, (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or an

Affiliate and the Participant regarding the terms of the Participants service as an Employee, Officer, Director or Consultant to the Company or an

Affiliate, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such

Participant as an Employee, Officer, Director or Consultant of the Company or an Affiliate, other than as a result of having a Disability, or a

breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or an Affiliate and the

Participant, (D) the Participants disregard of the policies of the Company or an Affiliate so as to cause loss, damage or injury to the property,

reputation or employees of the Company or an Affiliate, or (E) any other misconduct by the Participant that is materially injurious to the financial

condition or business reputation of, or is otherwise materially injurious to, the Company or an Affiliate.

(g) Change in Control means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50%

of the combined voting power of the Companys then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (B) solely because

the level of Ownership held by any Exchange Act Person (the Subject Person) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power

of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of

the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the

Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by

stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company

immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the Incumbent Board) cease for

any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for

election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be

considered as a member of the Incumbent Board.

For purposes of determining voting power under the term Change in Control, voting power will be calculated by assuming the conversion of

all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or

right to subscribe to or purchase those shares. In addition, (A) the term Change in Control will not

include a sale of assets, merger or other

transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any

analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing

definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term

is set forth in such an individual written agreement, the foregoing definition will apply; provided, further, that no Change in Control will be deemed

to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other

transaction, in each case without a requirement that the Change in Control actually occur.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such

transaction is not also a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of

the assets of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition

thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of Change in Control to conform to

the definition of Change in Control under Section 409A of the Code and the regulations thereunder.

(h)Code means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i)Committee means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with

Section 2(c).

(j)Common Stock means the common stock of the Company.

(k)Company me", "Based on the analysis of Nvidia's 10-K report, several areas can be identified for potential cost savings, operational efficiencies, and expense minimization to enhance profitability.

Here are the key findings and recommendations:

1. **Cost of Revenue Management**

- **Current Situation**: The cost of revenue has decreased from 29.9% to 24.9% year-over-year, indicating improved efficiency in production and sales.
- **Recommendation**: Continue to optimize supply chain management and negotiate better terms with suppliers to further reduce costs. Implementing just-in-time inventory systems could minimize excess inventory costs.

2. **Research and Development (R&D) Expenses**

- **Current Situation**: R&D expenses have increased significantly, accounting for 10.3% of revenue, up from 15.1% a year ago. This reflects a strategic investment in innovation, particularly in AI and GPU technologies.
- **Recommendation**: While maintaining a strong focus on innovation, consider prioritizing projects with the highest potential return on investment. Implementing a more rigorous project evaluation process could help in reallocating resources to the most promising initiatives.

3. **Sales, General, and Administrative (SG&A) Expenses**

- **Current Situation**: SG&A expenses have decreased from 4.7% to 2.8% of revenue, indicating improved efficiency in administrative functions.
- **Recommendation**: Continue to streamline administrative processes through automation and digital transformation. Regularly review vendor contracts and service agreements to ensure competitive pricing and service levels.

4. **Stock-Based Compensation**

- **Current Situation**: The increase in stock-based compensation is a significant factor in the rise of operating expenses.
- **Recommendation**: Consider revising the stock compensation structure to align more closely with performance metrics. This could help control costs while still incentivizing employees effectively.

5. **Inventory Management**

- **Current Situation**: Provisions for inventory and excess inventory purchase obligations have been substantial, indicating challenges in inventory management.
- **Recommendation**: Implement advanced inventory management systems that utilize predictive analytics to better align inventory levels with demand forecasts. This could reduce excess inventory and associated costs.

6. **Geographic Revenue Concentration**

- **Current Situation**: A significant portion of revenue (57%) comes from international markets, which may expose Nvidia to geopolitical risks and currency fluctuations.
- **Recommendation**: Diversify the customer base geographically to mitigate risks. Explore opportunities in emerging markets where demand for AI and GPU technologies is growing.

7. **Tax Efficiency**

- **Current Situation**: The effective tax rate has increased, impacting net income.
- **Recommendation**: Engage in tax planning strategies to optimize the tax burden. This could include utilizing available tax credits, deductions, and incentives related to R&D and international operations.

8. **Debt Management**

- **Current Situation**: Nvidia has a manageable level of debt, but interest expenses could be optimized.
- **Recommendation**: Consider refinancing existing debt at lower interest rates if market conditions allow. This could reduce interest expenses and improve cash flow.

9. **Operational Efficiency through Technology**

- **Current Situation**: Nvidia is investing heavily in AI and automation technologies.
- **Recommendation**: Continue to leverage AI and machine learning to enhance operational efficiencies across all departments, from manufacturing to customer service. This could lead to significant cost savings and improved service delivery.

Conclusion

By focusing on these areas, Nvidia can further enhance its profitability while maintaining its competitive edge in the rapidly evolving technology landscape. Continuous monitoring and adjustment of strategies will be essential to adapt to market changes and internal performance metrics.",2024-08-31T16:29:38.893132