



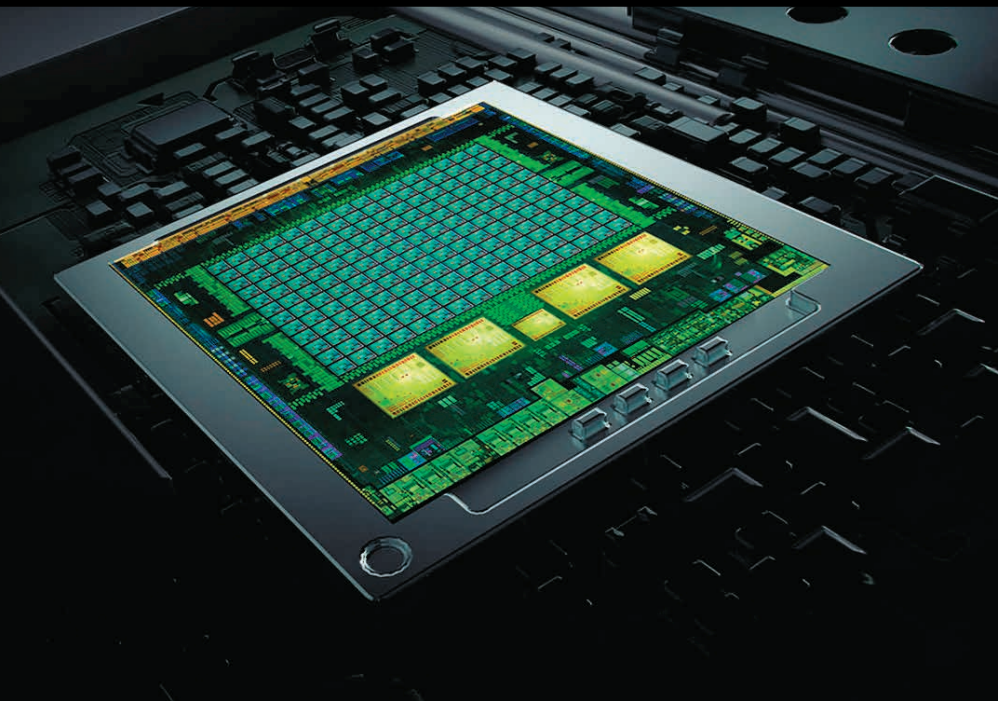
NVIDIA CORPORATION

2014 ANNUAL REVIEW
NOTICE OF ANNUAL MEETING
PROXY STATEMENT AND FORM 10-K

THE VISUAL COMPUTING REVOLUTION ACCELERATES

NVIDIA is the world leader in visual computing — the art and science of using computers to create and understand images. At its core is the GPU, which we invented 15 years ago and serves as the visual cortex of modern computers. Our work has transformed the field of visual computing from a feature of PCs into a driving force across some of the world's largest industries. Today, NVIDIA is positioned to grow in a world where visual computing is central to how people interact with technology.

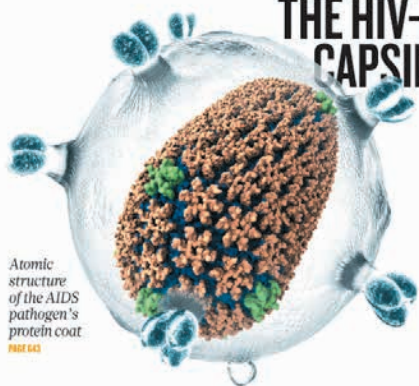
We focus our expertise on applications and markets where visual computing is deeply valued — Gaming; Design and Visualization; HPC and Data Centers; and Auto and Smart Devices.



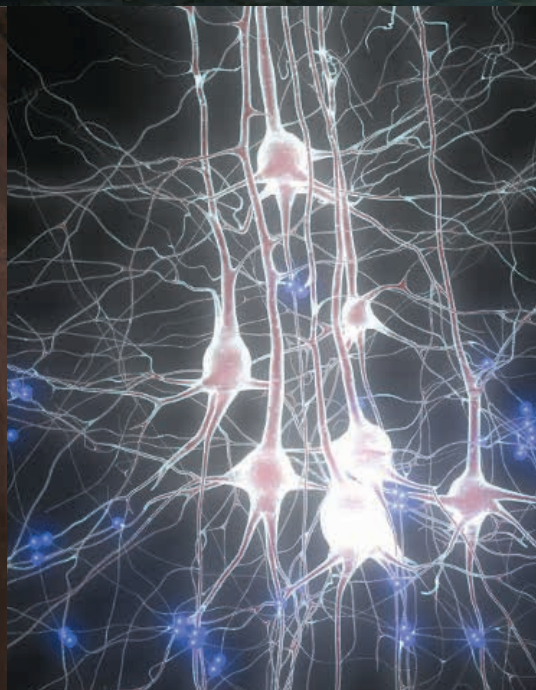
nature

THE INTERNATIONAL WEEKLY JOURNAL OF SCIENCE

THE HIV-1 CAPSID



Atomic structure of the AIDS pathogen's protein coat
PHILIP HAY



DRIVING NEXT-GEN PC GAMING

There are 600 million PC gamers worldwide. *Call of Duty: Ghosts* hit \$1 billion in sales in just 24 hours. The *League of Legends* Championship had 32 million viewers, nearly twice as many as the final game of the World Series. Gaming is thriving. And GeForce has evolved into the world's leading gaming platform. We are focused on imagining and delivering the next-gen PC gaming experience on GeForce.

- > **Our GeForce GTX** lineup of high-performance gaming GPUs has become the market's gold standard. Our GPU market share was 65 percent at year end, according to Mercury Research.
- > **Some 30 million gamers installed GeForce Experience**, an application that works with GeForce GPUs to transform an everyday PC into a gaming PC.
- > **We launched NVIDIA GameWorks** — our developer program driven by some of the world's best visual effects engineers — which was featured in *Call of Duty: Ghosts*.
- > **G-SYNC, a revolutionary monitor technology** that provides far smoother gameplay, floored the industry. It does away with the tearing and stutter that have plagued games for decades.
- > **Our NVIDIA SHIELD gaming portable** ignited the Android gaming market, the fastest growing segment, and lets you stream PC games into the living room and beyond.



We aim to create an end-to-end platform that defines next-gen PC gaming. At its heart is GeForce Experience.



REVOLUTIONIZING DESIGN & VISUALIZATION

From delivering the industry's best GPUs to rendering algorithms for advanced special effects, our strategy is to build the preeminent platform for creative designers and artists. At SIGGRAPH, the foremost conference on computer graphics, we showcased a wide array of technologies for professionals. And with the burgeoning 3D printing revolution, we can help turn every hobbyist into a 3D designer.

- > **The Quadro K6000 GPU** instantly became visual computing's new flagship.
- > **Our OptiX ray-tracing technology** was a game changer for artists at Pixar as they developed *Monsters University*.
- > **The America's Cup sailing competition** developed a new global audience, as broadcasters deployed our technology to graphically depict the boats' progress, speed and relative positions.
- > **Adobe Creative Cloud**, a powerful set of content-creation applications, was released, fully optimized for NVIDIA GPUs. It delivers huge acceleration for video production, motion graphics, photo editing and more.
- > **For the fifth year running, every film nominated** for the Academy Award for Best Visual Effects was made using NVIDIA technology — including the winner, *Gravity*.



"Our entire VFX workstation infrastructure is built around NVIDIA hardware. Every movie we've helped to make, from *Iron Man 3* to *War Horse*, from *Skyfall* to *Gravity*, has benefited from NVIDIA GPUs."

Steve MacPherson, CTO, Framestore

ACCELERATING MOMENTUM IN HPC AND DATA CENTERS

GPU computing has passed the tipping point and is helping to reshape numerous industries. We offer Tesla GPU platforms to accelerate server applications in cutting-edge fields, such as big data analytics and machine learning. And GRID is the industry's first virtualized GPU platform that enables enterprises to turn PCs into mobile applications, just as Netflix has turned DVDs into streaming movies. GRID promises to deliver end-to-end enterprise virtualization — from the server to the PC.

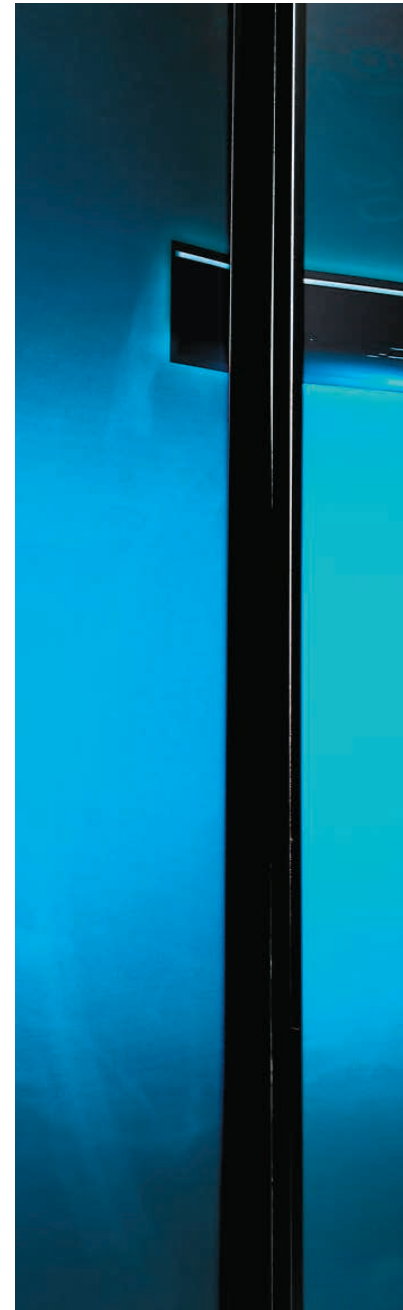
- > **NVIDIA GPUs power 85 percent** of accelerated HPC systems, including the Titan supercomputer at Oak Ridge National Labs.
- > **The world's 10 most energy-efficient supercomputers** on the latest Green500 list all use Tesla GPUs.
- > **University of Illinois scientists made a breakthrough in HIV research** by using a supercomputer powered by 3,000 Tesla processors to determine the precise chemical structure of the virus's protein shell, a key to its resistance.
- > **IBM and NVIDIA began collaborating** on GPU-accelerated versions of IBM's wide portfolio of enterprise software applications, and optimizing joint-processing capabilities of Tesla with IBM POWER processors.
- > **The fully virtualized enterprise data center** is becoming a reality. Cisco, Dell, Fujitsu, Hitachi, HP, IBM and others certified GRID-based servers, while Citrix, Microsoft and VMware integrated GRID-enabled software.

THE GREEN 500™

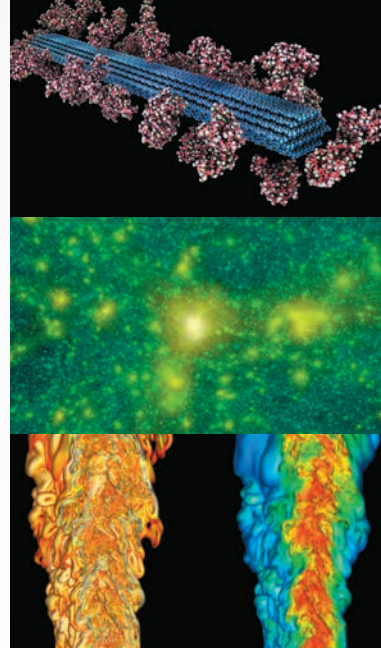
The Green500 List

Listed below are the November 2013 The Green500's energy-efficient supercomputers ranked from 1 to 10.

Green500 Rank	MFLOPS/W	Site*	Computer*	Total Power (kW)
1	4,503.17	OSIC Center, Tokyo Institute of Technology	TSUBAME 4FC - LE 1U-4GPU104Rn-1G Cluster, Intel Xeon E5-2630v2 6C 2.100GHz, Infiniband FDR, NVIDIA K20x	27.78
2	3,631.86	Cambridge University	Wicks - Dell T620 Cluster, Intel Xeon E5-2630v2 6C 2.600GHz, Infiniband FDR, NVIDIA K20	52.62
3	3,517.84	Center for Computational Sciences, University of Tsukuba	H-PACS TCA - Cray J623G4-EM Cluster, Intel Xeon E5-2680v2 10C 2.800GHz, Infiniband QDR, NVIDIA K20x	79.77
4	3,185.91	Swiss National Supercomputing Centre (CSCS)	Plz Daint - Cray XC20, Xeon E5-2670 8C 2.800GHz, Avicore interconnect, NVIDIA K20x <small>Level 3 measurement data available</small>	1,753.66
5	3,130.55	ROMEO HPC Center - Champagne-Ardenne	romeo - Bull R421 E3 Cluster, Intel Xeon E5-2650v2 8C 2.600GHz, Infiniband FDR, NVIDIA K20x	61.41
6	3,068.71	OSIC Center, Tokyo Institute of Technology	TSUBAME 2.5 - Cluster Platform SL390x G7, Xeon X5670 6C 2.930GHz, Infiniband QDR, NVIDIA K20x	922.54
7	2,702.16	University of Arizona	iDataPlex DX360M4, Intel Xeon E5-2550v2 8C 2.600GHz, Infiniband FDR14, NVIDIA K20x	53.62
8	2,628.10	Max-Planck-Gesellschaft MPIHP	iDataPlex DX360M4, Intel Xeon E5-2680v2 10C 2.800GHz, Infiniband, NVIDIA K20x	269.94
9	2,629.10	Financial Institution	iDataPlex DX360M4, Intel Xeon E5-2580v2 10C 2.800GHz, Infiniband, NVIDIA K20x	55.62
10	2,358.69	CSIRO	CSIRO GPU Cluster - Nitro G19 3GPU, Xeon E5-2650 8C 2.000GHz, Infiniband FDR, Nvidia K20m	71.01



Tesla GPUs accelerate massive simulations for a wide array of scientific research, from molecular dynamics to new energy-efficient fuels to climate modeling.



“With GPUs, we can now record brain activity in real-time, opening new opportunities for diagnostics and therapeutics.”

Dr. Adam Gazzaley, Director of Neuroscience Imaging Center, University of California, San Francisco

MOBILE IS MORE THAN PHONES

The mobile computing revolution is about low-power devices connected to the cloud, with services running in massive data centers. It started with phones. But soon, all computing devices will be reimagined, from TVs to game consoles to cars. We are focused on the markets and devices where our visual computing expertise can make a contribution.

- > **We unveiled Tegra K1, a 192-core super chip**, bringing our award-winning Kepler architecture into a mobile processor for the first time. We now have a single unified GPU architecture that spans supercomputers to superphones.
- > **Xiaomi sold 100,000 Tegra-powered Mi3 superphones** in China in just 90 seconds.
- > **Our auto business moved into high gear.** Tegra is the computer brain of more than 4.5 million cars on the road today. More than 20 brands and 100 models will ship in the next few years. Our Tegra K1 supercomputing chip will help self-driving cars reach the mass market.





“Tegra K1 opens a new chapter for Audi to deliver revolutionary supercomputing advances to the car, paving the way to piloted driving experiences.”

Ricky Hudi, Chief Executive Engineer of Electrics/Electronics, Audi AG

DEAR STAKEHOLDERS,

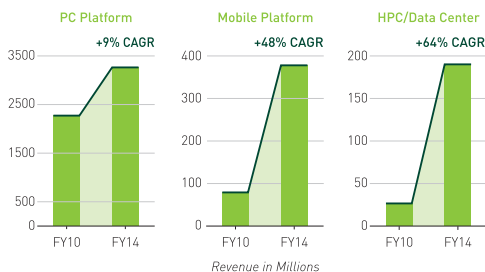
NVIDIA HAD A BREAKOUT YEAR

- > **GPU revenue grew 7 percent*** against a PC industry that declined 10 percent. Our sharp focus on vertical markets where visual computing matters paid off.
- > **Gross margins reached a record 55 percent,*** widening from 52 percent last year, and 35 percent five years ago. We have fundamentally shifted how we address our markets. Building the best GPUs is just the beginning. We now focus on creating the best visual computing platforms for key vertical markets — Gaming; Design and Visualization; HPC and Data Centers; Auto and Smart Devices.
- > **Revenue in HPC and Data Centers has grown at over 60 percent** compound annual growth rate (CAGR) in four years to nearly \$200 million. Our GRID data center GPU platform is being evaluated by hundreds of companies and institutions, which can finally virtualize their entire enterprise, from data center to PC clients. It will enable a new level of mobility to over 500 million enterprise professionals worldwide.
- > **Tegra automotive won nearly \$2 billion of new business** that will ship over the next several years. This underscores our conviction that the mobile revolution is about more than phones.
- > **We introduced Tegra K1**, uniting our GPU and SoC processors under a single architecture. The 192-core super chip brings the heart of GeForce and the soul of Tesla to mobile.
- > **Our innovation engine continued to fire on all cylinders**, with patent assets growing 10 percent to approximately 7,000. We invented the GPU. Five years later, we invented CUDA, which enables our graphics chip to serve as a massively parallel general purpose processor. Recently, we invented the virtual GPU, opening cloud computing to rich interactive graphics. Invention is how we will extend our position as the world leader in visual computing.

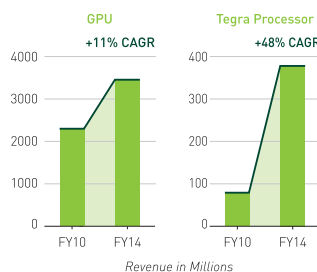
We returned \$1.07 billion to shareholders through a combination of share repurchases and cash dividends. We also completed a \$1.5 billion convertible debt offering, which we expect to use for stock repurchases, dividend payments and general corporate purposes. Revenue dipped 3.5 percent, while net income declined 22 percent to \$440 million as we invested for future growth.

Challenges were faced by our Tegra processor business which declined, although it has grown 48 percent CAGR over the past four years. Impacting last year's performance was our decision to delay some products so that we could accelerate Tegra K1 and supercharge our efforts by unifying our entire company around one architecture. Now, mobile computing has access to the same disruptive GPU that has established our leading position in gaming and design, and is revolutionizing HPC and data centers. And we can leverage our expertise and investments across every major computing platform.

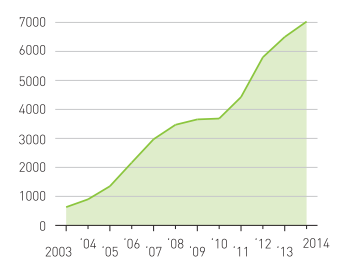
GROWTH BY PLATFORM



GROWTH BY BUSINESS*



PATENT PORTFOLIO GROWTH



*GPU excludes MCP chipset revenues and Tegra Processor excludes game console related revenues.

POISED FOR GROWTH

We've laid the foundation to grow our business in three key areas.

Gaming. With revenue projected to hit \$26 billion in 2014, PC gaming is large and growing. NVIDIA is the clear choice of hundreds of millions of PC gamers. And GeForce is the best GPU for PC gaming. But that's just the beginning of our gaming strategy. We aim to create an end-to-end platform that defines next-gen PC gaming. An integral part of our platform is GeForce Experience, a software console that configures games to run optimally on individual PCs, and continues to tune and refine a PC's performance in the same way that phones are updated over the air. Integrated NVIDIA GameStream technology lets gamers enjoy their PC games on TVs or our portable game console, SHIELD. GeForce Experience is enjoyed by over 30 million gamers around the world.



Data centers. With GRID, we launched our first true enterprise product. By moving the GPU to the data center and enabling it to be shared, GRID lets companies deliver graphics-rich applications — like design tools from Adobe and Autodesk — to mobile employees using almost any connected device. GRID is a vital piece of the enterprise virtualization puzzle. We can now virtualize an enterprise from server room to PC. With hundreds of trials underway — from architecture firms and design studios to financial-services giants and the oil & gas industry — GRID is meeting tremendous response. Every major server OEM and virtualization company has partnered with us to take GRID to market.

Our Tesla processor for HPC and big data analytics is excelling, with more and more industries tapping into the power of the GPU. Whether for life sciences or energy discovery or inventing new materials, Tesla GPUs offer amazing acceleration to massive simulations.

This year, an exciting new field emerged for our GPUs — machine learning. Using the torrent of images and videos that are uploaded daily, computers can self-learn to recognize language, speech and objects. Relying on “deep neural networks,” a field of artificial intelligence, GPU-powered machines can self-learn so quickly that it's now possible to deploy this breakthrough to improve fundamental internet services, like search and product recommendations.

There is already well over 1 exabyte of images and videos in the cloud, more than 100,000 times the books in the Library of Congress. Hundreds of millions of photos are uploaded daily. And the amount of data created will rise 50-fold this decade, according to IDC. Our GPUs can make a real contribution to processing this deluge — enabling computers to learn how to help us search a world filled with images. It is an opportunity that could potentially require millions of our GPUs.

Automotive. We have a long history with the auto industry, where designers and engineers rely on Quadro-powered workstations to do their best work. Our latest visual computing developments focus on the core technology inside the car. Today, NVIDIA powers the digital cockpits and infotainment systems in many of the world's leading models, including Audi, BMW and Volkswagen. The Tesla Model S sedan, one of the most lauded cars in decades, relies on two NVIDIA processors to make up the car's computer brain.

The Tegra K1 visual computing module will accelerate this momentum. With the power of 192 CUDA cores, Tegra K1 puts a power-sipping supercomputer inside future cars. It can drive camera- or radar-based advanced driver assistance systems, or ADAS — which provide capabilities like pedestrian detection, blind-spot monitoring, lane-departure warning and street-sign recognition. It can also monitor driver alertness through a dashboard-mounted camera. We are not far off from an auto-piloted car that can navigate a massive parking lot, find a spot, and later return to fetch you.

The importance of our processors in cars will only increase. During his CES keynote address, Audi Chairman Rupert Stadler cited numerous mega-trends that will drive the industry forward, including connectivity, infotainment, human-machine interface design, and driver assistance. Each depends on NVIDIA technology.

With our expertise in visual computing, NVIDIA can make a deep contribution to the future of the auto industry.

GIVING BACK AROUND THE WORLD

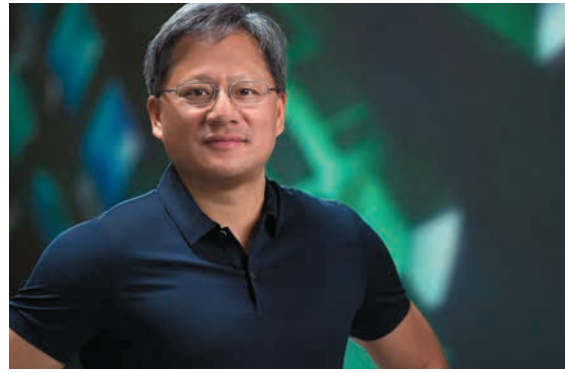
We are proud of the technology breakthroughs that NVIDIA drives. We are equally proud of our commitment to improve our communities. Making a contribution is one of the core values that bind together our 8,800 employees in 24 countries around the world.

We do much of this work through the NVIDIA Foundation, one of the corporate world's few fully employee-run philanthropic initiatives.

Compute the Cure is a broad program championed by the NVIDIA Foundation to combat cancer through employee fundraising efforts, awareness and support programs and volunteer work. We awarded our second major research grant under this program to a promising researcher at the University of California at San Diego, who is developing a GPU-accelerated computer-aided drug design platform to help speed the development of more effective cancer treatments.

Our flagship volunteer event is called Project Inspire, where our people, along with their families and friends, come together to transform their local communities.

This year, we had our most successful event ever. In Santa Clara, we focused on transforming Ocala Middle School and its surrounding community softball fields, in nearby East San Jose. Our own investment of \$500,000 in labor and materials unlocked an additional \$1 million in support from the city, school district and non-profit agencies. This enabled extensive physical improvements to be matched with new educational and after-school programs that will benefit thousands of students for years to come.



Many of our other offices drive similar programs.

In Wüerselen, Germany, we focused on a center for troubled youth. In Shanghai, we set up a library in an underserved primary school. Over the course of the year, we logged more than 14,000 volunteer hours by employees. Many chose to focus on educational work, and our programs benefited some 66,000 children.

I'm inspired by their dedication, which both helps the less fortunate around us and brings our NVIDIA family closer together.

A FOOTHOLD IN THE FUTURE

The next wave of visual computing will reshape our basic understanding of what computers can do. NVIDIA's two decades of work in the field has put us ahead in many new and growing opportunities.

Our lead was borne out of the invention and creativity of the world's most talented engineers, who joined NVIDIA to be challenged to do their best work. It has instilled a culture of drive and innovation, one that can invent the future.

I have never been more proud of the contributions we are making and more excited about where NVIDIA is heading.

Sincerely,

Jen-Hsun Huang

CEO & Co-founder, NVIDIA
April 2014

NVIDIA CORPORATION

NOTICE OF 2014 ANNUAL MEETING PROXY STATEMENT AND FORM 10-K

FORWARD-LOOKING STATEMENTS

Certain statements in this document including, but not limited to, statements as to: our position, growth and strategy; the benefits and impact of GeForce Experience, G-SYNC, Adobe Creative Cloud, Tesla GPUs, GRID, Tegra K1, the self-learning of GPU-powered machines; the reimagination of computing devices; the shipping of new Tegra automotive business; invention as the way we will extend our visual computing position; the expected use of our convertible debt offering proceeds; our ability to leverage our expertise and investments; projected PC gaming revenue; our gaming strategy; the opportunity for GPUs to contribute to processing data in the cloud; and our ability to make a deep contribution to the future of the auto industry are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of new products and technologies or enhancements to our existing product and technologies; market acceptance of our products or our partners' products; design, manufacturing or software defects; changes in consumer preferences or demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems; as well as other factors detailed from time to time in the reports NVIDIA files with the Securities and Exchange Commission, or SEC, including its Form 10-K for the fiscal period ended January 26, 2014. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of April 9, 2014, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

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NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

- Date and time:** Friday, May 23, 2014 at 10:30 a.m. Pacific Time
- Location:** NVIDIA Headquarters, Building E
2800 Scott Boulevard, Santa Clara, California 95050
- Virtual meeting:** You may also vote at the meeting via the Internet by visiting www.virtualshareholdermeeting.com/NVIDIA2014 and following the instructions.
- Items of business:**
1. Election of ten directors nominated by the Board of Directors
 2. Approval of our executive compensation
 3. Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2015
 4. Approval of an amendment and restatement of our Amended and Restated 2007 Equity Incentive Plan
 5. Approval of an amendment and restatement of our 2012 Employee Stock Purchase Plan
 6. Transaction of other business properly brought before the meeting
- Record date:** You can vote at the meeting if you were a stockholder of record at the close of business on March 25, 2014.

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

Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 23, 2014. This Notice, our Proxy Statement, our Annual Report on Form 10-K and our Stockholder Letter are available at www.nvidia.com/proxy.

By Order of the Board of Directors

A handwritten signature in black ink that reads "David M. Shannon".

David M. Shannon
Secretary

Santa Clara, California
April 10, 2014

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PROXY SUMMARY

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

2014 Annual Meeting of Stockholders

- Date and time:** Friday, May 23, 2014, 10:30 a.m. Pacific Time
- Location:** NVIDIA Headquarters, Building E
2800 Scott Boulevard, Santa Clara, California 95050
- Virtual meeting:** You may also vote at the meeting via the Internet by visiting www.virtualshareholdermeeting.com/NVIDIA2014 and following the instructions.
- Record date:** March 25, 2014
- Voting:** Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.
- Admission to meeting:** Photo identification and proof of share ownership will be required to attend the meeting. Please follow the directions to NVIDIA Headquarters, Building E on the last page of the proxy statement.

Fiscal Year 2014 Highlights

To assist you in reviewing the proposals to be acted upon at the 2014 Annual Meeting of Stockholders, we are providing you with the following business, corporate governance and executive compensation highlights for our fiscal year 2014. The following description is only a summary. For more complete information about these topics, please review the proxy statement and our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 13, 2014.

Business Highlights

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	Fiscal Year 2014	Fiscal Year 2013	Change
	(\$ in millions, except per share amounts)		
Revenue	\$4,130	\$4,280	down 3.5%
Operating Income	\$496	\$648	down 23%
Diluted Earnings per Share	\$0.74	\$0.90	down 18%
Stock Price per Share as of Fiscal Year End	\$15.56	\$12.41	up 25.4%

We focus on creating the best visual computing platforms for key vertical markets: gaming; design and visualization; high performance computing, or HPC, and data centers; automotive and smart devices. During the year, NVIDIA made significant progress in its visual computing strategy, making targeted investments to position itself solidly for the long term.

In our GPU business segment, we:

- Announced and shipped a new family of high-end Kepler-based gaming GPUs - GeForce GTX Titan, GeForce GTX 780, GeForce GTX 780 Ti, GeForce GTX 770 and GeForce GTX 760

- Launched GRID VCA - the industry's first visual computing appliance that enables businesses to deploy cloud-based, GPU-accelerated applications through any Windows, Linux or Mac client on their network
- Expanded penetration of trials of our NVIDIA GRID data center GPU platform to hundreds of enterprises worldwide

In our Tegra Processor business segment, we:

- Made our first shipments of Tegra 4 devices
- Started shipping SHIELD, NVIDIA's first hand-held Android gaming device
- Launched our next generation mobile system-on-a-chip, Tegra K1, extending Kepler architecture across NVIDIA's entire line of processors
- Started shipping Tegra 3 and Tegra 4 to a major automotive manufacturer for its infotainment systems, smart displays and digital cockpits. The same manufacturer will use Tegra K1 to power future piloted-driving initiatives

With our intellectual property, or IP, and licensing, we:

- Initiated an IP licensing initiative designed to bring GPU technology to new markets and generate revenue from markets previously inaccessible to NVIDIA
- Grew patent assets to approximately 7,000

The strategy of adding value through a focus on visual computing drove financial results:

- Increased gross margins to a record 55%, up from 52% in fiscal year 2013 and 35% five years ago
- Grew GPU business revenue 7% against a PC industry that declined 10%*
- Grew HPC revenue 37%
- Returned \$1.07 billion to stockholders through stock repurchases and quarterly dividends
- Completed a \$1.5 billion convertible note offering, with net proceeds expected to be used for stock repurchases, quarterly dividends and general corporate purposes

In summary, our one year total stock price appreciation measured as of the end of our fiscal year 2014 was 25.4%.

* GPU excludes MCP chipset revenues

Corporate Governance Highlights

Our Board of Directors is committed to strong corporate governance, which is used to promote the long-term interest of NVIDIA and our stockholders. Regular stockholder outreach is important to us. In fiscal year 2014, our management met with several large stockholders to gain valuable insights into the governance and executive compensation issues they most care about.

During fiscal year 2014, the Board appointed Dawn Hudson as a director. Ms. Hudson brings to the Board experience in executive leadership. As a longtime marketing executive, she has valuable expertise and insights in leveraging brands, brand development and consumer behavior. She also has considerable corporate governance experience, gained from more than ten years of serving on the boards of public companies.

As of the 2014 Annual Meeting, our Board will be fully declassified and each director will be elected for a one-year term.

Executive Compensation Highlights

NVIDIA is committed to pay for performance. We demonstrate this commitment by designing our executive compensation programs so that the amounts received by our executive officers vary to reflect NVIDIA's financial performance, our executives' individual performance and our stock price performance. While we pay our executive officers an annual base salary that is fixed, a meaningful portion of total cash compensation is in the form of variable cash compensation which is tied to NVIDIA's financial performance and the executive's individual performance. Our equity-based compensation is also linked to performance and is intended to align the long-term interests of our executive officers with those of our stockholders.

At our 2013 Annual Meeting, over 96% of the votes cast on our say-on-pay proposal were in support of the compensation paid to our executive officers for fiscal year 2013. Consistent with its strong commitment to engagement, communication and transparency, the Compensation Committee continues to regularly review our executive compensation program to ensure alignment between the interests of our executive officers and stockholders, and made key modifications to our executive compensation program for fiscal year 2014. Most notably, for fiscal year 2014, our Compensation Committee decided to shift from granting 100% of our CEO's annual equity grant in the form of stock options to granting him a mix of approximately 50% of the target equity grant value in performance stock units and the remainder in stock options to reflect changing market trends for peer CEOs. In fiscal year 2014, approximately 86% of our CEO's target direct compensation was in the form of variable cash compensation and equity awards.

Other important features of our compensation program include:

- We do not have employment contracts or severance agreements providing for a specific term of employment or severance benefits with any of our executive officers. All of our executive officers are "at will" employees of NVIDIA
- We do not offer change-in-control benefits to our executive officers, except for the change-in-control vesting acceleration provisions in our equity plans that are applicable to all of our employees if an acquiring company does not assume or substitute our outstanding stock awards
- We do not offer our executive officers tax reimbursements, supplemental retirement benefits or perquisites that are not available to all NVIDIA employees
- We have stock ownership guidelines for our executive officers. Each of our executive officers has exceeded these guidelines, except for our newly hired Chief Financial Officer who has until March 2015 to comply with these guidelines
- We enforce a "no-hedging" policy and a "no-pledging" policy that does not allow our executive officers to hedge the economic interest in the NVIDIA shares they hold
- Since 2009, we have maintained a "clawback" policy for the recovery of performance-based compensation in the event of a financial restatement that does not require individual misconduct to be enforced against our executive officers
- We structure our executive compensation programs to minimize inappropriate risk-taking by our executive officers, including capping award levels under the annual variable cash compensation plan and using multi-year vesting periods for equity awards

Stockholder Actions and Board Recommendations

We are seeking your approval of each of the proposals below at our 2014 Annual Meeting. While we have summarized each of the proposals below, we urge you to review the proxy statement for more information on these proposals.

Every stockholder’s vote is important. Our Board thanks you for your commitment to the Company and urges you to vote your shares FOR each of the proposals below.

Matter	Board Recommendation
Management Proposals:	
Election of ten directors	FOR each director nominee
Approval of our executive compensation	FOR
Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2015	FOR
Approval of an amendment and restatement of our Amended and Restated 2007 Equity Incentive Plan	FOR
Approval of an amendment and restatement of our 2012 Employee Stock Purchase Plan	FOR

Election of Directors (Proposal 1)

Our Nominating and Corporate Governance Committee performs an annual assessment of each director nominee to ensure that our directors have the skills, experience and commitment to effectively oversee NVIDIA. All of the director nominees have proven leadership ability, sound judgment, integrity and a commitment to the success of NVIDIA.

Name	Age	Director Since	Occupation	Independent	≥ 75% Attendance at Board and Committee Meetings in Fiscal Year 2014	Number of Public Company Boards Served (including NVIDIA)
Robert K. Burgess.	56	2011	Independent Consultant	•	•	2
Tench Coxe.	56	1993	Managing Director, Sutter Hill Ventures	•	•	3
James C. Gaither. . .	76	1998	Managing Director, Sutter Hill Ventures	•	•	1
Jen-Hsun Huang . .	51	1993	President & CEO, NVIDIA Corporation		•	1
Dawn Hudson	56	2013	Vice Chairman, The Parthenon Group	•	•	3
Harvey C. Jones . .	61	1993	Managing Partner, Square Wave Ventures	•	•	1
William J. Miller*.	68	1994	Independent Consultant	•	•	4
Mark L. Perry	58	2005	Advisor, Third Rock Ventures	•	•	1
A. Brooke Seawell	66	1997	Venture Partner, New Enterprise Associates	•	•	3
Mark A. Stevens . .	54	2008**	Managing Partner, S-Cubed Capital	•	•	1

* Lead Director
 ** Mr. Stevens previously served as a member of our Board from 1993 until 2006

Approval of Executive Compensation for Fiscal Year 2014 (Proposal 2)

We are asking our stockholders to cast a non-binding vote, or say on pay, to approve our named executive officer compensation. The Board recommends a vote FOR this proposal because it believes that our compensation policies and practices are effective in achieving our goals of rewarding financial and operating performance, aligning our executives’ long-term interests with those of our stockholders and attracting, retaining and motivating our executive officers. The Board has adopted a policy of providing for annual say on pay votes. The next say on pay vote will occur at our 2015 Annual Meeting.

Ratification of Selection of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm for Fiscal Year 2015 (Proposal 3)

We are asking our stockholders to ratify our Audit Committee’s selection of PricewaterhouseCoopers LLP, or PWC, as our independent registered public accounting firm for fiscal year 2015. While we are not required to have our stockholders ratify the selection of PWC, we are doing so because we believe it is good corporate practice. If our stockholders do not ratify the selection, the Audit Committee will reconsider the appointment, but may nevertheless retain PWC as our independent registered public accounting firm. Even if the selection is ratified, the Audit Committee may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of NVIDIA and our stockholders.

Approval of an Amendment and Restatement of our Amended and Restated 2007 Equity Incentive Plan (Proposal 4)

We are asking our stockholders to approve an amendment and restatement of our Amended and Restated 2007 Equity Incentive Plan, or the Amended 2007 Plan, to (i) increase the share reserve under our Amended 2007 Plan by 10,000,000 shares, and (ii) with respect to performance-based awards (including performance-based awards that are intended to qualify as “performance-based compensation” under Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the Code), provide for certain additional types of performance criteria upon which the performance goals for such awards may be based and certain additional types of adjustments that may be made in calculating whether the performance goals for such awards have been attained. Approval of the amendment and restatement of our Amended 2007 Plan will also permit us to grant performance-based awards that may qualify as “performance-based compensation” under Section 162(m) of the Code. The Board recommends a vote FOR this proposal because equity awards are an important component of our compensation program and the continued ability to issue these awards is essential to attracting, retaining and motivating our employees.

Approval of an Amendment and Restatement of our 2012 Employee Stock Purchase Plan (Proposal 5)

We are asking our stockholders to approve an amendment and restatement of our 2012 Employee Stock Purchase Plan, or the 2012 Purchase Plan, to increase the share reserve under our 2012 Purchase Plan by 12,500,000 shares. The Board recommends a vote FOR this proposal because our 2012 Purchase Plan is an important employee benefit and is essential to attracting, retaining and motivating our employees.



NVIDIA CORPORATION
2701 SAN TOMAS EXPRESSWAY
SANTA CLARA, CALIFORNIA 95050

**PROXY STATEMENT
FOR THE 2014 ANNUAL MEETING OF STOCKHOLDERS
MAY 23, 2014**

Questions and Answers

Why am I receiving these materials?

Your proxy is being solicited on behalf of the Board of Directors, or the Board, of NVIDIA Corporation, a Delaware corporation, which is sometimes referred to herein as the “Company,” “NVIDIA” or “we.” Your proxy is for use at our 2014 Annual Meeting of Stockholders, or the 2014 Annual Meeting, to be held on Friday, May 23, 2014, at 10:30 a.m. pacific daylight time. This proxy statement contains important information regarding the 2014 Annual Meeting, the proposals on which you are being asked to vote, information you may find useful in determining how to vote and voting procedures.

How can I attend the 2014 Annual Meeting?

You can attend our 2014 Annual Meeting in person or you can attend and participate via the Internet.

Attending In Person. Our 2014 Annual Meeting will take place in Building E of our headquarters located at 2800 Scott Boulevard, Santa Clara, California 95050. Our principal executive offices are located at 2701 San Tomas Expressway, Santa Clara, California 95050, and our telephone number is (408) 486-2000. Please see the map at the end of this proxy statement for directions to the 2014 Annual Meeting.

You are entitled to attend the 2014 Annual Meeting only if you were an NVIDIA stockholder or joint holder as of the close of business on March 25, 2014 or if you hold a valid proxy for the 2014 Annual Meeting. You must present photo identification for admittance. If you are a stockholder of record or hold your shares through the NVIDIA Sponsored Equity Award Accounts at Charles Schwab, your name will be verified against the list of stockholders of record or plan participants on the record date prior to your admission to the 2014 Annual Meeting. If you are not a stockholder of record but hold shares through a broker, trustee or nominee, you must provide proof of beneficial ownership on the record date, such as your most recent account statement prior to March 25, 2014 or other similar evidence of ownership. **If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2014 Annual Meeting.** The meeting will begin promptly at 10:30 a.m., pacific daylight time. Check-in will begin at 10:00 a.m., pacific daylight time, and you should allow ample time for the check-in procedures.

Attending and Participating Online. You may also attend the 2014 Annual Meeting at www.virtualshareholdermeeting.com/NVIDIA2014, which contains instructions on how to attend, including how to demonstrate proof of stock ownership, as well as how to vote and submit questions via the Internet. You will need the 12-

digit control number included on your Notice of Internet Availability of Proxy Materials, or the Notice, or proxy card (if you received a printed copy of the proxy materials) to enter the meeting via the Internet.

Non-stockholders can also listen to the 2014 Annual Meeting live at www.virtualshareholdermeeting.com/NVIDIA2014. An archived copy of the webcast will be available at www.nvidia.com/proxy through June 6, 2014.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

We are pleased to take advantage of the U.S. Securities and Exchange Commission, or SEC, rule that allows companies to furnish their proxy materials over the Internet. On or about April 10, 2014, we sent stockholders who own our common stock at the close of business on March 25, 2014 (other than those who previously requested electronic or paper delivery) a Notice containing instructions on how to access our proxy materials, including our proxy statement and our fiscal year 2014 annual report, and how to access your proxy card to vote over the Internet or by telephone. In addition, the Notice contains instructions on how to request a paper copy of our proxy materials or how you can elect to receive future proxy materials electronically or in printed form by mail. If you choose to receive future proxy materials electronically, you will receive an email next year with instructions containing a link to the proxy materials and a link to the proxy voting site. Your election to receive proxy materials electronically or in printed form by mail will remain in effect until you terminate such election. We believe that this process allows us to provide our stockholders with the information they need in a more timely manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials.

Why did I receive a full set of proxy materials in the mail instead of a Notice regarding the Internet availability of proxy materials?

We are providing stockholders who have previously requested to receive paper copies of the proxy materials with paper copies of the proxy materials instead of a Notice. If you would like to reduce the environmental impact and the costs incurred by us in mailing proxy materials, you may elect to receive all future proxy materials electronically via email or the Internet. If you make this election, you will receive an email message shortly after the proxy statement is released containing the Internet link to access our Notice, proxy statement and fiscal year 2014 annual report. The email also will include instructions for voting on the Internet.

Stockholders of Record. If you are a stockholder of record, you can choose to receive our future proxy materials electronically by following the instructions to vote on the Internet at www.proxyvote.com and when prompted, indicate that you agree to access stockholder communications electronically in future years.

Street Name Holders. If you are a beneficial owner (as described below in *What is the difference between a stockholder of record and a beneficial owner?*) your shares are held in street name and you can choose to receive our future proxy materials electronically by visiting www.icsdelivery.com/nvda.

Your choice to receive proxy materials electronically will remain in effect until you contact our Investor Relations Department and tell us otherwise. You may visit the Investor Relations section of our website at www.nvidia.com, send an electronic mail message to irelectronicdelivery@nvidia.com or contact our Investor Relations Department by mail at 2701 San Tomas Expressway, Santa Clara, California 95050.

The SEC has enacted rules that permit us to make available to stockholders electronic versions of the proxy materials even if the stockholder has not previously elected to receive the materials in this manner. We have chosen this option in connection with the 2014 Annual Meeting, and if you have not previously requested to receive electronic or paper delivery, you should have received, by mail, a Notice instructing you how to access the materials on the Internet and how to vote your shares.

Who can vote at the 2014 Annual Meeting?

Stockholders of record at the close of business on March 25, 2014, the record date, will be entitled to vote at the 2014 Annual Meeting. On each matter to be voted upon, stockholders have one vote for each share of NVIDIA common stock owned by such stockholder as of March 25, 2014. On the record date, there were 557,305,798 shares of common stock outstanding and entitled to vote. A list of stockholders entitled to vote at the 2014 Annual Meeting will be available at our headquarters, 2701 San Tomas Expressway, Santa Clara, California for 10 days prior to the 2014 Annual Meeting. If you would like to view the stockholder list, please call our Investor Relations Department at (408) 486-2000 to schedule an appointment.

If your shares are held through a bank, broker or other nominee, your shares are held in “street name.” Please see the information below on instructing your bank, broker or other nominee to vote your shares.

What is the difference between a stockholder of record and a beneficial owner?

Stockholder of Record. You are a stockholder of record if at the close of business on March 25, 2014 your shares were registered directly in your name with Computershare, our transfer agent.

Beneficial Owner. You are a beneficial owner if your shares were held through a bank, broker or other nominee and not in your name at the close of business on March 25, 2014. Being a beneficial owner means that, like most of our stockholders, your shares are held in street name and your bank, broker or other nominee sends the Notice or the proxy materials to you. As a beneficial owner, your bank, broker or other nominee is the stockholder of record of your shares. You have the right to direct your bank, broker or other nominee on how to vote the shares in your account. However, because you are not the stockholder of record, if you would like to vote your shares in person or online at the 2014 Annual Meeting you must obtain a legally valid proxy from your bank, broker or other nominee prior to the 2014 Annual Meeting.

How do I vote?

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

Stockholder of Record. If you are a stockholder of record, there are four ways for you to vote your shares.

In Person. You may vote in person by attending the 2014 Annual Meeting. Even if you plan to attend the 2014 Annual Meeting, we urge you to vote by proxy prior to the 2014 Annual Meeting to ensure your vote is counted.

By Proxy via Mail. If you received printed proxy materials, you may submit your proxy by mail by signing and mailing your proxy card to us before the 2014 Annual Meeting, at which time your shares will be voted as you have instructed.

By Telephone or over the Internet. You may submit your proxy by following the instructions provided in the Notice to vote by telephone or over the Internet. If you received a printed version of the proxy materials by mail, you may submit your proxy by following the instructions provided with your proxy materials and on your proxy card to vote by telephone or over the Internet.

Beneficial Owner. If you are a beneficial owner, you should have received a Notice or voting instructions from your bank, broker or other nominee. You should follow the instructions in the Notice or voting instructions in order to instruct your bank, broker or other nominee on how to vote your shares. To vote in person or online at the 2014 Annual Meeting, you must obtain a valid proxy from your bank, broker or other nominee.

What happens if I do not vote?

Stockholder of Record. If you are a stockholder of record and do not vote at the 2014 Annual Meeting by completing your proxy card, by telephone, over the Internet or in person at the 2014 Annual Meeting, your shares will not be voted.

Beneficial Owner. If you are a beneficial owner and do not instruct your bank, broker or other nominee (whose conduct is governed by the rules of the New York Stock Exchange, or NYSE) how to vote your shares, your bank, broker or other nominee can use its discretion to vote such “uninstructed” shares with respect to matters considered by NYSE rules to be “routine”. However, your bank, broker or other nominee will not be able to vote your shares with respect to “non-routine” matters, including elections of directors (even if not contested), executive compensation (including any advisory stockholder votes on executive compensation) and amendments of equity plans, unless they receive specific instructions from you. **Therefore, you MUST give your bank, broker or other nominee instructions in order for your vote to be counted on the proposals to elect directors, to conduct an advisory approval of our executive compensation, to amend and restate our Amended and Restated 2007 Equity Incentive Plan and to amend and restate our 2012 Employee Stock Purchase Plan. We strongly encourage you to vote.**

What are broker non-votes?

A broker non-vote occurs when a bank, brokerage firm or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares.

May I change my vote after submitting my proxy or revoke my proxy?

Yes. If you are a stockholder of record, you may change your vote or revoke your proxy at any time before the final vote at the 2014 Annual Meeting in any one of the following four ways:

- you may submit another properly completed proxy card with a later date;
- you may send a written notice that you are revoking your proxy to NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050, Attention: Secretary;
- you may attend the 2014 Annual Meeting and vote in person; or
- you may submit another proxy by telephone or Internet after you have already provided an earlier proxy.

Please note, however, that under the rules of the national stock exchanges, any holder of our common stock whose shares are held in street name by a member brokerage firm may revoke his or her proxy and vote his or her shares in person at the 2014 Annual Meeting only in accordance with applicable rules and procedures of those exchanges, as employed by the street name holder’s brokerage firm. In addition, if you hold your shares in street name, you must have a valid proxy from the record holder of the shares to vote in person at the 2014 Annual Meeting.

What is the quorum requirement?

We need a quorum of stockholders to hold our 2014 Annual Meeting. A quorum exists when a majority of the outstanding shares entitled to vote at the close of business on March 25, 2014 are represented at the 2014 Annual Meeting either in person or by proxy. On the record date, there were 557,305,798 shares of common stock outstanding and entitled to vote, meaning that 278,652,900 shares must be represented in person or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the 2014 Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is not a quorum, a majority of the votes present at the 2014 Annual Meeting may adjourn the 2014 Annual Meeting to another date.

How are votes counted and how many votes are needed to approve each proposal?

Votes will be counted by the inspector of election, who will separately count, with regard to Proposal 1, the election of ten members to our Board named in this proxy statement, **FOR** votes, **WITHHOLD** votes, **ABSTAIN** votes and broker non-votes; and with respect to the other proposals, **FOR** votes, **AGAINST** votes, **ABSTAIN** votes and broker non-votes.

If you are a stockholder of record and you returned a signed and dated proxy card without marking any voting selections, your shares will be voted **FOR** each of the nominees listed in Proposal 1 and **FOR** the other proposals. If any other matter is properly presented at the 2014 Annual Meeting, either Jen-Hsun Huang or David M. Shannon as your proxyholder will vote your shares using his best judgment.

The following table summarizes the minimum vote needed to approve each proposal and the effect of abstentions and broker non-votes:

Proposal Number	Proposal Description	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
1	Election of ten directors nominated by the Board	In accordance with our Bylaws, directors are elected if they receive more FOR votes than WITHHOLD votes	None	None
2	Approval of our executive compensation	FOR votes from the holders of a majority of shares present and entitled to vote	Against	None
3	Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2015	FOR votes from the holders of a majority of shares present and entitled to vote	Against	None
4	Approval of an amendment and restatement of our Amended and Restated 2007 Equity Incentive Plan	FOR votes from the holders of a majority of shares present and entitled to vote	Against	None
5	Approval of an amendment and restatement of our 2012 Employee Stock Purchase Plan	FOR votes from the holders of a majority of shares present and entitled to vote	Against	None

How can I find out the results of the voting at the 2014 Annual Meeting?

Preliminary voting results will be announced at the 2014 Annual Meeting. Final voting results will be published in a current report on Form 8-K, which will be filed with the SEC by May 30, 2014.

Who is paying for this proxy solicitation?

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

What does it mean if I receive more than one Notice or full set of proxy materials in the mail?

If you received more than one Notice or full set of proxy materials then your shares are either registered in more than one name or are held in different accounts. Please complete, sign and return each Notice or proxy card to ensure that all of

your shares are voted. If you would like to modify your instructions so that you receive one Notice or proxy card for each account or name, please contact your broker.

What does it mean if multiple members of my household are stockholders but we only received one Notice or full set of proxy materials in the mail?

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy the delivery requirements for Notices and proxy materials with respect to two or more stockholders sharing the same address by delivering a single Notice or set of proxy materials addressed to those stockholders. In accordance with a prior notice sent to certain brokers, banks, dealers or other agents, we are sending only one Notice or full set of proxy materials to those addresses with multiple stockholders unless we received contrary instructions from any stockholder at that address. This practice, known as “householding,” allows us to satisfy the requirements for delivering Notices or proxy materials with respect to two or more stockholders sharing the same address by delivering a single copy of these documents. Householding helps to reduce our printing and postage costs, reduces the amount of mail you receive and helps to preserve the environment.

If you currently receive multiple copies of the Notice or proxy materials at your address and would like to request “householding” of your communications, please contact your broker. Once you have elected “householding” of your communications, “householding” will continue until you are notified otherwise or until you revoke your consent. If any stockholder residing at such an address wishes to receive a separate set of documents, they may telephone our Investor Relations Department at (408) 486-2000 or write to our Investor Relations Department at 2701 San Tomas Expressway, Santa Clara, California 95050.

When are stockholder proposals due for next year’s annual meeting?

To be considered for inclusion in next year’s proxy materials, your proposal must be submitted in writing by December 11, 2014 to NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050, Attention: Secretary and must comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. However, in the event that we do not hold our 2015 Annual Meeting between April 23, 2015 and June 22, 2015, then the deadline for your proposal is a reasonable time before we begin to print and send our proxy materials. If you wish to submit a proposal that is not to be included in next year’s proxy materials, but that may be considered at the 2015 Annual Meeting, you must do so in writing following the above instructions not later than the close of business on December 11, 2014, and not earlier than the close of business on November 11, 2014. We also advise you to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations, including the different notice submission date requirements in the event that we do not hold our 2015 Annual Meeting between April 23, 2015 and June 22, 2015.

Can I view these proxy materials on the NVIDIA website?

Yes. This proxy statement is posted on our Investor Relations website at www.nvidia.com. You also can use this website to view our other filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended January 26, 2014. The contents of our website are not a part of this proxy statement.

Proposal 1—Election of Directors

At our 2011 Annual Meeting, our stockholders approved the declassification of our Board of Directors. Beginning with our 2014 Annual Meeting, all directors will have one-year terms and stand for election annually.

Our Board has ten members. Upon the recommendation of our Nominating and Corporate Governance Committee, or the NCGC, our Board has nominated for election at the 2014 Annual Meeting the ten individuals listed in the following table to hold office until the next annual meeting of stockholders and until his or her successor is elected or appointed. Each of the nominees listed below, other than Mr. Burgess and Ms. Hudson, is currently a director of NVIDIA previously elected by our stockholders.

Our nominees include nine independent directors, as defined by the rules and regulations of The NASDAQ Stock Market LLC, or NASDAQ, and one NVIDIA officer: Jen-Hsun Huang, who serves as our President and Chief Executive Officer.

The Board expects the nominees will be available for election. If a nominee declines or is unable to act as a director, your proxy may be voted for any substitute nominee proposed by the Board or the size of the Board may be reduced. In accordance with our Bylaws, directors are elected if they receive more **FOR** votes than **WITHHOLD** votes.

Recommendation of the Board

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

Name	Age	Director Since	Occupation
Robert K. Burgess	56	2011	Independent Consultant
Tench Coxe	56	1993	Managing Director, Sutter Hill Ventures
James C. Gaither	76	1998	Managing Director, Sutter Hill Ventures
Jen-Hsun Huang	51	1993	President & Chief Executive Officer, NVIDIA Corporation
Dawn Hudson	56	2013	Vice Chairman, The Parthenon Group
Harvey C. Jones.	61	1993	Managing Partner, Square Wave Ventures
William J. Miller*.	68	1994	Independent Consultant
Mark L. Perry	58	2005	Advisor, Third Rock Ventures
A. Brooke Seawell.	66	1997	Venture Partner, New Enterprise Associates
Mark A. Stevens	54	2008**	Managing Partner, S-Cubed Capital

* Lead Director

** Mr. Stevens previously served as a member of our Board from 1993 until 2006

Director Qualifications

The NCGC is responsible for reviewing, assessing and recommending nominees to the Board for approval. The NCGC has not established specific minimum age, education, experience or skill requirements for potential members. In general, the NCGC considers numerous factors, such as the nominee's: independence; gender; ethnic background; personal and professional judgment and integrity; high-level management experience necessary to oversee our business; professional and industry knowledge; collegiality; financial expertise; desirability as a member of any committees of the Board; willingness and ability to devote substantial time and effort to Board responsibilities; experience and the interplay with the experience of other Board members; ability to represent the interests of the stockholders as a whole rather than special interest groups or constituencies; and all relationships between the proposed nominee and any of our stockholders, competitors, customers, suppliers or other persons with a relationship to NVIDIA. In determining whether to recommend a director for re-election, the NCGC also reviews this director's overall service to NVIDIA, including the director's past attendance at Board and committee meetings and participation in and contributions to the activities of the Board. The NCGC values diversity as a factor in selecting nominees to serve on the Board and considers the criteria noted above in selecting nominees for directors, including members from diverse backgrounds who combine a broad spectrum of experience and expertise.

The priorities and emphasis of the NCGC and of the Board with regard to the above factors change from time to time to take into account changes in our business and other trends, as well as the portfolio of skills and experience of current and prospective Board members. The NCGC and the Board periodically review and assess the continued relevance of and emphasis on these factors to determine if they are effective in helping to satisfy the Board's goal of creating and sustaining a Board that can appropriately support and oversee our business.

Listed below are key skills and experience that the NCGC and Board consider important for our directors to have in light of our current business and structure. The directors' biographies note each director's relevant experience, qualifications and skills relative to this list as of the date of this proxy statement.

- *Senior Management and Operating Experience.* Directors who have served in senior leadership positions bring insight to constructively review and assess our operating plan and business strategy.
- *Industry and Technical Expertise.* Because we are a technology, hardware and software provider, education or experience in relevant technology is useful in understanding our research and development efforts, competing technologies, the various products and processes that we develop and the markets in which we compete.
- *Financial Expertise.* Knowledge of accounting and financial reporting processes is important because it assists our directors in understanding, advising and overseeing our financial reporting and internal controls.
- *Public Company Board Experience.* Directors who have served on boards of directors of other public companies have corporate governance experience, a deep understanding of the role and responsibilities of the Board and insight into matters being handled by our Board.
- *Experience as an Investor.* Directors who have experience as investors can assist the Board with analyzing methods by which the Company can increase stockholder value. As investors themselves, they also have the knowledge and experience to effectively engage with investors and stockholders.
- *Legal Expertise.* Directors who have legal education and experience can assist the Board in fulfilling its responsibilities related to the oversight of our legal and regulatory compliance.

Our Director Nominees

The brief biographies below include information, as of the date of this proxy statement, regarding the specific and particular experience, qualifications, attributes or skills of each director that led the NCGC to believe that that director should continue to serve on the Board. However, each of the members of the NCGC may have a variety of reasons why he believes a particular person would be an appropriate nominee for the Board, and these views may differ from the views of other members.

Robert K. Burgess has served as an independent investor and board member to technology companies since 2005. He was chief executive officer from 1996 to 2005 of Macromedia, Inc., a provider of internet and multimedia software, which was acquired by Adobe Systems Incorporated; he also served from 1996 to 2005 on its board of directors, as chairman of its board of directors from 1998 to 2005 and as executive chairman for his final year. Previously, he held key executive positions from 1984 to 1991 at Silicon Graphics, Inc. (SGI), a graphics and computing company; from 1991 to 1995, served as chief executive officer and a board member of Alias Research, Inc., a publicly traded 3D software company, until its acquisition by SGI; and resumed executive positions at SGI during 1996. Mr. Burgess serves on the board of Adobe Systems Incorporated and several privately-held companies. He was a director of IMRIS Inc., a provider of image guided therapy solutions, until 2013. He holds a BCom degree from McMaster University. He joined the NVIDIA board in 2011.

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

Tench Coxe has been a managing director of Sutter Hill Ventures, a venture capital investment firm, since 1989, where he focuses on investments in the IT sector, particularly semiconductor companies. Prior to joining Sutter Hill Ventures in 1987, he was director of marketing and MIS at Digital Communication Associates. He serves on the board of directors of Mattersight Corp., a customer loyalty software firm, Artisan Partners Asset Management Inc., an institutional money management firm, and several privately held technology companies. Mr. Coxe holds a BA degree in Economics from Dartmouth College and an MBA degree from Harvard Business School. He joined the NVIDIA board in 1993.

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

James C. Gaither has been a managing director of Sutter Hill Ventures, a venture capital investment firm, since 2000. He was a partner in the law firm Cooley LLP from 1971 to 2000 and senior counsel to the firm from 2000 to 2003. Prior to practicing law he served as a law clerk to The Honorable Earl Warren, Chief Justice of the United States Supreme Court, special assistant to the Assistant Attorney General in the U.S. Department of Justice and staff assistant to U.S. President Lyndon Johnson. Mr. Gaither is a former president of the Board of Trustees at Stanford University, former vice chairman of the board of directors of The William and Flora Hewlett Foundation and immediate past chairman of the Board of Trustees of the Carnegie Endowment for International Peace. Mr. Gaither holds a BA degree in Economics from Princeton University and a JD degree from Stanford University Law School. He joined the NVIDIA board in 1998.

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

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

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

Dawn Hudson has served as vice chairman of The Parthenon Group, an advisory firm focused on strategy consulting, since 2009. She was president and chief executive officer of Pepsi-Cola North America, the beverage division of PepsiCo, Inc. for the U.S. and Canada, from 2005 to 2007 and president from 2002. She also served as chief executive officer of the foodservice division of PepsiCo, Inc. from 2005 to 2007. Previously, she spent 13 years in marketing, advertising and branding strategy, holding leadership positions at major agencies, such as D'Arcy Masius Benton & Bowles and Omnicom. She currently serves on the boards of directors of The Interpublic Group of Companies, Inc., an advertising holding company, and Lowe's Companies, Inc., a home-improvement retailer. She was a director of P.F. Chang's China Bistro, Inc., a restaurant chain, until 2012, and of Allergan, Inc., a biopharmaceutical company, until March 2014. She holds a BA degree from Dartmouth College. She joined the NVIDIA board in July 2013.

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

Harvey C. Jones has been the managing partner of Square Wave Ventures, a private investment firm, since 2004. Mr. Jones has been an entrepreneur, high technology executive and active venture investor for over 30 years. In 1981, he co-founded Daisy Systems Corp., a computer-aided engineering company, ultimately serving as its president and chief executive officer until 1987. Between 1987 and 1998, he led Synopsys, Inc., a major electronic design automation company, serving as its chief executive officer for seven years and then as executive chairman. In 1997, Mr. Jones co-founded Tensilica Inc., a privately held technology IP company that developed and licensed high performance embedded processing cores. He served as chairman of the Tensilica board of directors from inception through its 2013 acquisition by Cadence Design Systems, Inc. In 2014, coincident with his investment in the company, Mr. Jones joined the board of directors of Tintri Technology, a private company that builds data storage solutions for virtual and cloud environments. He also served as lead director on the board of directors of Wind River Systems from 2006 until its sale to Intel in 2009. Mr. Jones holds a BS degree in Mathematics and Computer Sciences from Georgetown University and an MS degree in Management from Massachusetts Institute of Technology. He joined the NVIDIA board in 1993.

Mr. Jones brings to the board an executive management background, an understanding of semiconductor technologies and complex system design, and experience in the business of technology licensing. He provides valuable insight into innovation strategies, research and development efforts, as well as management and development of our technical employees. His financial expertise qualifies him to serve as an "audit committee financial expert" within the meaning of SEC rules, and his significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

William J. Miller has served as an independent consultant since 1999 and is on the board of directors of Waters Corp., a scientific instrument manufacturing company; Digimarc Corp., a developer and supplier of secure identification products and digital watermarking technology; and Glu Mobile, Inc., a publisher of mobile games. He was president, chief executive officer and chairman of the board of directors from 1996 to 1999 of Avid Technology, Inc., a provider of digital tools for multimedia. He was chief executive officer and a board director from 1992 to 1995 of Quantum Corp., a mass storage company, where he was chairman for three years. From 1981 to 1992, he held various positions at Control Data Corp., a supplier of computer hardware, software and services, including executive vice president and president, information services. He was on the board of directors of Overland Storage, Inc., a supplier of data storage products from 2006 to 2009; and of Viewsonic Corp. from 2004 to 2008. He holds a BA and a JD degree from the University of Minnesota. He joined the NVIDIA board in 1994.

Mr. Miller brings to the Board considerable leadership and corporate governance experience and an understanding of the roles and responsibilities of a corporate board. His financial expertise qualifies him to serve as an “audit committee financial expert” within the meaning of SEC rules.

Mark L. Perry has been an advisor to Third Rock Ventures, a venture capital firm, since 2012 and is a member of the boards of directors of several private companies. He served from 2007 to 2011 as president and chief executive officer of Aerovance, Inc., a biopharmaceutical company. He was an executive officer from 1994 to 2004 at Gilead Sciences, Inc., a biopharmaceutical company, serving in a variety of capacities, including general counsel, chief financial officer, and executive vice president of operations, responsible for worldwide sales and marketing, legal, manufacturing and facilities; he was also its senior business advisor until 2007. From 1981 to 1994, Mr. Perry was with the law firm Cooley LLP, where was a partner for seven years. From 2003 to 2009, he served on the board of directors of Nuvelo, Inc., a biopharmaceutical company. Mr. Perry holds a BA degree in History from the University of California, Berkeley, and a JD degree from the University of California, Davis. He joined the NVIDIA board in 2005.

Mr. Perry brings to the Board operating and finance experience gained in a large corporate setting. He has varied experience in legal affairs and corporate governance, and a deep understanding of the roles and responsibilities of a corporate board. His financial expertise qualifies him to serve as an “audit committee financial expert” within the meaning of SEC rules.

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

Mr. Seawell brings to the Board operational expertise and senior management experience, including knowledge of the complex issues facing public companies, and a deep understanding of accounting principles and financial reporting. His financial expertise qualifies him to serve as an “audit committee financial expert” within the meaning of SEC rules and his significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Mark A. Stevens has been the managing partner of S-Cubed Capital, a private family office investment firm, since 2012. He was a managing partner from 1993 to 2011 of Sequoia Capital, a venture capital investment firm, where he had been an associate for the preceding four years. Previously, he held technical sales and marketing positions at Intel Corp., and was a member of the technical staff at Hughes Aircraft Co. He served from 2006 to 2012 as a member of the board of directors of Alpha and Omega Semiconductor Limited. He is a Trustee of the University of Southern California and a part-time lecturer at the Stanford University Graduate School of Business. Mr. Stevens holds a BSEE degree, a BA degree in Economics and an MS degree in Computer Engineering from the University of Southern California and an MBA degree from Harvard Business School. He joined the NVIDIA board in 2008 and previously served as a director from 1993 to 2006.

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

Information About the Board of Directors and Corporate Governance

Independence of the Members of the Board of Directors

Consistent with the requirements of NASDAQ, our Corporate Governance Policies require our Board to affirmatively determine that a majority of our directors do not have a relationship that would interfere with their exercise of independent judgment in carrying out their responsibilities and meet any other qualification requirements required by the SEC and NASDAQ. After considering all relevant relationships and transactions, the Board determined all members of the Board are “independent” as defined by NASDAQ’s rules and regulations, except for Jen-Hsun Huang, our president and chief executive officer. Thus, as of the date of the mailing of this proxy statement, 90% of the members of our Board are independent. The Board also determined that all members of our Audit, Compensation and Nominating and Corporate Governance Committees are independent under applicable NASDAQ listing standards. In addition, all members of the Audit Committee are “audit committee financial experts” under SEC rules.

Board Leadership Structure

Our Bylaws and Corporate Governance Policies permit the roles of chairman of the board and chief executive officer to be filled by the same or different individuals. This allows the Board flexibility to determine whether the two roles should be combined or separated based upon our needs and the Board’s assessment of its leadership from time to time. The Board believes that our stockholders are best served at this time by not having a chairman of the board and by having a lead independent director, or Lead Director.

In the absence of a chairman of the board, our Corporate Governance Policies provide that our chief executive officer has primary responsibility for preparing the agendas for Board meetings. Our chief executive officer also presides over the portion of the meetings of the Board where he is present.

Given that we do not have a chairman of the board, the Board believes that a Lead Director is an integral part of our Board structure and a critical aspect of effective corporate governance. The independent directors consider the role and designation of the Lead Director on an annual basis. Mr. Miller has been our Lead Director since May 2009. Mr. Miller brings considerable skills and experience, as described above, to the role. In addition, Mr. Miller is Chair of our NCGC, which affords him increased engagement with Board governance and composition. Our Lead Director has significant responsibilities, which are set forth in our Corporate Governance Policies, and include, in part:

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

As discussed above, a substantial portion of our Board is comprised of independent directors. The active involvement of the independent directors, combined with the qualifications and significant responsibilities of our Lead Director, provide balance on the Board and promote strong, independent oversight of our management and affairs.

Role of the Board in Risk Oversight

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

Management periodically reports to the Board or relevant committee, which provides guidance on risk assessment and mitigation. Each committee charged with risk oversight reports up to the Board on those matters.

Corporate Governance Policies of the Board of Directors

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

Executive Sessions of the Board

As required under NASDAQ's listing standards, our independent directors have in the past met, and will continue to meet, regularly in scheduled executive sessions at which only independent directors are present. In fiscal year 2014, our independent directors met in executive session at four of the five regularly scheduled Board meetings.

In addition, independent directors have in the past met, and will continue to meet, regularly in scheduled executive sessions with our chief executive officer. In fiscal year 2014, our independent directors met in executive session with our chief executive officer at four of the five regularly scheduled Board meetings.

Director Attendance at Annual Meeting

We do not have a formal policy regarding attendance by members of the Board at our annual meetings. We generally schedule a Board meeting in conjunction with our annual meetings and expect that all of our directors will attend each annual meeting, absent a valid reason. Eight of our nine Board members as of the 2013 Annual Meeting attended our 2013 Annual Meeting.

Board Self-Assessments

The NCGC oversees an annual evaluation process, whereby each director evaluates the Board as a whole and each member of the standing committees of the Board evaluates the committees on which they serve. After these evaluations are complete, the results are discussed by the Board and each committee and with each individual director, as applicable, and, if necessary, action plans are developed.

Director Orientation and Continuing Education

The NCGC and our General Counsel are responsible for director orientation programs and for director continuing education programs to assist directors in maintaining skills and knowledge necessary or appropriate for the performance of their responsibilities. Orientation programs are designed to familiarize new directors with our businesses, strategies, and policies and to assist new directors in developing the skills and knowledge required for their service on the Board. Continuing education programs for directors may include a combination of internally developed materials and presentations, programs presented by third parties, and financial and administrative support for attendance at qualifying academic or other independent programs.

Director Stock Ownership Guidelines

The Board believes that directors should hold a significant equity interest in NVIDIA. Our Corporate Governance Policies require each director to hold at least 25,000 shares of our common stock during the period in which they serve as a director, unless our NCGC waives the requirement. The 25,000 shares may include vested but unexercised stock options. Directors have 18 months from the date that they become directors to reach the ownership threshold. Each of our directors currently meets or exceeds the stock ownership requirement, and each of our current directors holds shares of our common stock, with the exception of Ms. Hudson, who joined our Board in July 2013. The stock ownership guidelines are intended to further align director interests with stockholder interests.

Hedging and Pledging Policy

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

Outside Advisors

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

Code of Conduct

We have a Worldwide Code of Conduct that applies to our executive officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. We also have a Financial Team Code of Conduct that applies to our executive officers, directors and members of our finance, accounting and treasury departments. Both the Worldwide Code of Conduct and the Financial Team Code of Conduct are available under Corporate Governance in the Investor Relations section of our website at www.nvidia.com. If we make any amendments to the Worldwide Code of Conduct or the Financial Team Code of Conduct or grant any waiver from a provision of either code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

We expect our directors, executives and employees to conduct themselves with the highest degree of integrity, ethics and honesty. Our credibility and reputation depend upon the good judgment, ethical standards and personal integrity of each director, executive and employee. In order to better protect us and our stockholders, we regularly review our Code of Conduct and related policies to ensure that they provide clear guidance to our directors, executives and employees.

Corporate Hotline

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

Stockholder Communications with the Board of Directors

Stockholders who wish to communicate with the Board regarding nominations of directors or other matters may do so by sending written communications addressed to David M. Shannon, our Secretary, at NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050. All stockholder communications we receive that are addressed to the Board will be compiled by our Secretary. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chair of the Audit, Compensation or Nominating and Corporate Governance Committee. Matters put forth by our stockholders will be reviewed by the NCGC, which will determine whether these matters should be presented to the Board. The NCGC will give serious consideration to all such matters and will make its determination in accordance with its charter and applicable laws.

Nomination of Directors

The NCGC identifies, reviews and evaluates candidates to serve as directors and recommends candidates for election to the Board. We engage a professional search firm on an ongoing basis to identify and assist the NCGC in identifying, evaluating and conducting due diligence on potential director nominees. The NCGC also reviews materials provided by professional search firms and other parties in connection with nominees who are not proposed by a stockholder. The NCGC conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The NCGC meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board. For an explanation of the factors the NCGC considers when evaluating candidates and the Board as a whole, please see *Director Qualifications* above.

The NCGC evaluates candidates proposed by stockholders using the same criteria as it uses for other candidates. Stockholders seeking to recommend a prospective nominee should follow the instructions under *Stockholder Communications with the Board of Directors* above. Stockholder submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. Stockholders are advised to review our Bylaws and Corporate Governance Policies, which contain the requirements for director nominations. The NCGC did not receive any stockholder nominations during fiscal year 2014.

Majority Vote Standard

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

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

Board Meeting Information

The Board met thirteen times during fiscal year 2014. In addition, during fiscal year 2014, the Board held a two day meeting, during which the Board discussed the strategic direction of NVIDIA, explored and discussed new business opportunities and the product roadmap, and addressed possible challenges facing NVIDIA. We expect each Board member to attend each meeting of the Board and the committees on which he or she serves. In fiscal year 2014, each Board member attended 75% or more of the meetings of the Board and of each committee on which he or she served.

Committees of the Board of Directors

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

Committee Composition

The composition of our committees is set forth below. Committee assignments are determined based on background and the expertise which individual directors can bring to a committee. In fiscal year 2014, our Audit Committee held eight meetings, our Compensation Committee held eight meetings and our NCGC held five meetings. In February 2014, upon the recommendations of the NCGC, the Board examined the composition and chairmanship of the Board's committees and approved certain rotations, effective immediately following the 2014 Annual Meeting as set forth below:

Director	Audit Committee		Compensation Committee		Nominating and Corporate Governance Committee	
	Before 2014 Annual Meeting	After 2014 Annual Meeting	Before 2014 Annual Meeting	After 2014 Annual Meeting	Before 2014 Annual Meeting	After 2014 Annual Meeting
Jen-Hsun Huang*						
Robert K. Burgess			Member	Chair		
Tench Coxe			Member	Member		
James C. Gaither			Member		Member	Member
Dawn Hudson			Member	Member		
Harvey C. Jones	Member	Member			Member	Member
William J. Miller	Member	Member			Chair	Chair
Mark L. Perry	Chair	Chair				
A. Brooke Seawell	Member	Member				
Mark A. Stevens			Chair	Member	Member	Member

* Mr. Huang does not serve on any committees.

Committee Functions

Audit Committee

- Oversees our corporate accounting and financial reporting process;
- Oversees our internal audit function;
- Evaluates the performance of and assesses the qualifications of our independent registered public accounting firm;
- Determines and approves the engagement of the independent registered public accounting firm;
- Determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent registered public accounting firm;

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

Compensation Committee

- Reviews and approves our overall compensation strategy and policies;
- Reviews and recommends to the Board the compensation of our Board members;
- Reviews and approves the compensation and other terms of employment of our chief executive officer and other executive officers;
- Reviews and approves corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management;
- Reviews and approves written performance goals for our chief executive officer relevant to the compensation of our chief executive officer;
- Reviews and approves the disclosure contained in Compensation Discussion and Analysis and considers whether to recommend that it be included in the proxy statement and Annual Report on Form 10-K;
- Administers our stock option and purchase plans, variable compensation plans and other similar programs;
- Assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking; and
- May form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board.

Nominating and Corporate Governance Committee

- Identifies, reviews and evaluates candidates to serve as directors;
- Recommends candidates for election to our Board;
- Makes recommendations to the Board regarding committee membership;
- Assesses the performance of the Board and its committees;
- Reviews and assesses our corporate governance principles and practices;
- Approves related party transactions; and
- Establishes procedures for the receipt, retention and treatment of complaints we receive regarding violations of our code of conduct.

Director Compensation

In reviewing the type and form of compensation to be paid to our non-employee directors for the year starting on the date of our 2013 Annual Meeting, the Compensation Committee consulted with Exequity LLP, its independent compensation consultant, and reviewed peer data from the executive peer group approved by the Compensation Committee for fiscal year 2013. The Compensation Committee subsequently recommended, and the Board approved, effective on the date of our 2013 Annual Meeting, a mix of cash and equity awards for our non-employee directors with an approximate annual value of \$300,000. This value approximates the average total annual compensation, both cash and equity, paid by technology peer companies of similar size and market capitalization to their non-employee directors. We refer to this as the 2013 Program.

Cash Compensation

Under the 2013 Program, the cash portion of the annual retainer, representing \$75,000 on an annualized basis, is paid quarterly over the course of twelve months beginning on May 15, 2013, the date of our 2013 Annual Meeting.

Equity Compensation

Under the 2013 Program, each non-employee director (with the exception of Ms. Hudson, who was appointed to the Board in July 2013) elected in advance of the 2013 Annual Meeting the form of equity award he would receive on the first trading day following the date of our 2013 Annual Meeting. Non-employee directors were allowed to elect stock options, restricted stock units or a 50/50 combination of each. The aggregate value of the equity award was \$225,000. The number of shares subject to each stock option grant had a fair value (calculated using a binomial option pricing model, based on the average closing market price over the 60 calendar days ending two business days before the 2013 Annual Meeting, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or FASB ASC Topic 718) equal to the portion of the annual retainer allocated to stock options. The number of shares subject to each restricted stock unit equaled the value of the annual retainer allocated to the restricted stock unit divided by the average closing market price over the 60 calendar days ending two business days before the 2013 Annual Meeting.

In order to correlate the vesting of the equity awards to the non-employee directors' service on the Board and its committees over the following year, stock options granted under the 2013 Program vest quarterly commencing on the day following our 2013 Annual Meeting and RSUs vested as to 50% on November 20, 2013 (the third Wednesday in November 2013) and will vest as to the remaining 50% on May 21, 2014 (the third Wednesday in May 2014).

In connection with Ms. Hudson's appointment to the Board in July 2013, she was granted (a) an initial stock option award to purchase 50,000 shares of our common stock, vesting in equal quarterly installments over a three-year period commencing July 18, 2013, and (b) an annual equity award consisting of (i) a stock option to purchase 35,645 shares of our common stock, which vested as to 3,563 shares on August 15, 2013 and as to 10,694 shares quarterly thereafter over the next three quarters, and (ii) a grant of 7,210 RSUs, which vested as to 2,883 shares on November 20, 2013 and will vest as to the remaining 4,327 shares on May 21, 2014. Both stock options have an exercise price of \$14.70 per share, which was the closing price of our common stock as reported by NASDAQ on August 8, 2013.

The options granted to our Board members above have a term of ten years. If a non-employee director's service as a director terminates due to death, the option and RSU grants will immediately fully vest and the option grants will become exercisable. Non-employee directors do not receive dividend equivalents on unvested RSUs.

Non-employee directors choosing RSUs as all or part of their equity compensation may elect to defer settlement of all such RSUs upon vesting, to be issued on the earliest of (a) the date of the non-employee director's "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)), unless a six month delay would be required under such Section, (b) the date of a change in control of NVIDIA that also would constitute a "change in control event" (as defined under Treasury Regulation Section 1.409A-3(i)(5)), and (c) the third Wednesday in March of the year elected by the non-employee director, which year must be no earlier than 2015. Messrs. Burgess and Gaither and Ms. Hudson elected to defer settlement of the RSUs granted during fiscal year 2014.

Other Compensation/Benefits

Our non-employee directors are also reimbursed for expenses incurred in attending Board and committee meetings, as well as in attending continuing educational programs pursuant to our Corporate Governance Policies. Directors who are also employees do not receive any fees or equity compensation for service on the Board. Mr. Huang is our only employee director.

We do not offer change-in-control benefits to our directors, except for the change-in-control vesting acceleration provisions in our equity plans that are applicable to all holders of stock awards under such plans in the event that an acquiring company does not assume or substitute for such outstanding stock awards.

Fiscal Year 2014 Compensation

The following table provides information regarding compensation of non-employee directors who served during fiscal year 2014:

Director Compensation for Fiscal Year 2014

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Total (\$)
Robert K. Burgess	75,000	248,355 ⁽²⁾	—	323,355
Tench Coxe	75,000	—	242,109 ⁽³⁾	317,109
James C. Gaither	75,000	248,355 ⁽²⁾	—	323,355
Dawn Hudson ⁽⁴⁾	43,750	104,401 ⁽⁵⁾	285,074 ⁽⁵⁾	433,225
Harvey C. Jones	75,000	—	242,109 ⁽³⁾	317,109
William J. Miller	75,000	—	242,109 ⁽³⁾	317,109
Mark L. Perry	75,000	248,355 ⁽²⁾	—	323,355
A. Brooke Seawell	75,000	—	242,109 ⁽³⁾	317,109
Mark A. Stevens	75,000	124,171 ⁽⁶⁾	121,053 ⁽⁶⁾	320,224

⁽¹⁾ Amounts shown in this column do not reflect dollar amounts actually received by the non-employee director. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for awards granted during fiscal year 2014. The assumptions used in the calculation of values of the awards are set forth under Note 2 to our consolidated financial statements titled “Stock-Based Compensation” in our Annual Report on Form 10-K for fiscal year 2014, filed with the SEC on March 13, 2014.

⁽²⁾ On May 16, 2013, each of Messrs. Burgess, Gaither and Perry received an RSU grant for 17,307 shares as the equity portion of compensation for his service on the Board and committees.

⁽³⁾ On May 16, 2013, each of Messrs. Coxe, Jones, Miller and Seawell received a stock option to purchase 85,551 shares as the equity portion of compensation for his service on the Board and committees with an exercise price of \$14.63 per share, which was the closing price of our common stock as reported by NASDAQ on May 16, 2013. The grant date fair value per share for these awards as determined under FASB ASC Topic 718 was \$2.83.

⁽⁴⁾ Ms. Hudson joined the Board in July 2013.

⁽⁵⁾ On August 8, 2013, Ms. Hudson received (a) (i) a stock option to purchase 50,000 shares and (ii) a stock option to purchase 35,645 shares, each with an exercise price of \$14.70 per share, which was the closing price of our

common stock as reported by NASDAQ on August 8, 2013, and (b) an RSU grant for 7,210 shares, as the equity portion of compensation for her service on the Board and committees. The grant date fair value per share for the option awards described in (a)(i) and (a)(ii) as determined under FASB ASC Topic 718 was \$3.52 and \$3.06, respectively.

⁽⁶⁾ On May 16, 2013, Mr. Stevens received as the equity portion of compensation for his service on the Board and committees (a) a stock option to purchase 42,775 shares with an exercise price of \$14.63 per share, which was the closing price of our common stock as reported by NASDAQ on May 16, 2013, and (b) an RSU grant for 8,653 shares. The grant date fair value per share for the option award as determined under FASB ASC Topic 718 was \$2.83.

The following table provides information regarding the number of RSUs and stock options held by each of our non-employee directors as of January 26, 2014:

Director Outstanding Equity Awards at Fiscal Year-End 2014

Name	RSUs	Stock Options
Robert K. Burgess	17,307 ⁽¹⁾	66,041
Tench Coxe	—	295,820
James C. Gaither	17,307 ⁽¹⁾	210,269
Dawn Hudson.	7,210 ⁽²⁾	85,645
Harvey C. Jones	—	295,820
William J. Miller	—	295,820
Mark L. Perry.	8,654	163,000
A. Brooke Seawell	—	295,820
Mark A. Stevens.	4,327	101,410

⁽¹⁾ Messrs. Burgess and Gaither elected to defer settlement of the RSUs granted to them under the 2013 Program until the third Wednesday of March 2015.

⁽²⁾ Ms. Hudson elected to defer settlement of the RSUs granted to her under the 2013 Program until the third Wednesday of March 2020.

Review of Transactions with Related Persons

It is our policy that all employees, officers and directors must avoid any activity that is in conflict with, or has the appearance of conflicting with, our interests. This policy is included in our Code of Conduct and our Financial Team Code of Conduct. We conduct a review of all related party transactions for potential conflict of interest situations on an ongoing basis and all transactions involving executive officers or directors must be approved by the NCGC or another independent body of the Board. Except as discussed below, we did not conduct any transactions with related persons in fiscal year 2014 that would require disclosure in this proxy statement or approval by the NCGC.

Transactions with Related Persons

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

See the section below titled *Employment, Severance and Change-in-Control Arrangements* for a description of the terms of the NVIDIA Corporation 1998 Equity Incentive Plan, or 1998 Plan, and the Amended 2007 Plan, related to a change-in-control of NVIDIA.

We have granted stock options and restricted stock units to our executive officers and our non-employee directors. See the section below titled *Executive Compensation* and the section above titled *Director Compensation*.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of January 26, 2014 as to shares of our common stock beneficially owned by each of our directors, each of the executive officers named in the Summary Compensation Table, all of our directors and executive officers as a group, and all those known by us to be beneficial owners of more than five percent or more of our common stock.

Beneficial ownership is determined in accordance with the SEC's rules and generally includes voting or investment power with respect to securities as well as shares of common stock subject to options exercisable or restricted stock units that will vest within 60 days of January 26, 2014.

Name of Beneficial Owner ⁽¹⁾	Shares Owned	Shares Issuable Within 60 Days	Total Shares Beneficially Owned	Percent
Named Executive Officers:				
Jen-Hsun Huang ⁽²⁾	21,869,313	2,054,522	23,923,835	4.20%
Colette M. Kress	—	—	—	*
Karen T. Burns	25,389	87,751	113,140	*
Ajay K. Puri	98,576	447,461	546,037	*
David M. Shannon ⁽³⁾	146,850	456,336	603,186	*
Debora Shoquist	55,434	382,937	438,371	*
Directors, not including CEO:				
Robert K. Burgess	16,281	53,541	69,822	*
Tench Coxe ⁽⁴⁾	1,506,733	274,432	1,781,165	*
James C. Gaither ⁽⁵⁾	158,634	210,269	368,903	*
Dawn Hudson	—	33,284	33,284	*
Harvey C. Jones ⁽⁶⁾	833,460	274,432	1,107,892	*
William J. Miller ⁽⁷⁾	302,808	274,432	577,240	*
Mark L. Perry ⁽⁸⁾	74,934	163,000	237,934	*
A. Brooke Seawell ⁽⁹⁾	500,000	274,432	774,432	*
Mark A. Stevens ⁽¹⁰⁾	2,058,333	90,716	2,149,049	*
All directors and executive officers as a group (13 persons) ⁽¹¹⁾	27,646,745	5,077,545	32,724,290	5.71%
5% Stockholders:				
FMR LLC ⁽¹²⁾	86,455,792	—	86,455,792	15.22%
Vanguard Group, Inc. ⁽¹³⁾	37,705,046	—	37,705,046	6.64%
PRIMECAP Management Company ⁽¹⁴⁾	33,603,364	—	33,603,364	5.92%
BlackRock, Inc. ⁽¹⁵⁾	29,909,977	—	29,909,977	5.27%

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

- (1) This table is based upon information provided to us by our executive officers and directors. Information about principal stockholders, other than percentages of beneficial ownership, is based solely on Schedules 13G or 13G/A filed with the SEC. Unless otherwise indicated in the relevant footnote to this table and subject to community property laws where applicable, we believe that each of the stockholders named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages of beneficial ownerships are based on 567,996,734 shares of our common stock outstanding as of January 26, 2014, adjusted as required by SEC rules.
- (2) Includes (i) 19,659,091 shares of common stock held by Jen-Hsun Huang and Lori Huang, as co-trustees of the Jen-Hsun and Lori Huang Living Trust, u/a/d May 1, 1995, or the Huang Trust; (ii) 1,237,239 shares of common stock held by J. and L. Huang Investments, L.P., of which the Huang Trust is the general partner; (iii) 584,000 shares of common stock held by The Huang 2012 Irrevocable Trust, of which Mr. Huang and Mr. Huang's wife are co-trustees; (iv) 39,687 shares of common stock held by the Jen-Hsun Huang 2009 Annuity Trust, of which Mr. Huang is trustee; and (v) 39,687 shares of common stock held by the Lori Lynn Huang 2009 Annuity Trust, of which Mr. Huang's wife is trustee. By virtue of their status as co-trustees of the Huang Trust and The Huang 2012 Irrevocable Trust, each of Jen-Hsun Huang and Lori Huang may be deemed to have shared beneficial ownership of the 19,659,091 shares held by the Huang Trust, the 1,237,239 shares held by J. and L. Huang Investments, L.P. and the 584,000 shares held by The Huang 2012 Irrevocable Trust, and to have shared power to vote or to direct the vote or to dispose of or direct the disposition of such securities.
- (3) Includes 110,800 shares of common stock held by the Shannon Revocable Trust, of which Mr. Shannon and his wife are co-trustees and of which Mr. Shannon exercises shared voting and investment power.
- (4) Represents (i) 171,312 shares of common stock held in a retirement trust over which Mr. Coxe exercises sole voting and investment power, and (ii) 1,335,421 shares of common stock held in the Coxe Revocable Trust, or the Coxe Trust, of which Mr. Coxe and his wife are co-trustees and of which Mr. Coxe exercises shared voting and investment power. Mr. Coxe disclaims beneficial ownership in the shares held in the retirement trust and by the Coxe Trust, except to the extent of his pecuniary interest therein.
- (5) Represents shares of common stock held by the James C. Gaither Revocable Trust U/A/D 9/28/2000, of which Mr. Gaither is the trustee and of which Mr. Gaither exercises sole voting and investment power.
- (6) Represents (i) 750,000 shares of common stock held in the H.C. Jones Living Trust, of which Mr. Jones is trustee and of which Mr. Jones exercises sole voting and investment power, (ii) 71,760 shares of common stock owned by ACK Family Partners, L.P., of which Mr. Jones is a general partner and of which Mr. Jones exercises shared voting and investment power, and (iii) (a) 3,900 shares of common stock owned by the Gregory C. Jones Trust, of which Mr. Jones is co-trustee and of which Mr. Jones exercises shared voting and investment power, (b) 3,900 shares of common stock owned by the Carolyn E. Jones Trust, of which Mr. Jones is a co-trustee and of which Mr. Jones exercises shared voting and investment power and (c) 3,900 shares of common stock owned by the Harvey C. Jones III Trust, of which Mr. Jones is a co-trustee and of which Mr. Jones exercises shared voting and investment power, collectively, the Jones Children Trusts. Mr. Jones disclaims beneficial ownership of the 71,760 shares of common stock held by ACK Family Partners, L.P., except to the extent of his pecuniary interest therein. Mr. Jones disclaims beneficial ownership of the 11,700 shares of common stock held by the Jones Children Trusts, except to the extent of his pecuniary interest therein.
- (7) Represents shares of common stock held by the Millbor Family Trust, of which Mr. Miller and his wife are co-trustees and of which Mr. Miller exercises shared voting and investment power.

- (8) Includes 50,000 shares of common stock held by The Perry & Pena Family Trust, of which Mr. Perry and his wife are co-trustees and of which Mr. Perry exercises shared voting and investment power.
- (9) Represents shares of common stock held by the Rosemary & A. Brooke Seawell Revocable Trust U/A dated 1/20/2009, of which Mr. Seawell and his wife are co-trustees and of which Mr. Seawell exercises shared voting and investment power.
- (10) Includes 2,054,007 shares of common stock held by the 3rd Millennium Trust, of which Mr. Stevens and his wife are co-trustees and of which Mr. Stevens exercises shared voting and investment power.
- (11) Includes shares owned by all directors and executive officers listed in this beneficial ownership table.
- (12) This information is based solely on a Schedule 13G/A, dated February 13, 2014, filed with the SEC on February 14, 2014 by FMR LLC, or FMR, reporting its beneficial ownership as of December 31, 2013. The Schedule 13G/A reports that FMR has sole voting power with respect to 10,292,349 shares and sole dispositive power with respect to 86,455,792 shares. FMR is located at 245 Summer Street, Boston, Massachusetts 02210.
- (13) This information is based solely on a Schedule 13G/A, dated February 6, 2014, filed with the SEC on February 12, 2014 by The Vanguard Group, Inc., or Vanguard, reporting its beneficial ownership as of December 31, 2013. The Schedule 13G/A reports that Vanguard has sole voting power with respect to 946,844 shares and sole dispositive power with respect to 36,818,302 shares. Vanguard is located at 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (14) This information is based solely on a Schedule 13G, dated March 5, 2014, filed with the SEC on March 7, 2014 by PRIMECAP Management Company, or PRIMECAP, reporting its beneficial ownership as of February 28, 2014. The Schedule 13G reports that PRIMECAP has sole voting power with respect to 10,043,159 shares and sole dispositive power with respect to 33,603,364 shares. PRIMECAP is located at 225 South Lake Ave., #400, Pasadena, California 91101.
- (15) This information is based solely on a Schedule 13G/A, dated January 17, 2014, filed with the SEC on January 30, 2014 by BlackRock, Inc., or BlackRock, reporting its beneficial ownership as of December 31, 2013. The Schedule 13G/A reports that BlackRock has sole voting power with respect to 24,665,300 shares and sole dispositive power with respect to 29,909,977 shares. BlackRock is located at 40 East 52nd Street, New York, New York 10022.

Proposal 2—Approval of Executive Compensation

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, and Section 14A of the Securities Exchange Act of 1934, as amended, our stockholders are entitled to vote on an advisory basis on the compensation of our named executive officers as disclosed in this proxy statement in accordance with SEC rules. At the 2011 Annual Meeting, our stockholders indicated their preference that NVIDIA solicit a non-binding advisory approval of the compensation of the named executive officers, commonly referred to as a “say-on-pay vote,” every year. The Board has adopted a policy that is consistent with that preference. In accordance with that policy, this year, the Board is again asking the stockholders to approve, on an advisory basis, the compensation of NVIDIA’s named executive officers as disclosed in this proxy statement in accordance with SEC rules. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this statement.

The compensation of our named executive officers subject to the vote is disclosed in the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosure contained in this proxy statement. As discussed in these disclosures, we believe that our compensation policies and decisions are focused on pay-for-performance principles and are strongly aligned with our stockholders’ interests. Compensation of our named executive officers is designed to enable us to attract and retain talented and experienced executives to lead NVIDIA successfully in a competitive environment.

In setting fiscal year 2014 executive officer compensation, our Compensation Committee reflected on the votes cast on our say-on-pay proposal for fiscal year 2013. At our 2013 Annual Meeting of Stockholders, over 96% of the votes cast on our say-on-pay proposal were in support of the compensation paid to our executive officers for fiscal year 2013. While this vote was only advisory and not binding, our Compensation Committee carefully considered the results of the vote in the context of our overall compensation philosophy, as well as our compensation policies and decisions, and as a result, determined to continue the key components of our executive compensation program.

Accordingly, the Board is asking the stockholders to indicate their support for the compensation of our named executive officers as described in this proxy statement by adopting the following resolution:

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

Because the approval is advisory, it is not binding on the Board or us. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Advisory approval of this proposal requires the vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the 2014 Annual Meeting.

Recommendation of the Board

The Board recommends that you vote **FOR** the approval of the compensation of our named executive officers.

Executive Compensation

Compensation Discussion and Analysis

Introduction

This section explains our executive compensation program as it relates to the “named executive officers” listed below (we refer to them in this section as either our named executive officers or as our executive officers). The fiscal year 2014 compensation information for our named executive officers is presented in the tables following this discussion in accordance with SEC rules. We compensate our named executive officers based on our fiscal year (which ends on the last Sunday of January of each calendar year). Our fiscal year 2014 ran from January 28, 2013 to January 26, 2014.

Named Executive Officers

Jen-Hsun Huang	President and Chief Executive Officer
Colette M. Kress ⁽¹⁾	Executive Vice President and Chief Financial Officer
Karen T. Burns ⁽²⁾	Former Interim Chief Financial Officer and Current Vice President, Finance
Ajay K. Puri	Executive Vice President, Worldwide Sales
David M. Shannon	Executive Vice President, Chief Administrative Officer and Secretary
Debora Shoquist	Executive Vice President, Operations

⁽¹⁾ Ms. Kress became our CFO on September 30, 2013.

⁽²⁾ In connection with the appointment of Ms. Kress as our CFO, Ms. Burns resumed her previous position as our Vice President, Finance.

Executive Summary

NVIDIA is committed to pay for performance. We demonstrate this commitment by designing our executive compensation programs so that the amounts ultimately received by our executive officers vary to reflect NVIDIA’s financial performance, our executives’ individual performance and our stock price performance. While we pay our executive officers an annual base salary that is fixed, a meaningful portion of total cash compensation is in the form of variable cash compensation which is tied to NVIDIA’s financial performance and the executive officer’s individual performance. Our equity-based compensation is also linked to performance and is intended to align the long-term interests of our executive officers with those of our stockholders. We continue to believe that we should tie our executive compensation programs to key financial metrics that we believe drive value and contribute to the long-term success of NVIDIA.

In setting fiscal year 2014 executive officer compensation, our Compensation Committee reflected on the votes cast on our say-on-pay proposal for fiscal year 2013. At our 2013 Annual Meeting of Stockholders, over 96% of the votes cast on our say-on-pay proposal were in support of the compensation paid to our executive officers for fiscal year 2013. While this vote was only advisory and not binding, our Compensation Committee carefully considered the results of the vote in the context of our overall compensation philosophy, as well as our compensation policies and decisions, and as a result, determined to continue the key components of our executive compensation program. These components include our variable compensation program, or the Variable Plan, under which up to 50% of an executive officer’s target award opportunity is earned based on our success at achieving a corporate financial performance target and up to 50% of the target opportunity is earned based on how well an executive officer performs against his or her individual objectives. Another main component of our executive compensation program is our equity awards. In fiscal year 2014, our Compensation Committee decided to shift from granting 100% of Mr. Huang’s annual equity grant in the form of stock options to a mix of approximately 50% of the target equity grant value in performance stock units, or PSUs, and the remainder in stock options. Our Compensation Committee believes that this mix of awards and performance metrics reflects the changing market trend for equity incentives granted to CEOs at our peer companies. Our other executive officers received a mix of RSUs and stock options. In addition, we paid a signing bonus to our recently hired CFO and offered her an anniversary bonus, as explained below.

For fiscal year 2014, the Compensation Committee selected GAAP operating income adjusted for certain pre-determined costs and/or credits as the financial performance target under the Variable Plan and PSUs. The Compensation Committee selected this metric because it believes this to be a key indicator of our overall financial performance. Specifically, the Compensation Committee determined that management's achievement of this metric should be based on GAAP operating income excluding stock-based compensation, acquisition-related costs, certain legal costs and other expenses. We refer to this metric as Adjusted Non-GAAP Operating Income. The net aggregate adjustment to GAAP operating income for these items for fiscal year 2014 was \$171 million, reflecting an additional \$3 million in legal costs from non-GAAP operating income that we reported in our earnings release materials for fiscal year 2014.

Based on the operating plan prepared for fiscal year 2014 as approved by the Board, the Compensation Committee set a goal of \$635 million in Adjusted Non-GAAP Operating Income to achieve Target-level awards (with a Threshold level of \$425 million and a Maximum level of \$900 million). The Target goal of \$635 million incorporated investments in our future growth businesses and a probable range of revenue that took into account both macroeconomic conditions and reasonable estimates for new businesses. The Compensation Committee determined that for fiscal year 2014 a Target Adjusted Non-GAAP Operating Income of \$635 million was attainable with significant effort and success in execution, but was not certain. In addition, the Compensation Committee believed that for fiscal year 2014 achievement of a Maximum Adjusted Non-GAAP Operating Income of \$900 million was only possible with strong market factors and a very high level of successful execution and performance by our management. For Mr. Huang's PSUs, the Target goal of \$635 million needed to be achieved for any portion of the grant to vest.

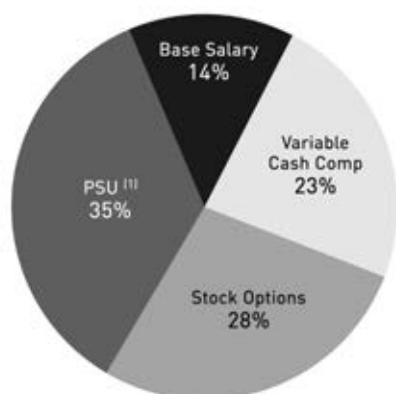
Following the close of our fiscal year 2014, the Compensation Committee met and reviewed our financial results against the targets set at the beginning of the year. Our financial and performance results for fiscal year 2014 are discussed in the *Proxy Summary* preceding this proxy statement. For purposes of the Variable Plan and the PSUs, the Compensation Committee certified that the Company achieved Adjusted Non-GAAP Operating Income in fiscal year 2014 of \$667 million, reflecting aggregate adjustments to GAAP operating income of \$171 million as discussed above. This resulted in funding the corporate financial award component of the Variable Plan at 112.08%, and 108.05% of Mr. Huang's Target PSUs becoming eligible to vest over a four year period beginning on the date of grant (with 25% vesting on approximately the one year anniversary of the date of grant), each as more fully described below.

Executive Compensation Philosophy and Overview

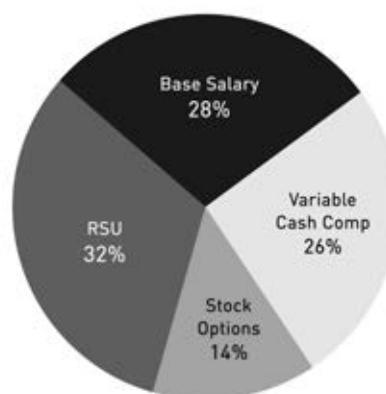
The primary goal for our executive compensation program is to attract, motivate and retain a talented, innovative and entrepreneurial team of executives to provide leadership for our success in a dynamic, competitive market. We seek to accomplish this goal in ways that align with our business objectives, our performance and the long-term interests of our stockholders. We design our executive compensation program to position NVIDIA competitively among the companies against which we recruit and compete for talent. We also consider the financial obligations created by our executive compensation program, as well as the equity expense and the potential dilution of stockholder ownership.

As in recent years, the principal components of our executive compensation program for fiscal year 2014 consisted of base salaries, variable cash compensation and equity compensation. Our Compensation Committee does not use a strict weighting system among compensation elements for each executive officer, but instead considers the total compensation necessary to attract, motivate and retain these individuals with a mix that includes a higher percentage of performance-based components, including variable cash compensation and equity compensation, in positions of higher responsibility. Our Compensation Committee believes that a mix of both cash and equity incentives is appropriate, as cash incentives reward executives for near-term results, while equity incentives motivate executives to increase and sustain stockholder value in the longer term. For fiscal year 2014, the pay mix for our executive officers is reflected in the charts below.

Total Direct Compensation for CEO



Total Direct Compensation for All Other NEOs⁽²⁾



⁽¹⁾ Based on grant date fair value of PSUs of \$2,111,400, which assumes the probable outcome of the performance-related conditions at Target, determined in accordance with applicable accounting standards. Based on the performance that was actually achieved for fiscal year 2014, the grant date fair value would be \$2,281,379.

⁽²⁾ Does not include compensation for Ms. Kress, who became our CFO on September 30, 2013.

Important Features of our Compensation Program

Our compensation program is administered under a rigorous process which includes review of peer group practices, advice of an independent third-party compensation consultant (who reports directly to our Compensation Committee, not to our management) and long-standing, consistently-applied practices with respect to the timing of equity grants and the pricing of stock options. Other important features of our compensation program include:

- Our executive compensation is heavily weighted toward at-risk, performance-based compensation. In fiscal year 2014, approximately 86% of our CEO's target direct compensation and an average of 72% of our other executive officers' target direct compensation (excluding Ms. Kress and Burns as more fully described below) was in the form of variable cash compensation and equity awards (PSUs, RSUs or stock options), the actual economic value of which depends directly on the performance of our stock price over the period during which the awards vest and, with respect to stock options, could be as little as zero if our stock price were less than the exercise price of such stock options.
- We review the external marketplace and make internal comparisons among the executive officers when making compensation determinations. Our Compensation Committee does not benchmark to specific levels, but rather reviews external marketplace data as one of many factors considered when establishing executive compensation.
- We structure our executive compensation programs to minimize inappropriate risk-taking by our executive officers, including capping award levels under the annual variable cash compensation plan and using multi-year vesting terms for equity awards.
- We do not have employment contracts or severance agreements providing for a specific term of employment or severance benefits with any of our executive officers. All of our executive officers are "at will" employees of NVIDIA.
- We do not offer change-in-control benefits to our executive officers, except for the change-in-control vesting acceleration provisions in our equity plans that are applicable to all of our employees if an acquiring company does not assume or substitute our outstanding stock awards.
- We do not offer our executive officers tax reimbursements, supplemental retirement benefits or perquisites that are not available to all NVIDIA employees.

- We have stock ownership guidelines for our executive officers. Each of our executive officers has exceeded these guidelines, except Ms. Kress who joined NVIDIA in September 2013 and has until March 2015 to comply with these guidelines. As shown above under *Security Ownership of Certain Beneficial Owners and Management*, as of January 26, 2014, based on the closing price of our common stock of \$15.56 on the last trading day of fiscal year 2014:
 - Our CEO has beneficial ownership of shares (including both shares owned at, and shares he had the right to acquire within 60 days of, January 26, 2014) of our common stock having a value in excess of 437 times his base salary; and
 - Each of our other executive officers has beneficial ownership of shares (including both shares owned at, and shares that such executive officers had the right to acquire within 60 days of, January 26, 2014) of our common stock having a value in excess of 13 times their respective base salaries (except Ms. Burns, who served as our Interim CFO until September 29, 2013, and who has beneficial ownership of shares of our common stock having a value in excess of 3 times her base salary, and Ms. Kress, for the reasons described above).
- We enforce a “no-hedging” policy and a “no-pledging” policy that does not allow our executive officers to hedge the economic interest in the NVIDIA shares they hold.
- Since 2009, we have maintained a “clawback” policy for the recovery of performance-based compensation in the event of a financial restatement that does not require individual misconduct to be enforced against our executive officers.

How We Determine Executive Compensation

Role of Our Compensation Committee, Compensation Consultants, and Management

Our Compensation Committee meets periodically on a regular schedule throughout the fiscal year to manage our executive compensation program. Our Compensation Committee determines the principal components of compensation for our executive officers on an annual basis, typically at the beginning of each fiscal year. Our Compensation Committee then meets again mid-year in preparation for the portion of equity grants that typically are made in September of each year, and has the opportunity to review and revise equity compensation guidelines at that time.

During fiscal year 2014, our Compensation Committee continued to use Exequity LLP as its independent compensation consultant. Our Compensation Committee originally retained Exequity in 2010 after considering a number of other candidates. Our Compensation Committee selected Exequity for its expertise in the graphics and mobile processing industry, the experience of the senior consultant at Exequity with our compensation structure and the availability of Exequity to attend Compensation Committee meetings.

During fiscal year 2014, our Compensation Committee analyzed whether the work of Exequity as a compensation consultant raised any conflict of interest, taking into consideration the following factors: (i) the fact that Exequity does not provide any services directly to NVIDIA (although NVIDIA does pay the cost of Exequity’s services on behalf of the Compensation Committee); (ii) the amount of fees paid to Exequity by NVIDIA as a percentage of Exequity’s total revenue; (iii) Exequity’s policies and procedures that are designed to prevent conflicts of interest; (iv) any business or personal relationship of Exequity or the individual compensation advisors employed by Exequity with an NVIDIA executive officer; (v) any business or personal relationship of the individual compensation advisors with any member of our Compensation Committee; and (vi) any NVIDIA stock owned by Exequity or the individual compensation advisors employed by Exequity.

Based on its analysis of these factors, our Compensation Committee determined that the work of Exequity and the individual compensation advisors employed by Exequity does not create any conflict of interest.

Exequity reports directly to our Compensation Committee, advising our Compensation Committee on all material matters relating to executive and non-employee director compensation. Exequity took its direction from our Compensation Committee Chairman and interacted with management (our CEO and legal and human resources departments), as needed, to understand management proposals and financial objectives and to obtain compensation data that management gathered for our peer group of companies to assist our Compensation Committee with decisions in February and March 2013. The data that management gathered was from the Radford Global Technology Survey based on parameters established by our Compensation Committee, which were to provide benchmark data at the 25th, 50th and 75th percentiles for each executive officer using our peer group described below under the section *Peer Companies and Market Compensation Data*.

Exequity provided our Compensation Committee with the following services in fiscal year 2014: (i) reviewed and provided recommendations on the composition of our peer group; (ii) analyzed the Radford survey data; (iii) conducted an independent analysis and review of the compensation arrangements for our CEO and advised our Compensation Committee regarding base salary, variable cash compensation and equity grant levels for our CEO; (iv) reviewed market and peer group compensation data for chief financial officers and reviewed recommendations to our Compensation Committee regarding an appropriate compensation package for our new CFO, consisting of annual base salary, variable cash compensation and certain one-time payments and equity grants; (v) conducted an independent analysis and review of the compensation structure for non-employee directors; (vi) reviewed and provided feedback on our compensation risk analysis; and (vii) reviewed the Compensation Discussion and Analysis included in this proxy statement.

With respect to compensation for our CEO, at the beginning of the fiscal year, our Compensation Committee, working directly with Exequity and without the presence of our CEO, deliberates and makes decisions regarding the salary, variable incentive compensation level and equity-based compensation opportunity to be awarded to our CEO for the new fiscal year, as well as variable compensation payouts for the prior fiscal year. Our Compensation Committee reviews and approves the written individual performance goals for our CEO at that time. Our Compensation Committee evaluates the CEO's performance at the end of the fiscal year taking into account a self-assessment prepared by the CEO and our Compensation Committee's own evaluation of the results achieved by our CEO as compared to goals established at the beginning of the fiscal year, as discussed further under the section *Elements of Compensation-Variable Cash Compensation* below.

In setting compensation for our executive officers (other than the CEO and our new CFO, who was appointed in September 2013), our Compensation Committee solicits the input of our CEO, who recommends to our Compensation Committee the salary, target variable incentive compensation and equity-based compensation to be awarded to our executive officers for the new fiscal year. Our CEO also recommends, subject to the approval of our Compensation Committee, the individual performance goals for our executive officers under the variable incentive compensation plan, as described below. The CEO evaluates the performance of the other executive officers at the end of the fiscal year and makes recommendations on variable compensation payouts for that fiscal year. Our Compensation Committee gives considerable weight to our CEO's evaluations because of his direct knowledge of each executive officer's performance and contributions to the Company.

Our Compensation Committee remains solely responsible for making the final decisions on compensation for our executive officers, including our CEO. No executive officer is present during discussions of his or her compensation package or participates directly in approving the amount of any component of his or her own compensation package.

Factors Used in Determining Executive Compensation

In any given year, when establishing the elements of executive compensation, our Compensation Committee may take into consideration one or more of the following factors: (i) the philosophy that the total compensation opportunity and the percentage of total compensation "at risk" should increase with the level of responsibility—for example, because the CEO has overall responsibility for our entire company, his total compensation opportunity is significantly greater, as is his percentage of performance-based compensation; (ii) internal pay equity—that is, we assess an executive officer's responsibilities, the scope of the executive officer's position and the complexity of the department or function the executive officer manages, relative to the executive officer's internal peers, and set compensation levels within a relatively narrow band for comparably situated executives; (iii) the Company's performance, operating budget and expected financial

constraints; (iv) the trends in compensation paid to similarly situated officers at our peer companies; (v) the 25th, 50th and 75th percentiles of compensation paid to similarly situated executive officers at our peer companies; (vi) an executive officer's past performance and expected contribution to future results; (vii) the need to attract new talent to our executive team; (viii) the ability to retain existing talent in a highly competitive industry; (ix) the need to motivate executive officers to address particular business challenges that are unique to any given year; (x) the independent judgment of the members of our Compensation Committee; (xi) our CEO's recommendations, because of his direct knowledge of the results delivered and leadership demonstrated by each executive officer; (xii) a review of an executive officer's current total compensation; and (xiii) the total compensation cost and stockholder dilution resulting from executive compensation actions, as we believe this helps us maintain a responsible cost structure for our compensation programs. The relative weight, if any, given to each of the factors above varies with each individual executive officer and with respect to each element of compensation at the sole discretion of our Compensation Committee.

Peer Companies and Market Compensation Data

In late fiscal year 2013, Exequity and our human resources department recommended, and our Compensation Committee approved, our peer companies for fiscal year 2014 which are companies that (i) we generally think we compete with for executive talent, (ii) have an established business, market presence, and complexity similar to us, and (iii) are of similar size to us as measured by revenue (at roughly 0.5-2.0x NVIDIA) and market capitalizations. Our peer group for fiscal year 2014 generally remained the same as it was for fiscal year 2013, except that (i) Maxim Integrated, Inc. was removed because we no longer consider Maxim to be of similar size or complexity and we generally do not compete with Maxim for executive talent, and (ii) Citrix Systems, Inc. was added because we consider Citrix to be of similar size and complexity and we believe we generally compete with Citrix for executive talent. The median revenue and market capitalization for our peer group was approximately \$4.3 billion and \$9.7 billion, respectively, which closely approximates our aggregate revenue of \$4.3 billion for fiscal year 2013 and market capitalization of \$7.1 billion in late fiscal year 2013.

Our Compensation Committee reviews market practices for compensating our desired talent pool, including data from our peer group, for the three major components of our compensation program. When reviewing and analyzing the amount of each major component and the total compensation opportunity for our executive officers, our Compensation Committee reviews each component at the 25th, 50th and 75th percentile for our peer companies for guidance. Our Compensation Committee reviews these pay levels as reference points in its overall decision making, as indicative of the level of compensation necessary to attract, retain and motivate our executive officers.

Our Compensation Committee set the actual amount of each element of compensation and the total compensation opportunity of each executive officer based in part on its review of peer group data and in part on the factors discussed above under the section *Factors Used in Determining Executive Compensation* and below in respect of actual decisions for fiscal year 2014.

For fiscal year 2014, our peer group consisted of the companies listed below.

Company Name	Company Name
Activision Blizzard	Intuit, Inc.
Adobe Systems, Incorporated	Juniper Networks, Inc.
Advanced Micro Devices	KLA-Tencor Corporation
Agilent Technologies, Inc.	LSI
Altera Corporation	Marvell Technology Group
Analog Devices, Inc.	Micron Technology, Inc.
Autodesk, Inc.	Network Appliance, Inc.
Broadcom Corporation	SanDisk Corporation
Citrix Systems Inc.	Symantec Corporation
Electronic Arts, Inc.	Xilinx

Elements of Compensation

As discussed below, the elements of our executive compensation program for our executive officers are: annual base salary; short-term variable cash compensation; and long-term equity incentive compensation (granted in the form of stock options, PSUs, RSUs, or a combination of awards). In addition, we paid a signing bonus to our recently hired CFO and offered her an anniversary bonus, as explained below.

Base Salary

Base salary is the fixed portion of executive pay used to compensate executives for their expected day-to-day performance. Our Compensation Committee generally establishes base salaries at the beginning of each year. In February and March 2013, our Compensation Committee reviewed the base salaries of our executive officers. In so doing, our Compensation Committee reviewed the market data for similarly situated executives at the 25th, 50th and 75th percentiles of our peer companies with the objective of maintaining, or increasing, as applicable, the total target cash compensation opportunity for our executive officers so that it is competitive with the total target cash compensation opportunities at our peer companies in order to retain our executive officers. Our Compensation Committee did not use a formula or assign a particular weight to any one factor in determining the fiscal year 2014 base salaries for our executive officers. Rather, our Compensation Committee's determination of the base salaries was subjective, based in part on the factors described above, and in part on internal pay equity, our compensation budget and historical salary levels. Our Compensation Committee set fiscal year 2014 base salaries (which became effective April 1, 2013) for our executive officers as set forth below and specifically considered the following:

- *Mr. Huang*: Our Compensation Committee increased Mr. Huang's salary by \$50,000 to \$850,000, in part because Mr. Huang's salary had dropped to the bottom quartile of CEOs in our peer group. As discussed above, our Compensation Committee reviewed the peer data as a reference point in determining whether Mr. Huang's salary is reasonable given his years of experience successfully leading the Company, his role and scope of responsibilities relative to our peer companies and his total direct target compensation which emphasizes performance-based pay.
- *Ms. Burns*: Our Compensation Committee increased Ms. Burns' base salary by \$50,000 to \$500,000 to recognize her significant contributions to the Company since assuming the role of Interim CFO, the fact that she had served as Interim CFO for a longer period than initially expected and because of her increased level of responsibility and the size and complexity of her role. With respect to Ms. Burns, our Compensation Committee reviewed the peer data for vice presidents of finance and chief financial officers, since her current role with the Company is reflective of both positions. Her base salary was higher relative to vice presidents of finance at our peer companies, but lower relative to chief financial officers at our peer companies.

- *Mr. Puri*: Our Compensation Committee did not increase Mr. Puri's base salary for fiscal year 2014 of \$500,000, based on its evaluation of market data for similarly situated executives in our peer group and internal pay equity considerations.
- *Mr. Shannon*: Our Compensation Committee did not increase Mr. Shannon's base salary for fiscal year 2014 of \$500,000, based on its evaluation of market data for similarly situated executives in our peer group and internal pay equity considerations.
- *Ms. Shoquist*: Our Compensation Committee did not increase Ms. Shoquist's base salary for fiscal year 2014 of \$500,000, based on its evaluation of market data for similarly situated executives in our peer group and internal pay equity considerations.

In connection with Ms. Kress' appointment as our CFO, our Compensation Committee, in consultation with Exequity, considered her base salary at her prior employer, the base salaries for similarly situated executives at our peer companies, as well as internal pay equity. Based on its evaluation of these factors, our Compensation Committee determined that an annual base salary of \$500,000 was appropriate.

Executive Officer	Salary Before Annual Review (\$)	Fiscal Year 2014 Salary after Annual Review (\$)	% Change	Market Position of Base Salary
Jen-Hsun Huang	800,000	850,000	6	< 25 th
Colette M. Kress	N/A	500,000	N/A	25 th -50 th
Karen T. Burns ⁽¹⁾	450,000	500,000	11	25 th -50 th
Ajay K. Puri	500,000	500,000	—	75 th -90 th
David M. Shannon ⁽²⁾	500,000	500,000	—	90 th
Debora Shoquist ⁽³⁾	500,000	500,000	—	90 th

⁽¹⁾ Market position of base salary is relative to chief financial officers at our peer companies.

⁽²⁾ The Compensation Committee recognizes that Mr. Shannon's base salary is at a significant level relative to market, but has determined that it is appropriate given Mr. Shannon's scope of responsibility as head of legal and human resources and also his responsibility for launching our patent licensing program. In addition, the Compensation Committee took into account internal pay equity with Mr. Puri and Ms. Shoquist.

⁽³⁾ The Compensation Committee recognizes that Ms. Shoquist's base salary is at a significant level relative to market, but has determined that it is appropriate given Ms. Shoquist's level of responsibility and her ability to impact Company results. In addition, the Compensation Committee took into account internal pay equity with Messrs. Puri and Shannon.

Variable Cash Compensation

Variable cash compensation, administered under our Variable Plan, is designed to align executive compensation with the executive officer's individual performance and our annual corporate financial performance. The Variable Plan provides that up to 50% of the executive officer's total target award opportunity, which we call the Corporate Target Amount, is earned based on our success at achieving a corporate financial performance target, which earned amount we call the Corporate Component. Up to 50% of the executive officer's total target award opportunity, which we call the Individual Target Amount, is earned based on how well the executive officer performs against his or her individual objectives, which earned amount we call the Individual Component.

The total target opportunity (that is, the Corporate Target Amount plus the Individual Target Amount), or Variable Cash Target, is equal to a specified percentage of the executive officer's base salary. At the beginning of each fiscal year (or, in the case of new hires, prior to their start date), our Compensation Committee generally establishes the Variable Cash Target for each executive officer eligible to participate in the Variable Plan. In February and March 2013, our Compensation Committee reviewed the Variable Cash Target for each executive officer. In doing so, our Compensation Committee reviewed the total target cash opportunity (base salary plus variable cash compensation) for similarly situated executives at the 25th,

50th and 75th percentiles of our peer companies, with the objective of maintaining, or increasing, as applicable, the total target cash opportunity for our executive officers so that it is competitive with the total target cash compensation opportunities at our peer companies. Our Compensation Committee did not use a formula or assign a particular weight to any one factor in determining the Variable Cash Target. Rather, our Compensation Committee's determination of the Variable Cash Target was subjective, based in part on the factors described above, and in part on internal pay equity, our compensation budget, historical total cash opportunity levels and that the target performance goal for our fiscal year 2014 Variable Plan was set at a level where target performance would result in our executives receiving variable compensation that would be competitive with our peer companies. In setting the fiscal year 2014 Variable Cash Target (which became effective on January 28, 2013) for our executive officers, our Compensation Committee specifically considered the following:

- *Mr. Huang:* For fiscal year 2014, as discussed above, our Compensation Committee increased Mr. Huang's base salary to \$850,000, which placed him at slightly below the 25th percentile of chief executive officers at our peer companies, and kept his Variable Cash Target flat at 156% of his base pay (\$1,325,000) compared to 156% (\$1,250,000) in fiscal year 2013, which positioned his total target cash opportunity between the 25th and 50th percentile compared to other chief executive officers at our peer companies.
- *Ms. Burns:* Ms. Burns was not eligible to participate in the Variable Plan for fiscal year 2013; however, she received a discretionary cash award for fiscal year 2013 of \$100,000 for leading the finance team in a series of performance achievements in fiscal year 2013, including achieving record revenues and gross margins, serving as Interim CFO for a longer period than initially expected and because of her increased level of responsibility and the size and complexity of her role. In determining the appropriate Variable Cash Target for fiscal year 2014 for Ms. Burns, our Compensation Committee evaluated her contributions, and the market data for vice presidents of finance and chief financial officers at our peer companies and decided that her Variable Cash Target for fiscal year 2014 should be 25% of her base pay (\$125,000).
- *Mr. Puri:* Our Compensation Committee increased the Variable Cash Target for Mr. Puri for fiscal year 2014 to 150% of his base pay (\$750,000) from 100% (\$500,000) in fiscal year 2013 in order to better reflect his scope of responsibility, impact and desired market positioning. The Compensation Committee recognized that the variable cash target opportunity relative to market was at significant levels, but determined that it was appropriate given Mr. Puri's responsibility as head of global sales and his impact on the results of the Company.
- *Mr. Shannon:* Our Compensation Committee increased the Variable Cash Target for Mr. Shannon for fiscal year 2014 to 100% of his base pay (\$500,000) from 70% (\$350,000) in fiscal year 2013 in order to better reflect his scope of responsibility, impact and desired market positioning. The Compensation Committee recognized that the variable cash target and total cash opportunity relative to market were at significant levels, but determined that they were appropriate given Mr. Shannon's scope of responsibility as head of both legal and human resources and also his responsibility for launching our patent licensing program. In addition, the Compensation Committee took into account internal pay equity with Mr. Puri.
- *Ms. Shoquist:* Our Compensation Committee increased the Variable Cash Target for Ms. Shoquist for fiscal year 2014 to 60% of her base pay (\$300,000) up from 40% (\$200,000) in fiscal year 2013 in order to better reflect her scope of responsibility, impact and desired market positioning. The Compensation Committee recognized that the total cash opportunity relative to market was at significant levels, but determined that it was appropriate given Ms. Shoquist's responsibility as head of global operations and her ability to impact Company results.

In connection with Ms. Kress' appointment as our CFO, our Compensation Committee established a Variable Cash Target of \$550,000, or 110% of her base pay, for Ms. Kress. In setting this target, our Compensation Committee considered peer data, her compensation at her prior employer, her ability to contribute to future results and internal pay equity factors.

Executive Officer	Variable Cash Target (\$)	% of Salary	Market Position of Dollar Value of Variable Cash Target	Market Position of Total Cash Opportunity (Salary + Variable Cash Target)
Jen-Hsun Huang	1,325,000	156	50th	25 th -50 th
Colette M. Kress ⁽¹⁾	550,000	110	60th-75th	50 th
Karen T. Burns ⁽²⁾	125,000	25	<10th	<10 th
Ajay K. Puri	750,000	150	>90th	90 th
David M. Shannon	500,000	100	>90th	>90 th
Debora Shoquist	300,000	60	75th-90th	>90 th

⁽¹⁾ Ms. Kress became our CFO effective as of September 30, 2013.

⁽²⁾ Market position of total cash opportunity is relative to chief financial officers at our peer companies.

For fiscal year 2014, 100% of the Corporate Component was determined based on achievement of Adjusted Non-GAAP Operating Income, as described above in the *Executive Summary*.

Under the fiscal year 2014 Variable Plan, no amount of the Corporate Component would be earned unless the Company exceeded the Threshold level of performance of \$425 million. The Maximum payout on the Corporate Component was two times our executive officers' Corporate Target Amount if at least \$900 million was achieved. For achievement between the Threshold and Target and between the Target and Maximum, payouts were determined using straight-line interpolation.

	Adjusted Non-GAAP Operating Income	Payout of Pro-Rated Corporate Target Amount
Threshold Goal	\$425 million	0%
Target Goal	\$635 million	100%
Maximum Goal	\$900 million or more	200%

Following the close of our fiscal year 2014, the Compensation Committee met and reviewed our financial results against the targets set at the beginning of the year. For purposes of the Variable Plan, the Compensation Committee certified that the Company achieved Adjusted Non-GAAP Operating Income in fiscal year 2014 of \$667 million, reflecting aggregate adjustments to GAAP operating income of \$171 million, reflecting an additional \$3 million in legal costs from non-GAAP operating income that we reported in our earnings release materials for fiscal year 2014, as discussed above. This resulted in funding the Corporate Component of the Variable Plan at 112.08%.

With respect to the Individual Component, for fiscal year 2014, all of the Individual Target Amount was determined based on achievement of specified individual strategic and operational objectives and leadership demonstrated at NVIDIA. For fiscal year 2014, we capped the Individual Component at two times the amount of our executive officers' Individual Target Amount. The individual strategic objectives generally included results to be achieved in the executive officer's function or area, such as revenue growth, gross margin improvement, quality of products delivered and reducing waste. Leadership objectives included hiring exceptional talent, building a strong organization, improving core processes and supporting global expansion. Our Compensation Committee did not use a formula or assign a particular weight to any individual strategic goal in determining the award for our executive officers. Rather, our Compensation Committee's determination of the Individual Component was subjective, taken with regard to the totality of the executive's achievements and in consideration of the CEO's performance assessments and recommendations for the executive officers (other than the CEO). It was determined that each of the executive officers met or exceeded their individual goals.

Our Compensation Committee evaluated the performance of each executive officer to determine the Individual Component payout in March 2014 as follows:

- *Mr. Huang:* Our Compensation Committee determined that Mr. Huang achieved the following individual performance goals in fiscal year 2014: led the Company in the achievement of record gross margins and achieved strong new growth in our target vertical markets as discussed above in the *Proxy Summary*. As a result of these achievements, our Compensation Committee approved an Individual Component payout to Mr. Huang of 100% of his Individual Target Amount.
- *Ms. Kress:* Our Compensation Committee determined that Ms. Kress achieved the following individual performance goals in fiscal year 2014: led the development of the Company's fiscal year 2015 capital return strategy; completed a \$1.5 billion convertible note offering; and having joined as CFO in September 2013, quickly developed an understanding of the Company's finance processes and businesses. As a result of these achievements, our Compensation Committee approved an Individual Component payout to Ms. Kress of 100% of her Individual Target Amount, which was pro-rated for fiscal year 2014 based on her start date of September 30, 2013.
- *Ms. Burns:* Our Compensation Committee determined that Ms. Burns achieved the following individual performance goals in fiscal year 2014: as Interim CFO, led the finance team in a series of performance achievements in fiscal year 2014, including achieving record gross margins and returning over \$1 billion in capital to stockholders; assisted in a smooth transition of Ms. Kress as the Company's new CFO; and continued development of the Company's long-term capital return program. As a result of these achievements, our Compensation Committee approved an Individual Component payout to Ms. Burns of 100% of her Individual Target Amount.
- *Mr. Puri:* Our Compensation Committee determined that Mr. Puri achieved the following performance goals in fiscal year 2014: assisted the Company in achieving record gross margins; achieved strong new growth in our target vertical markets as discussed above in the *Proxy Summary*; and enhanced sales processes/tools and redeployed resources to increase overall effectiveness of our sales organization. As a result of these achievements, our Compensation Committee approved an Individual Component payout to Mr. Puri of 105% of his Individual Target Amount.
- *Mr. Shannon:* Our Compensation Committee determined that Mr. Shannon achieved the following performance goals in fiscal year 2014: led the development of the Company's new IP licensing initiatives, creating new programs and opportunities for increased revenue while achieving record patent filings; and led the human resources organization while driving the development and implementation of a new compensation and benefits plan. As a result of these achievements, our Compensation Committee approved an Individual Component payout to Mr. Shannon of 100% of his Individual Target Amount.
- *Ms. Shoquist:* Our Compensation Committee determined that Ms. Shoquist achieved the following performance goals in fiscal year 2014: implemented key cost reduction strategies and contributed to the Company's record gross margins; expanded or established new processes to drive efficiencies and savings; established a second source foundry; and reduced cycle and delivery time. As a result of these achievements, our Compensation Committee approved an Individual Component payout to Ms. Shoquist of 100% of her Individual Target Amount.

The payouts under the Variable Plan were as follows:

Executive Officer	Corporate Component Payout (\$)	Individual Component Payout (\$)	Total Variable Compensation Payout (\$)
Jen-Hsun Huang	742,530	662,500	1,405,030
Colette M. Kress ⁽¹⁾	100,764	89,904	190,668
Karen T. Burns	70,050	62,500	132,550
Ajay K. Puri	420,300	395,000	815,300
David M. Shannon	280,200	250,000	530,200
Debora Shoquist	168,120	150,000	318,120

⁽¹⁾ Amounts for Ms. Kress are pro-rated based on her start date of September 30, 2013.

Equity Compensation

Our Compensation Committee believes that equity compensation is a critical element of our total compensation package, and for that reason, equity compensation generally comprises a significant portion of the total target value of the annual compensation opportunity for each of our executive officers. Equity compensation aligns the long-term interests of stockholders and employees by creating a strong, direct link between employee compensation and stock price appreciation. Our Compensation Committee also believes that if our executive officers own shares of our common stock with values that are significant to them, they will have an incentive to act to maximize longer-term stockholder value instead of short-term gain. Further, our Compensation Committee believes that equity compensation is an integral component of our efforts to attract and retain exceptional executives, senior management and employees.

In recent years, we have granted a mix of stock options and RSUs to our executive officers (other than Mr. Huang who in recent years received only stock options) to motivate long-term value creation through sustained increases in our stock price for stock options to have meaningful value and to promote retention through balancing the risk associated with our stock price volatility by granting RSUs. In fiscal year 2014, our Compensation Committee continued our past practice of granting a mix of stock options and RSUs to our executive officers (except for Mr. Huang and Ms. Kress). For fiscal year 2014, our Compensation Committee decided to shift from granting 100% of Mr. Huang's annual equity grant in the form of stock options to a mix of PSUs and stock options to reflect changing market trends for peer CEOs.

Each stock option vests based on continued service over a four-year period, with the first installment vesting after one year. Once stock options vest, executive officers have the opportunity to acquire shares of our common stock at a fixed exercise price per share (the closing price of our common stock on the grant date) over a specified period of time. Stock options provide value to our executive officers only if the market price of our common stock appreciates over the stock option term and only if the executive officer remains with NVIDIA through each applicable vesting date.

Except for the PSUs granted to Mr. Huang and described below, RSUs generally vest over a four-year period, subject to the executive officer's continued service on each applicable vesting date. The value of each RSU increases or decreases with our stock price. Our Compensation Committee believes that granting RSUs is appropriate for several reasons, including that it is consistent with the practices at our peer companies, that it provides a useful retention tool and that it helps us manage dilution.

In February and March 2013, our Compensation Committee met to determine equity grant levels for each executive officer for fiscal year 2014. In determining appropriate award levels, our Compensation Committee reviewed the target aggregate value of equity compensation for similarly situated executives at the 25th, 50th and 75th percentiles of our peer companies. The Compensation Committee also considered internal pay equity, dilution management as determined by reference to our equity budget for the year for the entire Company, the effect of the award size on the total target compensation opportunity for the year and whether the award size is likely to achieve our performance and retention goals. As noted above under *Factors Used in Determining Executive Compensation*, no one single factor was determinative and there was no formula or specific weighting that was used.

For executive officers (other than Mr. Huang and Ms. Kress), for fiscal year 2014, our Compensation Committee allocated approximately 60% of the aggregate value of equity compensation to RSUs and 40% to stock options. For fiscal year 2014, in determining the number of shares needed to achieve the appropriate mix of stock options and RSUs, our Compensation Committee used a ratio of approximately five stock option shares to three RSU shares, as this was determined to approximate the relative grant date fair values of the awards (using a Black-Scholes model for purposes of valuing the stock options).

Once the desired target aggregate value of equity compensation and mix for each executive officer was determined, our Compensation Committee reviewed our stock price trend to approximate the number of shares each executive officer would receive in fiscal year 2014. For executive officers (other than Mr. Huang and Ms. Kress as discussed below), our Compensation Committee then divided the shares in half and granted half of the shares in March 2013 and half of the shares in September 2013.

Mr. Huang was granted a mix of PSUs and stock options. Mr. Huang was granted an option to purchase 475,000 shares of common stock, of which 50% were granted in March 2013 and 50% were granted in September 2013. In addition, in March 2013, Mr. Huang was granted a PSU, under which he was eligible to vest in up to 300,000 RSUs, based on the Company's attainment of Adjusted Non-GAAP Operating Income as described below. The Compensation Committee selected Adjusted Non-GAAP Operating Income as the financial performance metric for Mr. Huang's PSUs as the Compensation Committee believes this to be a key indicator of our overall financial performance. The Compensation Committee also believes it should tie our executive compensation programs to our key financial metrics in the short-term which it believes drives value and contributes to the long-term success of the Company. In addition, given that fiscal year 2014 was the first year that the Company granted PSUs, the Compensation Committee decided to simplify administration and selected annual Adjusted Non-GAAP Operating Income as the performance metric, consistent with the annual Variable Plan. However, unlike the Threshold goal established for the Variable Plan, the Compensation Committee established a minimum performance requirement of Target before any of the PSUs would be earned; the Compensation Committee also capped the Maximum award at 167% of Target.

	Fiscal Year 2014 Adjusted Non-GAAP Operating Income	Number of PSUs Eligible to Vest
Threshold	Less than \$635 million	0
Target	\$635 million	180,000
Maximum	\$900 million or more	300,000

For PSUs earned based on the performance achieved, 25% of the shares subject to such PSUs would vest and be issued on March 19, 2014, with the remaining 12.5% of such shares vesting approximately every six months thereafter (subject to his continued service with the Company on each applicable vesting date). For purposes of the PSUs, the Compensation Committee certified on February 11, 2014 that the Company achieved Adjusted Non-GAAP Operating Income in fiscal year 2014 of \$667 million, reflecting aggregate adjustments to GAAP operating income of \$171 million, reflecting an additional \$3 million in legal costs from non-GAAP operating income that we reported in our earnings release materials for fiscal year 2014, as discussed above. This resulted in 108.05% of Mr. Huang's Target PSUs (or 194,491 shares) becoming eligible to vest over a four year period beginning on the date of grant (with 25% vesting on March 19, 2014). The remaining portion of his PSU (105,509 shares) terminated on February 11, 2014.

Our Compensation Committee made equity grants to our executive officers for the first half of fiscal year 2014 in March 2013. In August 2013, our Compensation Committee reviewed the grant sizes for the second half of the year that had been established at the start of fiscal year 2014 and decided no changes were necessary.

Executive Officer	Stock Options			RSUs			PSUs			Aggregate Fair Value (\$) ⁽¹⁾	Market Positioning of Equity Awards ⁽²⁾
	March 2013	September 2013	Total	March 2013	September 2013	Total	March 2013	September 2013	Total		
Jen-Hsun Huang ⁽³⁾	237,500	237,500	475,000	—	—	—	180,000	—	180,000	4,500,000	25 th -50 th
Karen T. Burns ⁽⁴⁾	17,100	17,100	34,200	10,300	10,300	20,600	—	—	—	451,609	<10 th
Ajay K. Puri ⁽⁵⁾	46,000	46,000	92,000	27,600	27,600	55,200	—	—	—	1,211,936	25 th
David M. Shannon	39,800	39,800	79,600	23,900	23,900	47,800	—	—	—	1,049,130	50 th -60 th
Debora Shoquist	34,500	34,500	69,000	20,700	20,700	41,400	—	—	—	908,952	50 th -60 th

- (1) Represents the aggregate fair value of equity awards at the time our Compensation Committee approved such awards.
- (2) Represents market positioning based on the aggregate fair value of equity awards at the time our Compensation Committee approved such awards.
- (3) For Mr. Huang's PSUs, represents the number of shares eligible to vest upon achievement of Target performance on the Adjusted Non-GAAP Operating Income goal for fiscal year 2014, as described above. Mr. Huang was eligible to vest in up to 300,000 PSUs if Maximum performance had been achieved on the Adjusted Non-GAAP Operating Income goal for fiscal year 2014.

- (4) Ms. Burns' equity grants were at approximately the 90th percentiles for vice presidents of finance at our peer companies, but below the 10th percentile for chief financial officers at our peer companies.
- (5) Mr. Puri's equity grants were at approximately the 25th percentile of equity grants for executive vice presidents of worldwide sales at our peer companies because only a limited number of our peer companies provide peer data for positions comparable to Mr. Puri's. As a result, there was a very narrow range of values between the 25th, 50th and 75th percentiles. After considering the peer data as well as reviewing internal pay equity (including the desire to ensure that Mr. Puri's total compensation opportunity remains comparable to that of our executive officers other than the CEO), our Compensation Committee determined that the value of Mr. Puri's equity grants was appropriate.

For fiscal year 2014, in connection with the hiring of our new CFO in September 2013, Ms. Kress was granted 220,000 RSUs as part of a new-hire grant. The RSUs vest over a four-year period, with 25% of the shares subject to the RSUs vesting on September 17, 2014, and the remaining 12.5% of the shares subject to the RSUs vesting approximately every six months thereafter, subject to her continued employment with NVIDIA on each applicable vesting date. The number of RSUs granted to Ms. Kress was determined based on our Compensation Committee's review and assessment of the award necessary to recruit and induce her to join NVIDIA and to provide her with an opportunity to earn a significant ownership stake in the Company.

Signing and Anniversary Bonuses

In connection with her hiring, Ms. Kress was paid a signing bonus of \$1,500,000. If Ms. Kress resigns or is terminated for any reason (except for a termination that NVIDIA classifies as a reduction in force or position elimination) prior to the first anniversary of Ms. Kress' employment, she will be required to pay back the signing bonus to NVIDIA in full. Additionally, Ms. Kress is eligible to receive an anniversary bonus of \$1,000,000, payable after the one year anniversary of her effective start date, subject to her continued employment on such one year anniversary. If Ms. Kress resigns or is terminated for any reason (except for a termination that NVIDIA classifies as a reduction in force or position elimination) during the one year period following her receipt of the anniversary bonus, she will be required to pay back the anniversary bonus to NVIDIA in full.

The Compensation Committee believed that it was necessary to offer Ms. Kress these bonuses based primarily on our CEO's recommendation in consideration of her compensation opportunity at her prior employer.

Other Benefits

Health, Welfare, Retirement and ESPP Benefits. We maintain medical, vision, dental and accidental death and disability insurance as well as time off and paid holidays for all of our employees. Our executive officers are eligible to participate in these programs on the same basis as our other employees. Like all of our full-time employees, our executive officers are eligible to participate in our Employee Stock Purchase Plan and our 401(k) plan. Effective January 1, 2013, we implemented a company match under our 401(k) plan. We will match, on a dollar-for-dollar basis, each participant's salary deferral contributions to the 401(k) plan, up to a maximum of \$1,500, provided the participant is an employee on December 31 of that calendar year. Each of our executive officers received a \$1,500 match in fiscal year 2014 (except for Mr. Huang and Ms. Kress, who did not participate in our 401(k) plan).

No Perquisites. Our executive officers do not receive any perquisites or personal benefits that are not available to all NVIDIA employees on the same terms and conditions.

Severance and Change-in-Control Agreements. We generally do not have severance or change-in-control agreements with any of our employees, including our executive officers, though such agreements are offered by many of our peer companies. We want to encourage executive officers to focus on growing and building value for our stockholders, a focus that we believe is best accomplished through the use of performance-based compensation elements such as variable cash compensation and long-term equity grants, rather than severance protections.

In addition, we believe our executive officers should generally be treated in the same way as our employees. Consistent with this philosophy, they are eligible for certain accelerated equity vesting provisions under our equity incentive plans on the same terms and conditions as our other employees. As described in greater detail below under the heading *Employment, Severance and Change-in-Control Arrangements*, the vesting of all of the stock options or RSUs held by our employees, including our executive officers, would be accelerated if they were not assumed or substituted by an acquiring company in a change-in-control transaction.

Additional Executive Compensation Practices, Policies and Procedures

Compensation Recovery Policy

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

- Our CEO or CFO will be required to disgorge the net after-tax amount of that portion of the variable compensation payment that would not have been payable if the original interim or annual financial statements reflected the Restatement; and
- The Board or the committee of independent directors may require any other officer or employee to repay all (or a portion of) the variable compensation payment that would not have been payable if the original interim or annual financial statements reflected the Restatement, as determined by the Board or such committee in its sole discretion. In using its discretion, the Board or the independent committee may consider whether such person was involved in the preparation of our financial statements or otherwise caused the need for the Restatement and may, to the extent permitted by applicable law, recoup amounts by (1) requiring partial or full repayment by such person of any variable or incentive compensation or any gains realized on the exercise of stock options or on the open-market sale of vested shares, (2) cancelling (in full or in part) any outstanding equity awards held by such person and/or (3) adjusting the future compensation of such person.

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

Stock Ownership Guidelines

Our Corporate Governance Policies require each executive officer to hold at least 25,000 shares of our common stock during the period in which he or she serves as an executive officer, unless our NCGC waives the requirement. The 25,000 shares may include vested but unexercised stock options and vested but unissued RSUs. Executive officers have 18 months from the date that they become executive officers to reach the ownership threshold. See the section titled *Executive Summary* for the current holdings of our executive officers.

Hedging and Pledging Policy

Since our initial public offering in 1999, our policies have not allowed our employees, including our executive officers, to engage in transactions to “hedge” ownership of our stock, including short sales or trading in any derivatives involving our securities. We believe this policy is consistent with good corporate governance and with our pay-for-performance compensation model. Our policies also do not allow pledging of our common stock.

Managing the Use of Equity

While equity is an important component of overall compensation, we carefully monitor the number of equity-based awards granted to employees. We strive to balance compensation to employees against equity expense and the potential dilution of stockholder ownership by establishing a budget for the annual number of equity-based awards available for employee grants and a dilution budget. For fiscal year 2014, our Compensation Committee established a total dilution budget of 4.25% to 4.75% of our outstanding shares of common stock for all employees and new hire grants, other than those related to merger and acquisition activity. Our actual dilution rate for fiscal year 2014 was 4.60%, which is approximately average market practice for comparable technology companies. For purposes of our annual dilution rate calculations, each RSU is counted as more than one share (as set forth below) with the exact multiple generally ranging in any given year from 1.5 to 3.0 shares based on our stock price volatility. In fiscal year 2014, based on our historical common stock volatility at the time the dilution budget was established, each RSU was counted as two shares. We expect our dilution rate to vary in future periods as our business and competitive environment change, as our hiring needs change, and in response to any accounting or regulatory developments.

Equity Granting Policies

In fiscal year 2007, our Compensation Committee adopted specific policies regarding the grant dates of equity applicable to all employees. As part of its overall compensation review, our Compensation Committee annually reviews these policies and makes adjustments. Our grant policies are currently as follows:

- *New Hire Grants.* The grant date for new employees is the sixth business day of the month following the new employee's start date. New hire grants to executive officers are made as part of our monthly process that includes grants to all recently hired employees. The exercise price of all new hire grants is equal to the closing price of our common stock on the grant date.
- *Semi-Annual Grants.* Our Compensation Committee grants equity awards semi-annually to our executive officers on the third Wednesday of March and the third Wednesday of September, consistent with our policy for other employees (unless such a date falls during a blackout period under our insider trading policy, in which case, semi-annual grants will be made on the day on which the blackout period ends). During the first quarter of the fiscal year, our Compensation Committee approves a target equity grant for each eligible executive for the fiscal year, which is divided as follows: (a) 50% of the target grant is granted in March and (b) the remaining 50% is budgeted to be granted in September. The exercise price of these semi-annual stock option grants is the closing price of our common stock on the grant date.
- *Other Grants.* All other grants to existing executive officers and employees throughout the year, which we call off-cycle grants, will have a grant date of the sixth business day of the month subsequent to the date of the event leading to the grant, provided that the grant is approved on or prior to such grant date. No off-cycle grants may be granted to our executive officers during blackout periods under our insider trading policy. Instead, they will be made as part of the next monthly grant cycle when the trading window is open. Also, our Compensation Committee must approve any off-cycle grants to executive officers. Other than with respect to the grant we made on October 8, 2013 to Ms. Kress in connection with her appointment as our CFO, no off-cycle grants were made to our executive officers during fiscal year 2014.

We do not grant stock options upon the exercise of an option using shares already in the holder's possession (*i.e.* reload options), make loans to employees to exercise their stock options or, for any other reason, grant stock options at a discount (other than in connection with assuming or replacing existing target company awards as part of mergers and acquisitions in accordance with applicable tax laws and NASDAQ listing requirements), or allow semi-annual or off-cycle grants to be made to our executive officers when our stock trading window is closed.

Tax and Accounting Implications

Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, limits the amount that we may deduct from our federal income taxes for remuneration paid to our CEO and three most highly compensated executive officers (other than our CFO) to \$1 million per person covered per year, unless certain requirements are met. Section 162(m) of the Internal Revenue Code provides an exception from this deduction limitation for certain forms of “performance-based compensation,” including the gain recognized by an executive officer upon the exercise of qualifying compensatory stock options. While our Compensation Committee is mindful of the benefit to NVIDIA’s performance of full deductibility of compensation, our Compensation Committee believes that it should not be constrained by the requirements of Section 162(m) of the Internal Revenue Code where those requirements would impair flexibility in compensating our executive officers in a manner that can best promote our corporate objectives. Therefore, our Compensation Committee has not adopted a policy that requires that all compensation be deductible and approval of compensation, including the grant of stock options or other “performance-based compensation” to our executive officers, by our Compensation Committee is not a guarantee of deductibility under the Internal Revenue Code. Our Compensation Committee intends to continue to compensate our executive officers in a manner consistent with the best interests of NVIDIA and our stockholders.

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

Stock-based compensation cost is measured at grant date, based on the fair value of the grants, and is recognized as an expense over the requisite employee service period. For accounting purposes, we use a binomial option pricing model to estimate the fair value of each stock option grant and the closing price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of RSUs.

Risk Analysis of Our Compensation Plans

With the oversight of the Compensation Committee, members from the Company's legal, human resources and finance departments, collectively Management, and Exequity, the independent consultant engaged by the Compensation Committee, performed an assessment of the Company's compensation programs and policies for fiscal year 2014 as generally applicable to our employees to ascertain any potential material risks that may be created by our compensation programs. The assessment focused on programs with variability of payout and the ability of participants to directly affect payout and the controls over participant action and payout. Specifically, Management and Exequity reviewed the Company's variable cash compensation and equity compensation programs. Management and Exequity identified the key terms of these programs, potential concerns regarding risk taking behavior and specific risk mitigation features. Management's assessment was first presented to our chief administrative officer and our chief financial officer. The assessment was then presented to the Compensation Committee.

The Compensation Committee considered the findings of the assessment described above and concluded that our compensation programs, which are structured to recognize both short-term and long-term contributions to the Company, do not create risks which are reasonably likely to have a material adverse effect on our business or financial condition.

The Compensation Committee believes that the following compensation design features guard against excessive risk-taking:

- Our compensation program encourages our employees to remain focused on both our short-term and long-term goals. For example, while our variable cash compensation plans measured performance on an annual basis in fiscal year 2014, our equity awards vest in installments over four years, with the first installment not vesting until the first anniversary of the grant date, which we believe encourages our employees to focus on the long-term performance of NVIDIA. Annual variable pay is not awarded below the executive level;
- We design our variable cash compensation programs for executives so that payouts are based on achievement of both individual and corporate performance targets. We also cap the potential award payout;
- We have internal controls over our financial accounting and reporting, including operating income, which is used to measure and determine the eligible compensation award under our plan;
- Financial plan target goals and final awards under the Variable Plan are approved by the Compensation Committee and consistent with the annual operating plan approved by the full board each year;
- We have a compensation recovery policy applicable to all employees that allows NVIDIA to recover compensation paid in situations of fraud or material financial misconduct;
- We have stock ownership guidelines that we believe are reasonable and are designed to align our executive officers' interests with those of our stockholders; and
- We enforce a "no-hedging" policy and a "no-pledging" policy involving our common stock which prevents our employees from insulating themselves from the effects of NVIDIA stock price performance.

Summary Compensation Table for Fiscal Years 2014, 2013 and 2012

The following table summarizes information regarding the compensation earned by our chief executive officer, our chief financial officer, our former interim chief financial officer and our other three executive officers during fiscal years 2014, 2013 and 2012. We refer to these individuals as our named executive officers.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$)	Total (\$)
Jen-Hsun Huang	2014	837,450	—	2,111,400	1,657,750	1,405,030	11,000 ⁽³⁾	6,022,630
<i>President and Chief Executive Officer</i>	2013	784,213	—	—	3,303,000	1,454,875	—	5,542,088
	2012	746,539	—	—	4,150,000	1,743,777	—	6,640,316
Colette M. Kress ⁽⁴⁾	2014	158,945	—	3,242,800	—	190,668	—	3,592,841
<i>Executive Vice President and Chief Financial Officer</i>	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—
Karen T. Burns ⁽⁵⁾	2014	488,832	—	278,100	119,358	132,550	1,500 ⁽⁶⁾	1,020,340
<i>Vice President, Finance and Former Interim Chief Financial Officer</i>	2013	433,123	100,000 ⁽⁷⁾	140,850	165,150	—	—	839,123
	2012	333,085	—	197,290	273,180	—	—	803,555
Ajay K. Puri	2014	498,479	—	745,200	321,080	815,300	1,500 ⁽⁶⁾	2,381,559
<i>Executive Vice President, Worldwide Sales</i>	2013	482,426	—	352,125	660,600	581,954	—	2,077,105
	2012	423,366	—	400,000	723,350	583,456	—	2,130,172
David M. Shannon	2014	498,371	—	645,300	277,804	530,200	1,500 ⁽⁶⁾	1,953,175
<i>Executive Vice President, Chief Administrative Officer and Secretary</i>	2013	482,488	—	352,125	550,500	407,368	—	1,792,481
	2012	423,366	—	401,125	705,500	537,083	—	2,067,074
Debora Shoquist	2014	498,371	—	558,900	240,810	318,120	1,500 ⁽⁶⁾	1,617,701
<i>Executive Vice President, Operations</i>	2013	478,161	—	352,125	440,400	232,781	—	1,503,467
	2012	398,269	—	320,000	680,800	348,755	—	1,747,824

⁽¹⁾ Amounts shown in this column do not reflect dollar amounts actually received by the named executive officer. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for the respective fiscal year. The assumptions used in the calculation of values of the awards are set forth under Note 2 to our consolidated financial statements titled “Stock-Based Compensation” in our Annual Report on Form 10-K for fiscal year 2014, filed with the SEC on March 13, 2014. With regard to Mr. Huang’s stock award with performance-based vesting conditions, the reported grant date fair value assumes the probable outcome of the performance-related conditions at Target, determined in accordance with applicable accounting standards. Based on the performance that was actually achieved for fiscal year 2014, the grant date fair value would be \$2,281,379.

⁽²⁾ As applicable, reflects amounts earned in fiscal years 2014, 2013 and 2012 and paid in March 2014, March 2013 and March 2012, respectively, pursuant to our 2014 Variable Compensation Plan, 2013 Variable Compensation Plan and 2012 Variable Compensation Plan, respectively. For further information please see our *Compensation Discussion and Analysis* above.

⁽³⁾ Represents an award for the filing of patents of which Mr. Huang is a named inventor with the U.S. Patent and Trademark Office. Awards are made to all NVIDIA employees whose patents are filed by NVIDIA with the U.S. Patent and Trademark Office.

⁽⁴⁾ Ms. Kress joined NVIDIA as our Executive Vice President and Chief Financial Officer in September 2013.

- (5) In connection with Ms. Kress' appointment as our Executive Vice President and Chief Financial Officer, Ms. Burns resumed her position as Vice President, Finance in September 2013.
- (6) Represents match of contributions to our 401(k) savings plan, which we provide to all eligible employees.
- (7) Represents a discretionary cash award to Ms. Burns, who became our Vice President and Interim Chief Financial Officer in March 2011. Given the anticipated interim nature of her role, she was not an eligible participant in our 2012 Variable Compensation Plan or 2013 Variable Compensation Plan reserved for our executive staff.

Grants of Plan-Based Awards for Fiscal Year 2014

The following table provides information regarding all grants of plan-based awards that were made to or earned by our named executive officers during fiscal year 2014. Disclosure on a separate line item is provided for each grant of an award made to a named executive officer. The information in this table supplements the dollar value of stock options and other awards set forth in the *Summary Compensation Table for Fiscal Years 2014, 2013 and 2012* by providing additional details about the awards.

The option grants to purchase shares of our common stock set forth in the following table were made under our Amended 2007 Plan. The exercise price of options granted under the Amended 2007 Plan is equal to the closing price of our common stock as reported by NASDAQ on the date of grant. Under the Amended 2007 Plan, the exercise price may be paid in cash, in shares of our common stock valued at fair market value on the exercise date or through a cashless exercise procedure involving a same-day sale of the purchased shares. All stock option grants are subject to service based vesting.

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽³⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Jen-Hsun Huang . . .	3/20/13	3/11/13	—	—	—	—	180,000	300,000	—	—	—	2,111,400
	3/20/13	3/11/13	—	—	—	—	—	—	—	237,500 ⁽⁴⁾	12.62 ⁽⁵⁾	731,500
	9/18/13	8/21/13	—	—	—	—	—	—	—	237,500 ⁽⁶⁾	16.00 ⁽⁷⁾	926,250
	1/28/13	2/27/13	—	1,325,000	2,650,000	—	—	—	—	—	—	—
Colette M. Kress	10/8/13	10/1/13	—	—	—	—	—	—	220,000 ⁽⁸⁾	—	—	3,242,800
	9/30/13	8/27/13	—	179,808	359,615	—	—	—	—	—	—	—
Karen T. Burns . . .	3/20/13	2/27/13	—	—	—	—	—	—	10,300 ⁽⁹⁾	—	—	120,819
	3/20/13	2/27/13	—	—	—	—	—	—	—	17,100 ⁽⁴⁾	12.62 ⁽⁵⁾	52,668
	9/18/13	8/21/13	—	—	—	—	—	—	10,300 ⁽¹⁰⁾	—	—	157,281
	9/18/13	8/21/13	—	—	—	—	—	—	—	17,100 ⁽⁶⁾	16.00 ⁽⁷⁾	66,690
1/28/13	2/27/13	—	125,000	250,000	—	—	—	—	—	—	—	
Ajay K. Puri	3/20/13	2/27/13	—	—	—	—	—	—	27,600 ⁽⁹⁾	—	—	323,748
	3/20/13	2/27/13	—	—	—	—	—	—	—	46,000 ⁽⁴⁾	12.62 ⁽⁵⁾	141,680
	9/18/13	8/21/13	—	—	—	—	—	—	27,600 ⁽¹⁰⁾	—	—	421,452
	9/18/13	8/21/13	—	—	—	—	—	—	—	46,000 ⁽⁶⁾	16.00 ⁽⁷⁾	179,400
1/28/13	2/27/13	—	750,000	1,500,000	—	—	—	—	—	—	—	
David M. Shannon .	3/20/13	2/27/13	—	—	—	—	—	—	23,900 ⁽⁹⁾	—	—	280,347
	3/20/13	2/27/13	—	—	—	—	—	—	—	39,800 ⁽⁴⁾	12.62 ⁽⁵⁾	122,584
	9/18/13	8/21/13	—	—	—	—	—	—	23,900 ⁽¹⁰⁾	—	—	364,953
	9/18/13	8/21/13	—	—	—	—	—	—	—	39,800 ⁽⁶⁾	16.00 ⁽⁷⁾	155,220
1/28/13	2/27/13	—	500,000	1,000,000	—	—	—	—	—	—	—	
Debora Shoquist .	3/20/13	2/27/13	—	—	—	—	—	—	20,700 ⁽⁹⁾	—	—	242,811
	3/20/13	2/27/13	—	—	—	—	—	—	—	34,500 ⁽⁴⁾	12.62 ⁽⁵⁾	106,260
	9/18/13	8/21/13	—	—	—	—	—	—	20,700 ⁽¹⁰⁾	—	—	316,089
	9/18/13	8/21/13	—	—	—	—	—	—	—	34,500 ⁽⁶⁾	16.00 ⁽⁷⁾	134,550
1/28/13	2/27/13	—	300,000	600,000	—	—	—	—	—	—	—	

⁽¹⁾ Represents range of awards payable under our 2014 Variable Compensation Plan as further explained in the section titled *Compensation Discussion and Analysis* above.

- (2) Represents range of possible shares able to be earned with respect to the performance-based RSUs for Mr. Huang as further explained in the section titled *Compensation Discussion and Analysis* above.
- (3) Amounts shown in this column do not reflect dollar amounts actually received by the named executive officer. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for the awards. The assumptions used in the calculation of values of the awards are set forth under Note 2 to our consolidated financial statements titled “Stock-Based Compensation” in our Annual Report on Form 10-K for fiscal year 2014, filed with the SEC on March 13, 2014. With regard to Mr. Huang’s stock award with performance-based vesting conditions, the reported grant date fair value assumes the probable outcome of the performance-related conditions at target, determined in accordance with applicable accounting standards. Based on the performance that was actually achieved for fiscal year 2014, the grant date fair value would be \$2,281,379.
- (4) Represents stock options granted to our named executive officers in the first quarter of fiscal year 2014 pursuant to the Amended 2007 Plan. The Compensation Committee approved these grants on March 11, 2013 for Mr. Huang and on February 27, 2013 for all other named executive officers for grant on March 20, 2013, the same day that semi-annual grants were made to all of our other eligible employees.
- (5) Represents the closing price of our common stock as reported by NASDAQ on March 20, 2013.
- (6) Represents stock options granted to our named executive officers in the third quarter of fiscal year 2014 pursuant to the Amended 2007 Plan. The Compensation Committee approved these grants on August 21, 2013 for grant on September 18, 2013, the same day that semi-annual grants were made to all of our other eligible employees.
- (7) Represents the closing price of our common stock as reported by NASDAQ on September 18, 2013.
- (8) Represents the initial grant of RSUs for Ms. Kress upon her employment with NVIDIA pursuant to the Amended 2007 Plan. The Compensation Committee approved this grant on October 1, 2013 for grant on October 8, 2013, the same day of other monthly new hire grants.
- (9) Represents RSUs granted to Messrs. Puri and Shannon and Mses. Burns and Shoquist in the first quarter of fiscal year 2014 pursuant to the Amended 2007 Plan. The Compensation Committee approved these grants on February 27, 2013 for grant on March 20, 2013, the same day that semi-annual grants were made to all of our other eligible employees.
- (10) Represents RSUs granted to Messrs. Puri and Shannon and Mses. Burns and Shoquist in the third quarter of fiscal year 2014 pursuant to the Amended 2007 Plan. The Compensation Committee approved these grants on August 21, 2013 for grant on September 18, 2013, the same day that semi-annual grants were made to all of our other eligible employees.

Outstanding Equity Awards as of January 26, 2014

The following table presents information regarding outstanding equity awards held by our named executive officers as of January 26, 2014. As of January 26, 2014, none of our named executive officers held unearned equity incentive or stock awards.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$)
Jen-Hsun Huang	164,025	—	34.36 ⁽¹⁾	9/18/2014	—	—
	180,000	—	10.00 ⁽¹⁾	9/16/2015	—	—
	250,000	—	10.20 ⁽¹⁾	3/17/2016	—	—
	202,500	—	23.65 ⁽²⁾	3/20/2014	—	—
	200,000	—	23.65 ⁽²⁾	3/18/2015	—	—
	—	250,000 ⁽³⁾	15.94 ⁽¹⁾	9/15/2016	—	—
	—	250,000 ⁽⁴⁾	18.10 ⁽¹⁾	3/16/2017	—	—
	203,125	46,875 ⁽⁵⁾	10.56 ⁽¹⁾	9/14/2020	—	—
	171,875	78,125 ⁽⁶⁾	17.62 ⁽¹⁾	3/17/2021	—	—
	140,625	109,375 ⁽⁷⁾	14.465 ⁽¹⁾	9/20/2021	—	—
	131,250	168,750 ⁽⁸⁾	14.46 ⁽¹⁾	3/20/2022	—	—
	93,750	206,250 ⁽⁹⁾	13.71 ⁽¹⁾	9/18/2022	—	—
	—	237,500 ⁽¹⁰⁾	12.62 ⁽¹⁾	3/19/2023	—	—
	—	237,500 ⁽¹¹⁾	16.00 ⁽¹⁾	9/17/2023	—	—
	—	—	—	—	194,491 ⁽¹²⁾	3,026,280 ⁽¹³⁾
Colette M. Kress	—	—	—	—	220,000 ⁽¹⁴⁾	3,423,200 ⁽¹³⁾
Karen T. Burns	11,100	—	10.20 ⁽¹⁾	3/17/2015	—	—
	7,800	—	15.94 ⁽¹⁾	9/15/2015	—	—
	8,400	—	18.10 ⁽¹⁾	3/16/2016	—	—
	9,969	2,301 ⁽⁵⁾	10.56 ⁽¹⁾	9/14/2020	—	—
	3,375	1,125 ⁽¹⁵⁾	20.63 ⁽¹⁾	1/9/2021	—	—
	6,187	2,813 ⁽⁶⁾	17.53 ⁽¹⁾	3/15/2021	—	—
	14,062	10,938 ⁽⁷⁾	14.465 ⁽¹⁾	9/20/2021	—	—
	6,562	8,438 ⁽⁸⁾	14.46 ⁽¹⁾	3/20/2022	—	—
	4,687	10,313 ⁽⁹⁾	13.71 ⁽¹⁾	9/18/2022	—	—
	—	17,100 ⁽¹⁰⁾	12.62 ⁽¹⁾	3/19/2023	—	—
	—	17,100 ⁽¹¹⁾	16.00 ⁽¹⁾	9/17/2023	—	—
	—	—	—	—	1,295 ⁽¹⁶⁾	20,150 ⁽¹³⁾
	—	—	—	—	375 ⁽¹⁶⁾	5,835 ⁽¹³⁾
	—	—	—	—	1,125 ⁽¹⁷⁾	17,505 ⁽¹³⁾
	—	—	—	—	5,000 ⁽¹⁸⁾	77,800 ⁽¹³⁾
—	—	—	—	3,125 ⁽¹⁹⁾	48,625 ⁽¹³⁾	
—	—	—	—	3,750 ⁽²⁰⁾	58,350 ⁽¹³⁾	
—	—	—	—	10,300 ⁽²¹⁾	160,268 ⁽¹³⁾	
—	—	—	—	10,300 ⁽¹⁴⁾	160,268 ⁽¹³⁾	

Ajay K. Puri	62,500	—	17.66 ⁽¹⁾	3/18/2014	—	—
	56,250	—	10.00 ⁽¹⁾	9/16/2014	—	—
	63,750	—	10.20 ⁽¹⁾	3/17/2015	—	—
	45,000	—	15.94 ⁽¹⁾	9/15/2015	—	—
	41,250	—	18.10 ⁽¹⁾	3/16/2016	—	—
	38,593	8,907 ⁽⁵⁾	10.56 ⁽¹⁾	9/14/2020	—	—
	29,218	13,282 ⁽⁶⁾	17.53 ⁽¹⁾	3/15/2021	—	—
	23,906	18,594 ⁽⁷⁾	14.465 ⁽¹⁾	9/20/2021	—	—
	26,250	33,750 ⁽⁸⁾	14.46 ⁽¹⁾	3/20/2022	—	—
	18,750	41,250 ⁽⁹⁾	13.71 ⁽¹⁾	9/18/2022	—	—
	—	46,000 ⁽¹⁰⁾	12.62 ⁽¹⁾	3/19/2023	—	—
	—	46,000 ⁽¹¹⁾	16.00 ⁽¹⁾	9/17/2023	—	—
	—	—	—	—	3,125 ⁽¹⁶⁾	48,625 ⁽¹³⁾
	—	—	—	—	4,688 ⁽¹⁷⁾	72,945 ⁽¹³⁾
	—	—	—	—	6,250 ⁽¹⁸⁾	97,250 ⁽¹³⁾
	—	—	—	—	7,813 ⁽¹⁹⁾	121,570 ⁽¹³⁾
	—	—	—	—	9,375 ⁽²⁰⁾	145,875 ⁽¹³⁾
	—	—	—	—	27,600 ⁽²¹⁾	429,456 ⁽¹³⁾
	—	—	—	—	27,600 ⁽¹⁴⁾	429,456 ⁽¹³⁾
David M. Shannon	62,500	—	17.66 ⁽¹⁾	3/18/2014	—	—
	56,250	—	10.00 ⁽¹⁾	9/16/2014	—	—
	90,100	—	10.20 ⁽¹⁾	3/17/2015	—	—
	42,500	—	15.94 ⁽¹⁾	9/15/2015	—	—
	37,500	—	18.10 ⁽¹⁾	3/16/2016	—	—
	38,593	8,907 ⁽⁵⁾	10.56 ⁽¹⁾	9/14/2020	—	—
	29,218	13,282 ⁽⁶⁾	17.62 ⁽¹⁾	3/17/2021	—	—
	23,906	18,594 ⁽⁷⁾	14.465 ⁽¹⁾	9/20/2021	—	—
	21,875	28,125 ⁽⁸⁾	14.46 ⁽¹⁾	3/20/2022	—	—
	15,625	34,375 ⁽⁹⁾	13.71 ⁽¹⁾	9/18/2022	—	—
	—	39,800 ⁽¹⁰⁾	12.62 ⁽¹⁾	3/19/2023	—	—
	—	39,800 ⁽¹¹⁾	16.00 ⁽¹⁾	9/17/2023	—	—
	—	—	—	—	3,125 ⁽¹⁶⁾	48,625 ⁽¹³⁾
	—	—	—	—	4,688 ⁽¹⁷⁾	72,945 ⁽¹³⁾
	—	—	—	—	6,250 ⁽¹⁸⁾	97,250 ⁽¹³⁾
	—	—	—	—	7,813 ⁽¹⁹⁾	121,570 ⁽¹³⁾
	—	—	—	—	9,375 ⁽²⁰⁾	145,875 ⁽¹³⁾
	—	—	—	—	23,900 ⁽²¹⁾	371,884 ⁽¹³⁾
	—	—	—	—	23,900 ⁽¹⁴⁾	371,884 ⁽¹³⁾

Debra Shoquist	75,000	—	17.66 ⁽¹⁾	3/18/2014	—	—
	30,000	—	10.00 ⁽¹⁾	9/16/2014	—	—
	68,950	—	10.20 ⁽¹⁾	3/17/2015	—	—
	32,500	—	15.94 ⁽¹⁾	9/15/2015	—	—
	35,000	—	18.10 ⁽¹⁾	3/16/2016	—	—
	28,437	6,563 ⁽⁵⁾	10.56 ⁽¹⁾	9/14/2020	—	—
	27,500	12,500 ⁽⁶⁾	17.53 ⁽¹⁾	3/15/2021	—	—
	22,500	17,500 ⁽⁷⁾	14.465 ⁽¹⁾	9/20/2021	—	—
	17,500	22,500 ⁽⁸⁾	14.46 ⁽¹⁾	3/20/2022	—	—
	12,500	27,500 ⁽⁹⁾	13.71 ⁽¹⁾	9/18/2022	—	—
	—	34,500 ⁽¹⁰⁾	12.62 ⁽¹⁾	3/19/2023	—	—
	—	34,500 ⁽¹¹⁾	16.00 ⁽¹⁾	9/17/2023	—	—
	—	—	—	—	2,875 ⁽¹⁶⁾	44,735 ⁽¹³⁾
	—	—	—	—	3,750 ⁽¹⁷⁾	58,350 ⁽¹³⁾
	—	—	—	—	5,000 ⁽¹⁸⁾	77,800 ⁽¹³⁾
	—	—	—	—	7,813 ⁽¹⁹⁾	121,570 ⁽¹³⁾
	—	—	—	—	9,375 ⁽²⁰⁾	145,875 ⁽¹³⁾
	—	—	—	—	20,700 ⁽²¹⁾	322,092 ⁽¹³⁾
	—	—	—	—	20,700 ⁽¹⁴⁾	322,092 ⁽¹³⁾

⁽¹⁾ Represents the closing price of our common stock as reported by NASDAQ on the date of grant which is the exercise price of stock option grants made pursuant to our Amended 2007 Plan.

⁽²⁾ In connection with the settlement of the stockholder derivative lawsuits relating to our historical stock option practices, effective May 7, 2009, NVIDIA and Mr. Huang agreed to amend the stock options granted to Mr. Huang on March 31, 2006, March 21, 2007 and March 19, 2008 to increase the aggregate exercise price of options exercisable for an aggregate of 700,747 shares held by Mr. Huang by \$3.5 million.

⁽³⁾ The option vested as to 50% of the shares on February 15, 2014, and vests as to the remaining 50% on May 15, 2014.

⁽⁴⁾ The option vests as to 50% of the shares on August 15, 2014, and vests as to the remaining 50% on November 15, 2014.

⁽⁵⁾ The option vested as to 25% of the shares on September 15, 2011, and vests as to 6.25% at the end of each quarterly period thereafter such that the option will be fully vested on September 15, 2014.

⁽⁶⁾ The option vested as to 25% of the shares on March 16, 2012, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on March 16, 2015.

⁽⁷⁾ The option vested as to 25% of the shares on September 21, 2012, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on September 21, 2015.

⁽⁸⁾ The option vested as to 25% of the shares on March 21, 2013, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on March 21, 2016.

⁽⁹⁾ The option vested as to 25% of the shares on September 19, 2013, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on September 19, 2016.

⁽¹⁰⁾ The option vested as to 25% of the shares on March 20, 2014, and vests as to 6.25% at the end of each quarterly period thereafter such that the option will be fully vested on March 20, 2017.

⁽¹¹⁾ The option vests as to 25% of the shares on September 18, 2014, and vests as to 6.25% at the end of each quarterly period thereafter such that the option will be fully vested on September 18, 2017.

- (12) The RSU was earned on January 26, 2014 based on achievement of a pre-established performance goal. The RSU vested as to 25% of the shares on March 19, 2014, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 15, 2017.
- (13) Calculated by multiplying the number of RSUs by the closing price (\$15.56) of NVIDIA's common stock on January 26, 2014, the last trading day before the end of our fiscal year 2014, as reported by NASDAQ.
- (14) The RSU will vest as to 25% on September 17, 2014, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 20, 2017.
- (15) The option vested as to 25% of the shares on December 1, 2011, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on December 1, 2014.
- (16) The RSU vested as to 25% on September 21, 2011, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 17, 2014.
- (17) The RSU vested as to 25% on March 21, 2012, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 18, 2015.
- (18) The RSU vested as to 25% on September 19, 2012, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 16, 2015.
- (19) The RSU vested as to 25% on March 20, 2013, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 16, 2016.
- (20) The RSU vested as to 25% on September 18, 2013, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 21, 2016.
- (21) The RSU vested as to 25% on March 19, 2014, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 15, 2017.

Option Exercises and Stock Vested in Fiscal Year 2014

The following table shows information regarding option exercises and stock vested by our named executive officers during fiscal year 2014.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Jen-Hsun Huang	—	—	—	—
Colette M. Kress	—	—	—	—
Karen T. Burns.	9,000	52,496 ⁽²⁾	9,445 ⁽³⁾	133,852
Ajay K. Puri.	—	—	24,062 ⁽⁴⁾	335,350
David M. Shannon.	—	—	23,437 ⁽⁵⁾	327,462
Debra Shoquist	—	—	21,437 ⁽⁶⁾	299,687

⁽¹⁾ The value realized on vesting represents the number of shares acquired on vesting multiplied by the fair market value of our common stock as reported by NASDAQ on the date of vesting.

⁽²⁾ The value realized by Ms. Burns upon the exercise and sale of the shares represents the difference between the exercise price per share of the stock option and the sales price of the shares of common stock. The value realized was determined without considering any taxes that may have been owed. The exercise price of each such stock option was equal to the closing price of our common stock as reported by NASDAQ on the date of grant.

⁽³⁾ The number of shares acquired on vesting includes an aggregate of 3,651 shares that were withheld to pay taxes due upon vesting.

⁽⁴⁾ The number of shares acquired on vesting includes an aggregate of 9,292 shares that were withheld to pay taxes due upon vesting.

⁽⁵⁾ The number of shares acquired on vesting includes an aggregate of 9,057 shares that were withheld to pay taxes due upon vesting.

⁽⁶⁾ The number of shares acquired on vesting includes an aggregate of 8,268 shares that were withheld to pay taxes due upon vesting.

Employment, Severance and Change-in-Control Arrangements

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

Change-in-Control Arrangements. Our 1998 Plan provides that if we sell all or substantially all of our assets, or we are involved in any merger or any consolidation in which we are not the surviving corporation, or if there is any other change-in-control, all outstanding awards under the 1998 Plan held by all employees then providing services, including our executive officers, will either (a) be assumed or substituted for by the surviving entity or (b) if not assumed or substituted, the vesting and exercisability of the awards will accelerate in full and the awards will terminate if they are not exercised prior to the closing of the change-in-control.

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

Potential Payments Upon Termination or Change-in-Control

Upon a change-in-control or certain other corporate transactions of NVIDIA, unvested options, RSUs and PSUs will fully vest in some cases as described above under *Employment, Severance and Change-in-Control Arrangements—Change-in-Control Arrangements*. The table below shows our estimates of the amount of the benefit each of our named executive officers would have received if the unvested options, RSUs and PSUs held by them as of January 26, 2014 had become fully vested as a result of a change-in-control. The estimated benefit amount of unvested options was calculated by multiplying the number of in-the-money unvested options held by the applicable named executive officer by the difference between the closing price of our common stock on January 24, 2014, the last trading day of fiscal year 2014, as reported by NASDAQ, which was \$15.56, and the exercise price of the option. The estimated benefit amount of unvested RSUs and unvested PSUs was calculated by multiplying the number of RSUs or PSUs held by the applicable named executive officer by the closing price of our common stock on January 24, 2014, the last trading day of fiscal year 2014, as reported by NASDAQ, which was \$15.56.

Name	Unvested In-the-Money Options, RSUs and PSUs at January 26, 2014 (#)	Total Estimated Benefit (\$)
Jen-Hsun Huang	948,750 ⁽¹⁾	4,420,378
Colette M. Kress	220,000	3,423,200
Karen T. Burns	84,360	650,918
Ajay K. Puri	234,952	1,658,750
David M. Shannon	208,852	1,506,472
Debora Shoquist	178,776	1,321,547

⁽¹⁾ Includes 180,000 unvested PSUs, representing the probable outcome of the performance-related conditions at Target on the date of grant. Upon certification by our Compensation Committee in February 2014, 194,491 of Mr. Huang’s PSUs became eligible to vest.

Compensation Committee Interlocks and Insider Participation

For fiscal year 2014, the Compensation Committee consisted of Messrs. Burgess, Coxe, Gaither and Stevens and Ms. Hudson. No member of the Compensation Committee is an officer or employee of NVIDIA, and none of our executive officers serve as a director or member of a compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

Compensation Committee Report

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

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Annual Report on Form 10-K of NVIDIA for the year ended January 26, 2014 and in this proxy statement.

COMPENSATION COMMITTEE

Mark Stevens, Chairman
Robert K. Burgess
Tench Coxe
James C. Gaither
Dawn Hudson

Proposal 3—Ratification of Selection of Independent Registered Public Accounting Firm for Fiscal Year 2015

The Audit Committee has selected PricewaterhouseCoopers LLP, or PwC, to serve as our independent registered public accounting firm for our fiscal year ending January 25, 2015. Stockholder ratification of the Audit Committee's selection of PwC is not required by our Bylaws or any other governing documents or laws. As a matter of good corporate governance, we are submitting the selection of PwC to our stockholders for ratification. If our stockholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain PwC. Even if the selection is ratified, the Audit Committee in its sole discretion may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if it determines that such a change would be in our best interests and those of our stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the 2014 Annual Meeting will be required to ratify the selection of PwC. Abstentions will be counted toward the tabulation of votes cast and will have the same effect as votes against the proposal. Broker non-votes are counted toward a quorum, but are not counted for any purpose in determining whether this proposal has been approved.

We expect that a representative of PwC will attend the 2014 Annual Meeting. The PwC representative will have an opportunity to make a statement at the 2014 Annual Meeting if he or she so desires. The representative will also be available to respond to appropriate stockholder questions.

Recommendation of the Board

The Board recommends that you vote **FOR** the ratifications of the selection of PwC as our independent registered public accounting firm for our fiscal year ending January 25, 2015.

Fees Billed by the Independent Registered Public Accounting Firm

The following is a summary of fees billed by PwC for fiscal years 2014 and 2013 for audit, tax and other professional services during each fiscal year:

	Fiscal Year 2014	Fiscal Year 2013
Audit Fees ⁽¹⁾	\$ 3,894,820	\$ 3,274,901
Audit-Related Fees	—	—
Tax Fees ⁽²⁾	171,478	197,960
All Other Fees ⁽³⁾	3,600	71,600
Total Fees	\$ 4,069,898	\$ 3,544,461

⁽¹⁾ Audit fees included fees for the audit of our consolidated financial statements, the audit of our internal control over financial reporting, reviews of our quarterly financial statements and annual report, reviews of SEC registration statements and related consents, fees related to statutory audits of some of our international entities and comfort letter fees related to the convertible note offering completed in fiscal year 2014.

⁽²⁾ Tax fees consisted of fees for tax compliance and consultation services.

⁽³⁾ All other fees consisted of fees for products or services other than those included above, including payment to PwC related to the use of an accounting regulatory database and an operational audit service associated with carbon emissions reporting.

All of the services provided for fiscal years 2014 and 2013 described above were pre-approved by the Audit Committee or the Chairman of the Audit Committee through the authority granted to him by the Audit Committee, which is described below.

Our Audit Committee determined that the rendering of services other than audit services by PwC was compatible with maintaining PwC's independence.

Pre-Approval Policies and Procedures

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

Report of the Audit Committee of the Board of Directors

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

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

Management is responsible for the financial reporting process, the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States, or GAAP, the system of internal control over financial reporting, and the procedures designed to facilitate compliance with accounting standards and applicable laws and regulations. PricewaterhouseCoopers LLP, or PwC, our independent registered public accounting firm for fiscal year 2014, was responsible for performing an independent audit of the consolidated financial statements and issuing a report on the consolidated financial statements and of the effectiveness of our internal control over financial reporting as of January 26, 2014. PwC’s judgments as to the quality, not just the acceptability, of our accounting principles and such other matters are required to be disclosed to the Audit Committee under applicable standards. The Audit Committee oversees these processes. Also, the Audit Committee has ultimate authority and responsibility to select, evaluate and, when appropriate, terminate the independent registered public accounting firm. The Audit Committee approves audit fees and non-audit services provided by and fees paid to the independent registered public accounting firm.

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

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

In this context, the Audit Committee reviewed and discussed the audited consolidated financial statements for fiscal year 2014 with management and our internal control over financial reporting with management and PwC. Specifically, the Audit Committee discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61, as amended. We have received from PwC the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding PwC’s communications with the Audit Committee concerning independence. The Audit Committee also considered whether the provision of certain permitted non-audit services by PwC is compatible with PwC’s independence and discussed PwC’s independence with PwC.

Based on the Audit Committee's review and discussions, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Annual Report on Form 10-K of NVIDIA for the fiscal year ended January 26, 2014.

AUDIT COMMITTEE

Mark L. Perry, Chairman

Harvey C. Jones

William J. Miller

A. Brooke Seawell

Equity Compensation Plan Information

The number of shares issuable upon exercise of outstanding stock options, RSUs and PSUs, the weighted-average exercise price of outstanding stock options, and the number of stock awards remaining for future issuance under each of our equity compensation plans as of January 26, 2014 are summarized as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	51,352,566	14.22 ⁽²⁾	71,342,848
Equity compensation plans not approved by security holders ⁽³⁾	3,633	28.86 ⁽²⁾	—
Total	51,356,199	14.22 ⁽²⁾	71,342,848

⁽¹⁾ This row includes our Amended 2007 Plan (which is intended as the successor to and continuation of our 1998 Plan, our 1998 Non-Employee Directors' Stock Option Plan, our 2000 Nonstatutory Equity Incentive Plan and the PortalPlayer, Inc. 2004 Stock Incentive Plan) and our 2012 Employee Stock Purchase Plan. Of these shares, 46,620,413 shares remained available for the grant of future rights under our 2012 Employee Stock Purchase Plan as of January 26, 2014. Under our 2012 Employee Stock Purchase Plan, participants are permitted to purchase our common stock at a discount on certain dates through payroll deductions within a pre-determined purchase period. Accordingly, these numbers are not determinable.

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

⁽³⁾ This row represents the PortalPlayer, Inc. 2004 Stock Incentive Plan and the PortalPlayer, Inc. 1999 Stock Option Plan, which are described below.

PortalPlayer, Inc. 2004 Stock Incentive Plan

We assumed the PortalPlayer, Inc. 2004 Stock Incentive Plan, or the 2004 Plan, and all related outstanding options in connection with our acquisition of PortalPlayer, Inc., or PortalPlayer, in January 2007. The 2004 Plan was adopted by the PortalPlayer stockholders in 2004. Each option we assumed in connection with our acquisition of PortalPlayer has been converted into the right to purchase that number of shares of NVIDIA common stock determined by multiplying the number of shares of PortalPlayer common stock underlying such option by 0.3601 and then rounding down to the nearest whole number of shares. The exercise price per share for each assumed option has been similarly adjusted by dividing the exercise price by 0.3601 and then rounding up to the nearest whole cent. Vesting schedules and expiration dates for the assumed options did not change. Under the 2004 Plan, options generally vest as to 25% of the shares one year after the date of grant and as to 1/48th of the shares each month thereafter and expire ten years from the date of grant. We no longer make option grants from this plan.

PortalPlayer, Inc. 1999 Stock Option Plan

We assumed options issued under the PortalPlayer, Inc. 1999 Stock Option Plan, or the 1999 Plan, when we completed our acquisition of PortalPlayer in January 2007. The 1999 Plan was terminated upon completion of PortalPlayer's initial public offering of common stock in 2004. Each option we assumed in connection with our acquisition of PortalPlayer has been converted into the right to purchase that number of shares of NVIDIA common stock determined by multiplying the number of shares of PortalPlayer common stock underlying such option by 0.3601 and then rounding down to the nearest whole number of shares. The exercise price per share for each assumed option has been similarly adjusted by dividing the

exercise price by 0.3601 and then rounding up to the nearest whole cent. Vesting schedules and expiration dates did not change. Under the 1999 Plan, options generally vest as to 25% of the shares one year after the date of grant and as to 1/48th of the shares each month thereafter and expire ten years from the date of grant.

Proposal 4—Approval of an Amendment and Restatement of our Amended and Restated 2007 Equity Incentive Plan

Summary of Proposal

We are asking our stockholders to approve an amendment and restatement of the NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan, or the Amended 2007 Plan, at the 2014 Annual Meeting. The NVIDIA Corporation 2007 Equity Incentive Plan, or the 2007 Plan, was originally approved by our Compensation Committee and stockholders in 2007. The 2007 Plan was amended and restated by our Compensation Committee in 2012 as the Amended 2007 Plan, and approved by our stockholders in 2012 and 2013. In April 2014, our Compensation Committee approved an amendment and restatement of the Amended 2007 Plan, or the Amended and Restated 2007 Plan, subject to approval by our stockholders at our 2014 Annual Meeting.

Approval of the Amended and Restated 2007 Plan will allow us to continue to grant stock options, restricted stock unit awards and other awards at levels determined appropriate by our Compensation Committee. The Amended and Restated 2007 Plan will also allow us to utilize a broad array of equity and performance cash incentives in order to secure and retain the services of our employees, consultants and directors, and to provide long term incentives that align their interests with those of our stockholders.

Approval of the Amended and Restated 2007 Plan by our stockholders will also constitute approval of terms and conditions set forth therein that will permit us to grant performance-based stock and cash awards under the Amended and Restated 2007 Plan that may qualify as “performance-based compensation” within the meaning of Section 162(m) of the Internal Revenue Code, or the Code. Section 162(m) of the Code disallows a deduction to any publicly held corporation and its affiliates for certain compensation paid to “covered employees” in a taxable year to the extent that compensation to a covered employee exceeds \$1 million. However, some kinds of compensation, including qualified “performance-based compensation,” are not subject to this deduction limitation. For compensation awarded under a plan to qualify as “performance-based compensation” under Section 162(m) of the Code, among other things, the following terms must be disclosed to and approved by the stockholders before the compensation is paid: (i) a description of the employees eligible to receive such awards; (ii) a per-person limit on the number of shares and amount of cash subject to performance-based stock and cash awards, respectively, that may be granted to any employee under the plan in any year; and (iii) a description of the business criteria upon which the performance goals for performance-based awards may be granted (or become vested or exercisable). Accordingly, we are requesting that our stockholders approve the Amended and Restated 2007 Plan, which includes terms regarding eligibility for awards, annual per-person limits on awards and the business criteria for performance-based awards granted under the Amended and Restated 2007 Plan (as described below).

We believe it is in the best interests of the company and our stockholders to preserve the ability to grant “performance-based compensation” under Section 162(m) of the Code. However, in certain circumstances, we may determine to grant compensation to covered employees that will not qualify as “performance-based compensation” for purposes of Section 162(m) of the Code. Moreover, even if we intend to grant compensation that qualifies as “performance-based compensation” for purposes of Section 162(m) of the Code, we cannot guarantee that such compensation ultimately will be deductible by us.

If this Proposal 4 is approved by our stockholders, the Amended and Restated 2007 Plan will become effective upon the date of the 2014 Annual Meeting. In the event that our stockholders do not approve this Proposal 4, the Amended and Restated 2007 Plan will not become effective and the Amended 2007 Plan will continue in its current form.

Summary of Changes in Amended and Restated 2007 Plan

The Amended and Restated 2007 Plan contains the following material changes from the Amended 2007 Plan:

- The aggregate number of shares of our common stock authorized for issuance under the Amended and Restated 2007 Plan is 187,767,766 shares, which is an increase of 10,000,000 shares over the number of shares of our common stock authorized for issuance under the Amended 2007 Plan.
- With respect to performance-based awards (including performance-based stock and cash awards that are intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code), the Amended and Restated 2007 Plan provides for (i) certain additional types of performance criteria upon which the applicable performance goals for such awards may be based, and (ii) certain additional types of adjustments that may be made in the method of calculating whether the applicable performance goals for such awards have been attained.

Recommendation of the Board

The Board recommends that you vote **FOR** the approval of the Amended and Restated 2007 Plan.

Overhang

The following table provides certain additional information regarding our equity incentive program.

	As of March 25, 2014 (Record Date)
Total Shares Subject to Outstanding Stock Options	27,837,429
Total Shares Subject to Outstanding Full Value Awards	18,478,677
Weighted-Average Exercise Price of Outstanding Stock Options	\$14.24
Weighted-Average Remaining Term of Outstanding Stock Options	5.99
Total Shares Available for Grant under the Amended 2007 Plan	22,238,421
Total Shares Available for Grant under Other Equity Plans	—
Total Common Stock Outstanding	557,305,798
Closing Price of Common Stock as Reported on NASDAQ Global Select Market	\$18.45

Burn Rate

The following table provides detailed information regarding the activity related to our equity incentive plans and outstanding common stock for the fiscal year ended January 26, 2014.

	Fiscal Year 2014
Stock Options Granted	6,148,672
Full Value Awards Granted	10,756,726
Stock Options Cancelled	3,581,556
Full Value Awards Cancelled	1,157,156
Weighted-Average Common Stock Outstanding	587,893,000
Common Stock Repurchased under Stock Repurchase Program	61,903,881
Common Stock Outstanding at January 26, 2014	567,996,734

Forecasted Utilization Rates

In evaluating whether to approve the Amended and Restated 2007 Plan, our Compensation Committee reviewed certain management forecasts of equity awards for issuance under the Amended and Restated 2007 Plan. Management presented the actuals and forecasts below for the periods indicated.

Amended 2007 Plan / Amended and Restated 2007 Plan	Fiscal Year 2014 Actual	Fiscal Year 2015 Forecast
Options / Awards Outstanding - Ending Balance	51,356,199	57,900,000
Stockholder Approval - May 2014	—	10,000,000
Shares Available for Award - Beginning Balance	36,899,876	24,700,000
Allocations		
Options	(6,148,672)	(100,000)
RSUs	(10,456,726)	(11,300,000)
PSUs	(300,000) ⁽¹⁾	(2,700,000)
Total Allocations	(16,905,398)	(14,100,000)
Adjustments		
Cancellations - Add	4,738,712	2,500,000 ⁽²⁾
Total Adjustments	(12,166,686)	(11,600,000)
Shares Available for Award - Ending Balance	24,733,190	23,100,000

⁽¹⁾ Reflects the maximum number of PSUs eligible to vest, as the number of PSUs achieved was not determined as of the end of fiscal year 2014.

⁽²⁾ Includes the cancellation of 105,509 of PSUs which terminated on February 11, 2014.

There were 567,996,734 shares of common stock outstanding as of the end of fiscal year 2014. We estimate there will be 540,000,000 to 560,000,000 shares of common stock outstanding as of the end of fiscal year 2015.

In addition, our Compensation Committee reviewed certain actuals and forecasts of grant utilization for different categories of grants over the periods indicated, as summarized below. These actuals and forecasts included grants to executive and employee new hires, annual performance grants to existing eligible employees, and initial and annual grants for non-employee directors.

Amended 2007 Plan / Amended and Restated 2007 Plan	Fiscal Year 2014 Actual	Fiscal Year 2015 Forecast
<u>Option Grants</u>		
New Hire and Performance	5,678,048	—
Director	470,624	100,000
Subtotal Option Grants	6,148,672	100,000
<u>RSU Grants</u>		
New Hire and Performance	10,388,942	1,775,000
Director	67,784	100,000
Subtotal RSU Grants	10,456,726	11,300,000
<u>PSU Grants</u>		
New Hire and Performance	300,000 ⁽¹⁾	2,700,000
Subtotal PSU Grants	300,000	2,700,000
Total	16,905,398	14,100,000

⁽¹⁾ Reflects the maximum number of PSUs eligible to vest, as the number of PSUs achieved was not determined as of the end of fiscal year 2014.

Our Compensation Committee also reviewed certain actuals and forecasts of burn rate, as summarized below.

	Fiscal Year 2014 Actual	Fiscal Year 2015 Forecast ⁽¹⁾
Gross Burn Rate as a % of Outstanding ⁽²⁾	4.60%	4.00%-4.50%

⁽¹⁾ For purposes of this calculation, we have assumed that the number of weighted-average common shares outstanding for fiscal year 2015 is the number of shares outstanding at the end of fiscal year 2014 plus the additional number of shares that would be outstanding if 25% of the shares subject to options, RSUs and PSUs granted in the last three fiscal years were issued plus the number of shares that were purchased under our employee stock purchase plan during fiscal year 2014, less 25,000,000 to 50,000,000 million shares assumed to be repurchased under our stock repurchase program during fiscal year 2015. The actual number will depend on a number of factors that we cannot predict, including activity under our stock repurchase program. As of January 26, 2014, we are authorized, subject to certain specifications, to repurchase shares of our common stock up to \$1.25 billion through January 2016.

⁽²⁾ Gross Burn Rate is calculated as: shares subject to options and full value awards granted (including PSUs determined to be achieved as per the prior fiscal year plan) as a percentage of weighted-average common shares outstanding. For purposes of this calculation, shares subject to full value awards granted are increased by a 2x volatility multiplier.

Note Regarding Forecasts and Forward-Looking Statements

We do not as a matter of course make public forecasts as to our total shares outstanding and utilization of various equity awards due to the unpredictability of the underlying assumptions and estimates. In particular, the forecasts set forth above in this Proposal 4 include embedded assumptions regarding option exercise, employee turnover and competitive grant guidelines which are highly dependent on the public trading price of our common stock and other factors, which we do not control, and, as a result, we do not as a matter of practice provide forecasts. In evaluating these forecasts, our Compensation Committee recognized the high variability inherent in these assumptions.

However, we have included above a summary of these forecasts to give our stockholders access to certain information that was considered by our Compensation Committee for purposes of evaluating the approval of the Amended and Restated 2007 Plan. These forecasts reflect various assumptions regarding our future operations.

The inclusion of the forecasts set forth above should not be regarded as an indication that these forecasts will be predictive of actual future outcomes, and the forecasts should not be relied upon as such. Neither we nor any other person makes any representation to any of our stockholders regarding actual outcomes compared to the information contained in the forecasts set forth above. Although presented with numerical specificity, the forecasts are not fact and reflect numerous assumptions and estimates as to future events made by our management that our management believed were reasonable at the time the forecasts were prepared and other factors such as industry performance and general business, economic, regulatory, market and financial conditions, as well as factors specific to our business, all of which are difficult to predict and many of which are beyond the control of our management. In addition, the utilization forecasts with respect to our equity awards do not take into account any circumstances or events occurring after the date that they were prepared and, accordingly, do not give effect to any changes to our operations or strategy that may be implemented in the future. Accordingly, actual outcomes may be, and likely will be, materially different than those reflected in the forecasts. We do not intend to update or otherwise revise the forecasts to reflect circumstances existing after the date when made or to reflect the occurrence of future events even if any or all of the assumptions underlying the forecasts are shown to be in error. The forecasts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21A of the Securities Exchange Act of 1934, as amended. These statements involve risks and uncertainties that could cause actual outcomes to differ materially from those in the forward-looking statements, including our ability to attract and retain talent, achievement of performance metrics, if any, with respect to certain equity awards, the extent of option exercise activity, and others described in our Annual Report on Form 10-K for the fiscal year ended January 26, 2014.

Description of the Amended and Restated 2007 Plan

The material features of the Amended and Restated 2007 Plan are outlined below. The following description of the Amended and Restated 2007 Plan is a summary only and is qualified in its entirety by reference to the complete text of the Amended and Restated 2007 Plan. Stockholders are urged to read the actual text of the Amended and Restated 2007 Plan in its entirety, which is appended to this proxy statement as Appendix A.

Purpose. The Amended and Restated 2007 Plan is designed to provide incentives for our employees, directors and consultants to exert maximum efforts for the success of NVIDIA or any affiliate of ours, and to provide a means by which eligible recipients may be given an opportunity to benefit from increases in the value of our common stock. In recent years, we have encountered significant competition for high caliber talent and we believe we must be prepared to offer equity compensation packages that compete with packages offered by our peer group and larger competitors. Therefore, we are asking our stockholders to approve the Amended and Restated 2007 Plan so that we can ensure that we have the most qualified, motivated employees possible to help us grow our business.

Successor to Prior Plans. The Amended and Restated 2007 Plan is a continuation of our 2007 Plan. The 2007 Plan was the successor to our 1998 Equity Incentive Plan, our 1998 Non-Employee Directors' Stock Option Plan, our 2000 Nonstatutory Equity Incentive Plan and the PortalPlayer, Inc. 2004 Stock Incentive Plan, which we refer to collectively as the Prior Plans.

Types of Awards. The terms of the Amended and Restated 2007 Plan provide for the grant of incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, other stock awards, and performance awards that may be settled in cash, stock, or other property.

Shares Available for Awards. If this Proposal 4 is approved, the total number of shares of our common stock authorized for issuance under the Amended and Restated 2007 Plan will consist of 187,767,766 shares, or the Share Reserve, which is the sum of (i) 152,767,766 shares, which is the total reserve that our stockholders approved at our 2007 Annual Meeting (as adjusted for our September 2007 forward stock split), including, but not limited to, the shares remaining available for issuance under the Prior Plans and the Returning Shares, (ii) 25,000,000 shares, which is the number of additional shares that our stockholders approved at our 2012 Annual Meeting (and reapproved at our 2013 Annual Meeting), and (iii) 10,000,000 newly requested shares. The “Returning Shares” are shares subject to awards granted under the Prior Plans that expire or terminate for any reason prior to exercise or settlement.

If any shares of our common stock subject to awards granted under the Amended and Restated 2007 Plan are not delivered to a participant because (i) an award is exercised through a reduction in the number of shares subject to the stock award, or a net exercise, or (ii) shares are reacquired, withheld or not issued to satisfy a tax withholding obligation or if shares are used as consideration for the exercise of a stock option or stock appreciation right, then those shares will not remain available for subsequent issuance under the Amended and Restated 2007 Plan.

If a stock award is settled in cash, such settlement will not reduce the Share Reserve. If a stock award expires or otherwise terminates without having been exercised in full, or if any shares of our common stock issued pursuant to a stock award are forfeited to or repurchased by us, including because of the failure to meet a contingency or condition required for the vesting of such shares, then the shares of common stock not issued under such stock award, or forfeited to or repurchased us, will become available again for issuance under the Amended and Restated 2007 Plan.

Eligibility. All of our approximately 8,847 employees, nine non-employee directors and 443 consultants as of March 25, 2014 are eligible to participate in the Amended and Restated 2007 Plan and may receive all types of awards other than incentive stock options. Incentive stock options may be granted under the Amended and Restated 2007 Plan only to our employees (including officers) and employees of our affiliates.

Section 162(m) Limits. Under the Amended and Restated 2007 Plan, subject to adjustment for changes in our capitalization, no participant will be eligible to be granted during any fiscal year more than: (i) a maximum of 2,000,000 shares of our common stock subject to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise price or strike price of at least 100% of the fair market value of our common stock on the date of grant; (ii) a maximum of 2,000,000 shares of our common stock under performance stock awards; and (iii) a maximum of \$6,000,000 under performance cash awards. 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. These limits are designed to allow us to grant awards that are exempt from the \$1,000,000 limitation on the income tax deductibility of compensation paid per covered employee imposed by Section 162(m) of the Code.

Administration. The Amended and Restated 2007 Plan is administered by our Board, which may in turn delegate authority to administer the Amended and Restated 2007 Plan to a committee. Our Board has delegated concurrent authority to administer the Amended and Restated 2007 Plan to the Compensation Committee, but may, at any time, revert in itself some or all of the power previously delegated to the Compensation Committee. Each of the Board and the Compensation Committee is considered to be a Plan Administrator for purposes of this Proposal 4. Subject to the terms of the Amended and Restated 2007 Plan, the Plan Administrator may determine the recipients, numbers and types of awards to be granted, and terms and conditions of the awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the Plan Administrator also determines the fair market value applicable to a stock award and the exercise price of stock options and stock appreciation rights granted under the Amended and Restated 2007 Plan.

The Plan Administrator may also delegate to one or more officers the authority to designate employees who are not officers to be recipients of certain stock awards and the number of shares subject to such stock awards. Under any such delegation, the Plan Administrator will specify the total number of shares of our common stock that may be subject to the stock awards granted by such officer. The officer may not grant a stock award to himself or herself.

Repricing; Cancellation and Re-Grant of Stock Awards. Under the Amended and Restated 2007 Plan, the Plan Administrator does not have the authority to reprice any outstanding stock option or stock appreciation right by reducing the exercise price of the stock option or stock appreciation right or to cancel any outstanding stock option or stock appreciation right that has an exercise price greater than the current fair market value of our common stock in exchange for cash or other stock awards without obtaining the approval of our stockholders within 12 months prior to the repricing or cancellation and re-grant event.

Stock Options. Stock options may be granted under the Amended and Restated 2007 Plan pursuant to stock option agreements. The Amended and Restated 2007 Plan permits the grant of stock options that qualify as incentive stock options, or ISOs, and nonstatutory stock options, or NSOs. Individual stock option agreements may be more restrictive as to any or all of the permissible terms described in this section.

The exercise price of NSOs may not be less than 100% of the fair market value of the common stock subject to the stock option on the date of grant. The exercise price of ISOs may not be less than 100% of the fair market value of the common stock subject to the stock option on the date of grant and, in some cases (see *Limitations on Incentive Stock Options* below), may not be less than 110% of such fair market value.

The term of stock options granted under the Amended and Restated 2007 Plan may not exceed ten years and, in some cases (see *Limitations on Incentive Stock Options* below), may not exceed five years. Unless the terms of a participant's stock option agreement or other agreement with us provide for earlier or later termination, if a participant's service relationship with us, or any affiliate of ours, ceases due to death or disability (or the participant dies within a certain period, if any, following cessation of service), the participant, or his or her beneficiary, as applicable, may exercise any vested stock options for up to 12 months after the date the service relationship ends due to the participant's disability or for up to 18 months after the date of the participant's death. Except as explicitly provided otherwise in a participant's stock option agreement or other agreement with us, if a participant's service relationship with us, or any affiliate of ours, is terminated "for cause," all stock options (whether vested or unvested) held by the participant will terminate upon the date of the participant's termination of service and the participant will be prohibited from exercising any stock option as of such termination date. Except as explicitly provided otherwise in a participant's stock option agreement or other agreement with us, if a participant's service relationship with us, or any affiliate of ours, ceases for any other reason other than a "for cause" termination or due to the participant's death or disability, the participant may exercise any vested stock options for up to 90 days after the date the service relationship ends. Under the Amended and Restated 2007 Plan, the stock option term may be extended in the event that exercise of the stock option following termination of service is prohibited by applicable securities laws or would subject the participant to short-swing liability under the Securities Exchange Act of 1934, as amended. In no event may a stock option be exercised after its original expiration date.

Acceptable forms of consideration for the purchase of our common stock pursuant to the exercise of a stock option under the Amended and Restated 2007 Plan will be determined by the Plan Administrator and may include: (i) cash, check, bank draft, money order, or electronic funds transfer; (ii) payment pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board; (iii) a net exercise feature (for NSOs only); or (iv) other legal consideration approved by the Plan Administrator.

Stock options granted under the Amended and Restated 2007 Plan may become exercisable in cumulative increments, or "vest," as determined by the Plan Administrator at the rate specified in the stock option agreement. Shares covered by different stock options granted under the Amended and Restated 2007 Plan may be subject to different vesting schedules as the Plan Administrator may determine. The Plan Administrator also has flexibility to provide for accelerated vesting of stock awards in certain events. In the event that a participant's continuous service terminates due to death, all of the participant's outstanding stock options will become fully vested and exercisable as of such termination date.

Generally, a participant may not transfer a stock option granted under the Amended and Restated 2007 Plan other than by will or the laws of descent and distribution or pursuant to a domestic relations order or an official marital settlement agreement. However, to the extent permitted under the terms of the applicable stock option agreement, a participant may designate a beneficiary who may exercise the stock option following the participant's death.

Limitations on Incentive Stock Options. The aggregate fair market value, determined at the time of grant, of shares of our common stock with respect to ISOs that are exercisable for the first time by a participant during any calendar year under all of our stock plans may not exceed \$100,000. The stock options or portions of stock options that exceed this limit or otherwise fail to qualify as ISOs are treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any affiliate unless the following conditions are satisfied:

- the exercise price of the ISO must be at least 110% of the fair market value of the stock subject to the ISO on the date of grant; and
- the term of the ISO must not exceed five years from the date of grant.

The aggregate maximum number of shares of common stock that may be issued pursuant to the exercise of ISOs granted under the Amended and Restated 2007 Plan (including stock options granted as incentive stock options under the Prior Plans) is 250,000,000 shares.

Restricted Stock Awards. Restricted stock awards may be granted under the Amended and Restated 2007 Plan pursuant to restricted stock award agreements. A restricted stock award may be granted in consideration for cash, check, bank draft or money order payable to us, the recipient's services performed for us or an affiliate of ours, or any other form of legal consideration acceptable to the Plan Administrator. Shares of our common stock acquired under a restricted stock award may be subject to forfeiture to us in accordance with a vesting schedule to be determined by the Plan Administrator, provided that in the event that a participant's continuous service terminates due to death, the participant's restricted stock award will become fully vested as of the termination date. Rights to acquire shares of our common stock under a restricted stock award may be transferred only upon such terms and conditions as are set forth in the restricted stock award agreement. Except as otherwise provided in the applicable restricted stock award agreement, restricted stock awards that have not vested will be forfeited or repurchased upon the participant's termination of continuous service for any reason. Any dividends paid on shares of our common stock covered by a restricted stock award will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the restricted stock award.

Restricted Stock Unit Awards. Restricted stock unit awards may be granted under the Amended and Restated 2007 Plan pursuant to restricted stock unit award agreements. Payment of any purchase price may be made in any legal form acceptable to the Plan Administrator. We will settle a payment due to a recipient of a restricted stock unit award by delivery of shares of our common stock, by cash, by a combination of cash and stock, or in any other form of consideration determined by the Plan Administrator and set forth in the restricted stock unit award agreement. Restricted stock unit awards may be subject to vesting in accordance with a vesting schedule to be determined by the Plan Administrator, provided that in the event that a participant's continuous service terminates due to death, the participant's restricted stock unit award will become fully vested as of the termination date. Except as otherwise provided in the applicable restricted stock unit award agreement, restricted stock units that have not vested will be forfeited upon the participant's termination of continuous service for any reason. Dividend equivalents may be credited in respect of shares of our common stock covered by a restricted stock unit award, provided that any such dividend equivalents will be subject to the same terms and conditions of the restricted stock unit award agreement.

Stock Appreciation Rights. Stock appreciation rights may be granted under the Amended and Restated 2007 Plan pursuant to stock appreciation right agreements. Each stock appreciation right is denominated in common stock share equivalents. The strike price of each stock appreciation right will be determined by the Plan Administrator but will in no event be less than 100% of the fair market value of the stock subject to the stock appreciation right at the time of grant. The

Plan Administrator may also impose restrictions or conditions upon the vesting of stock appreciation rights that it deems appropriate, provided that in the event that a participant's continuous service terminates due to death, the participant's stock appreciation rights will become fully vested as of the termination date. Stock appreciation rights may be paid in our common stock, in cash, in a combination of cash and stock, or in any other form of legal consideration approved by the Plan Administrator and set forth in the stock appreciation right agreement. Stock appreciation rights will be subject to the same conditions upon termination and restrictions on transfer as stock options under the Amended and Restated 2007 Plan.

Performance Awards. The Amended and Restated 2007 Plan allows NVIDIA to grant performance awards, including cash and stock-based performance awards that may qualify as performance-based compensation that is not subject to the \$1,000,000 limitation on the income tax deductibility of compensation paid per covered employee imposed by Section 162(m) of the Code.

A performance stock award is a stock award that may be granted, may vest, or may be exercised upon achievement of pre-determined performance goals. A performance stock award may 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 determined by the Compensation Committee, except that the Plan Administrator also may make any such determinations to the extent that the award is not intended to qualify as "performance-based compensation" under Section 162(m) of the Code. In addition, to the extent permitted by applicable law and the award agreement, the Plan Administrator may determine that cash may be used in payment of performance stock awards. In the event that a participant's continuous service terminates due to death, the participant's performance stock award will be deemed to have been earned at the target level of performance, will be fully vested and will be issued promptly following the date of death.

A performance cash award is a cash award that is payable contingent upon the achievement of performance goals during a performance period. 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 determined by the Compensation Committee, except that the Plan Administrator also may make any such determinations to the extent that the award is not intended to qualify as "performance-based compensation" under Section 162(m) of the Code. The Plan Administrator 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 Plan Administrator 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 Plan Administrator may determine that common stock authorized under the Amended and Restated 2007 Plan may be used in payment of performance cash awards.

In granting a performance award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Compensation Committee will set a period of time, or a performance period, over which the attainment of one or more goals, or performance goals, will be measured. Within the time period prescribed by Section 162(m) of the Code, at a time when the achievement of the performance goals remains substantially uncertain (typically no later than the earlier of the 90th day of a performance period and the date on which 25% of the performance period has elapsed), the Compensation Committee will establish the performance goals, based upon one or more criteria, or performance criteria, enumerated in the Amended and Restated 2007 Plan and described below. As soon as administratively practicable following the end of the performance period, the Compensation Committee will certify (in writing) whether the performance goals have been satisfied. With respect to any award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Compensation 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 Compensation Committee may determine.

Performance goals under the Amended and Restated 2007 Plan will be based on any one or more of the following performance criteria: (1) earnings, including any of the following: gross profit, operating income, income before income tax, net income, and earnings per share, in each case with any one of or combination of the following exclusions or inclusions: (a) interest income, (b) interest expense, (c) other income that is categorized as non-operating income, (d) other expense

that is categorized as non-operating expense, (e) income tax, (f) depreciation, and (g) amortization; (2) total stockholder return; (3) return on equity or average stockholder's equity; (4) return on assets, investment, or capital employed; (5) stock price; (6) gross profit margin; (7) operating income margin; (8) cash flow from operating activities (including cash flow from operating activities per share); (9) free cash flow (including free cash flow per share); (10) change in cash and cash equivalents (or cash flow) (including change in cash and cash equivalents per share (or cash flow per share)); (11) sales or revenue targets; (12) increases in revenue or product revenue; (13) expenses and cost reduction goals; (14) improvement in or attainment of expense levels; (15) improvement in or attainment of working capital levels; (16) economic value added (or an equivalent metric); (17) market share; (18) share price performance; (19) debt reduction; (20) implementation or completion of projects or processes; (21) customer satisfaction; (22) stockholders' equity; (23) capital expenditures; (24) debt levels; (25) workforce diversity; (26) growth of net income or operating income; (27) employee retention; (28) quality measures; and (29) to the extent that an award is not intended to qualify as "performance-based compensation" under Section 162(m) of the Code, other measures of performance selected by the Plan Administrator.

Performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Under the Amended and Restated 2007 Plan, the Compensation 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 Plan Administrator) will be authorized to appropriately make adjustments in the method of calculating the attainment of performance goals for a performance period as follows, provided that any such adjustments must be objectively determinable to the extent that the award is intended to qualify as "performance-based compensation" under Section 162(m) of the Code: (1) to exclude the effects of stock-based compensation (including any modification charges); (2) to exclude the portion of any legal settlement assigned as past infringement (i.e. the fair value associated with the portion of settlement that is non-recurring); (3) to exclude restructuring charges (including any costs associated with a reduction in force and/or shutting down of business operations, such as severance compensation and benefits and the cost to shut down operating sites/offices); (4) to exclude amortization expenses associated with intangible assets obtained through a business combination (acquisition or asset purchase); (5) to exclude other costs incurred in connection with acquisitions or divestitures (including potential acquisitions or divestitures) that are required to be expensed under generally accepted accounting principles (including any direct acquisition costs that are not associated with providing ongoing future benefit to the combined company and certain compensation costs associated with an acquisition, such as one-time compensation charges, longer-term retention incentives, and associated payroll tax charges); (6) to exclude any exchange rate effects; (7) to exclude the effects of changes to generally accepted accounting principles; (8) to exclude the effects of any statutory adjustments to corporate tax rates; (9) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (10) to exclude the dilutive effects of acquisitions or joint ventures; (11) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (12) to exclude the effects of the award of bonuses under our bonus plans; (13) to exclude any goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; (14) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item, or any charges related to events that are infrequent or unusual in our business operations; (15) to assume that any business divested by NVIDIA achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (16) to include non-operational credits (i.e., situations when directly related amounts have not been previously charged to our results of operations); and (17) to the extent that an award is not intended to qualify as "performance-based compensation" under Section 162(m) of the Code, to appropriately make any other adjustments selected by the Plan Administrator.

Other Stock Awards. Other forms of stock awards valued in whole or in part with reference to our common stock may be granted either alone or in addition to other stock awards under the Amended and Restated 2007 Plan. The Plan Administrator 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 our common stock to be granted and all other conditions of such other stock awards. In the event a participant's continuous service terminates due to death, then any such other stock awards held by the participant will become fully vested as of the termination date.

Clawback Policy. Awards granted under the Amended and Restated 2007 Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our 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 Plan Administrator may impose other clawback, recovery or recoupment provisions in an award agreement as the Plan Administrator determines necessary or appropriate, including a reacquisition right in respect of previously acquired shares of our common stock or other cash or property upon the occurrence of cause.

Changes to Capital Structure. In the event of certain capitalization adjustments, the Plan Administrator will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Amended and Restated 2007 Plan; (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of ISOs; (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 162(m) limits; and (iv) the class(es) and number of securities and price per share of stock subject to outstanding stock awards.

Corporate Transactions; Change in Control. Except as otherwise stated in a stock award agreement, in the event of a corporate transaction or a change in control (as defined in the Amended and Restated 2007 Plan and described below), outstanding stock awards under the Amended and Restated 2007 Plan may be assumed, continued, or substituted by the surviving or acquiring corporation (or its parent company). Except as otherwise stated in a stock award agreement, if the surviving or acquiring corporation (or its parent company) does not assume, continue, or substitute such stock awards, then (i) any such stock awards that are held by participants whose continuous service has not terminated immediately prior to the effective time of the transaction will become fully vested and exercisable (contingent upon the effectiveness of the transaction), and such stock awards will be terminated if not exercised prior to the effective date of the transaction and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the transaction), and (ii) all other stock awards will be terminated if not exercised on or prior to the effective date of the corporate transaction, provided that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised.

For purposes of the Amended and Restated 2007 Plan, a corporate transaction generally will be deemed to occur in the event of the consummation of: (i) a sale or other disposition of all or substantially all of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities, in the case of awards granted on or after the date of the 2012 Annual Meeting, and at least 90% of our outstanding securities, in the case of awards granted prior to the date of the 2012 Annual Meeting; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

For purposes of the Amended and Restated 2007 Plan, a change in control generally will be deemed to occur in the event: (i) a person, entity or group acquires, directly or indirectly, securities of NVIDIA representing more than 50% of the combined voting power of our then outstanding securities, other than by virtue of a merger, consolidation, or similar transaction; (ii) there is consummated a merger, consolidation, or similar transaction and, immediately after the consummation of such transaction, our stockholders immediately prior thereto do not own, directly or indirectly, more than 50% of the combined outstanding voting power of the surviving entity or the parent of the surviving entity in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; (iii) there is consummated a sale or other disposition of all or substantially all of our consolidated assets, other than a sale or other disposition to an entity in which more than 50% of the entity's combined voting power is owned by our stockholders in substantially the same proportions as their ownership of our outstanding securities immediately prior to such sale or other disposition; or (iv) a majority of our Board becomes comprised of individuals whose nomination, appointment, or election was not approved by a majority of the Board members or their approved successors.

Plan Amendments and Termination. The Plan Administrator will have the authority to amend or terminate the Amended and Restated 2007 Plan at any time. However, except as otherwise provided in the Amended and Restated 2007 Plan, no amendment or termination of the Amended and Restated 2007 Plan may materially impair any rights under awards already

granted to a participant unless agreed to by the affected participant. We will obtain stockholder approval of any amendment to the Amended and Restated 2007 Plan as required by applicable law and listing requirements. Unless sooner terminated, the Amended and Restated 2007 Plan will automatically terminate on March 21, 2022, which is the day before the tenth anniversary of the date the Amended 2007 Plan was adopted by our Compensation Committee.

U.S. Federal Income Tax Consequences

The following is a summary of the principal United States federal income taxation consequences to participants and us with respect to participation in the Amended and Restated 2007 Plan. This summary is not intended to be exhaustive, and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant may reside. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any participant may depend on his or her particular situation, each participant should consult the participant's tax adviser regarding the federal, state, local, and other tax consequences of the grant or exercise of an award or the disposition of stock acquired the Amended and Restated 2007 Plan. The Amended and Restated 2007 Plan is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974. Our ability to realize the benefit of any tax deductions described below depends on our generation of taxable income as well as the requirement of reasonableness, the provisions of Section 162 (m) of the Code and the satisfaction of our tax reporting obligations.

Nonstatutory Stock Options. Generally, there is no taxation upon the grant of an NSO if the stock option is granted with an exercise price equal to the fair market value of the underlying stock on the grant date. On exercise, a participant will recognize ordinary income equal to the excess, if any, of the fair market value on the date of exercise of the stock over the exercise price. If the participant is employed by us or one of our affiliates, that income will be subject to withholding taxes. The participant's tax basis in those shares will be equal to their fair market value on the date of exercise of the stock option, and the participant's capital gain holding period for those shares will begin on that date.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant.

Incentive Stock Options. The Amended and Restated 2007 Plan provides for the grant of stock options that qualify as "incentive stock options," as defined in Section 422 of the Code. Under the Code, a participant generally is not subject to ordinary income tax upon the grant or exercise of an ISO. If the participant holds a share received on exercise of an ISO for more than two years from the date the stock option was granted and more than one year from the date the stock option was exercised, which is referred to as the required holding period, the difference, if any, between the amount realized on a sale or other taxable disposition of that share and the holder's tax basis in that share will be long-term capital gain or loss.

If, however, a participant disposes of a share acquired on exercise of an ISO before the end of the required holding period, which is referred to as a disqualifying disposition, the participant generally will recognize ordinary income in the year of the disqualifying disposition equal to the excess, if any, of the fair market value of the share on the date the ISO was exercised over the exercise price. However, if the sales proceeds are less than the fair market value of the share on the date of exercise of the stock option, the amount of ordinary income recognized by the participant will not exceed the gain, if any, realized on the sale. If the amount realized on a disqualifying disposition exceeds the fair market value of the share on the date of exercise of the stock option, that excess will be short-term or long-term capital gain, depending on whether the holding period for the share exceeds one year.

For purposes of the alternative minimum tax, the amount by which the fair market value of a share of stock acquired on exercise of an ISO exceeds the exercise price of that stock option generally will be an adjustment included in the participant's alternative minimum taxable income for the year in which the stock option is exercised. If, however, there is a disqualifying disposition of the share in the year in which the stock option is exercised, there will be no adjustment for alternative minimum tax purposes with respect to that share. In computing alternative minimum taxable income, the tax

basis of a share acquired on exercise of an ISO is increased by the amount of the adjustment taken into account with respect to that share for alternative minimum tax purposes in the year the stock option is exercised.

We are not allowed an income tax deduction with respect to the grant or exercise of an ISO or the disposition of a share acquired on exercise of an ISO after the required holding period. If there is a disqualifying disposition of a share, however, we are allowed a deduction in an amount equal to the ordinary income includible in income by the participant, subject to Section 162(m) of the Code and provided that amount constitutes an ordinary and necessary business expense for us and is reasonable in amount, and either the employee includes that amount in income or we timely satisfy our reporting requirements with respect to that amount.

Restricted Stock Awards. Generally, the recipient of a restricted stock award will recognize ordinary income at the time the stock is received equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. If, however, the stock is not vested when it is received (for example, if the employee is required to work for a period of time in order to have the right to sell the stock), the recipient generally will not recognize income until the stock becomes vested, at which time the recipient will recognize ordinary income equal to the excess, if any, of the fair market value of the stock on the date it becomes vested over any amount paid by the recipient in exchange for the stock. A recipient may, however, file an election with the Internal Revenue Service, within 30 days following his or her receipt of the stock award, to recognize ordinary income, as of the date the recipient receives the award, equal to the excess, if any, of the fair market value of the stock on the date the award is granted over any amount paid by the recipient for the stock.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from stock awards will be the amount paid for such shares plus any ordinary income recognized either when the stock is received or when the stock becomes vested.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock award.

Restricted Stock Unit Awards. Generally, the recipient of a stock unit structured to conform to the requirements of Section 409A of the Code or an exception to Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the fair market value of the shares of our common stock received over any amount paid by the recipient in exchange for the shares of our common stock. To conform to the requirements of Section 409A of the Code, the shares of our common stock subject to a stock unit award may generally only be delivered upon one of the following events: a fixed calendar date (or dates), separation from service, death, disability or a change in control. If delivery occurs on another date, unless the stock units otherwise comply with or qualify for an exception to the requirements of Section 409A of the Code, in addition to the tax treatment described above, the recipient will owe an additional 20% federal tax and interest on any taxes owed.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from stock units will be the amount paid for such shares plus any ordinary income recognized when the stock is delivered.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock award.

Stock Appreciation Rights. We may grant under the Amended and Restated 2007 Plan stock appreciation rights separate from any other award or in tandem with other awards under the Amended and Restated 2007 Plan. Where the stock appreciation rights are granted with a strike price equal to the fair market value of the underlying stock on the grant date, the recipient will recognize ordinary income equal to the fair market value of the stock or cash received upon such exercise. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax

reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock appreciation right.

New Plan Benefits

Awards under the Amended and Restated 2007 Plan are discretionary and are not subject to set benefits or amounts under the terms of the Amended and Restated 2007 Plan. However, our Board's current policy establishes the number of shares subject to initial and annual stock awards that will be granted to our non-employee directors under the Amended and Restated 2007 Plan. The Board's current policy with respect to stock awards granted to non-employee directors is described under *Director Compensation* above.

Amended and Restated 2007 Plan		
Name and position	Dollar value	Number of shares subject to stock awards
Jen-Hsun Huang ⁽¹⁾ Chief Executive Officer and President	*	*
Colette M. Kress ⁽¹⁾ Executive Vice President and Chief Financial Officer	*	*
Karen T. Burns ⁽¹⁾ Vice President, Finance and Former Interim Chief Financial Officer.	*	*
Ajay K. Puri ⁽¹⁾ Executive Vice President, Worldwide Sales	*	*
David M. Shannon ⁽¹⁾ Executive Vice President, Chief Administrative Officer and Secretary	*	*
Debra Shoquist ⁽¹⁾ Executive Vice President, Operations	*	*
All Current Executive Officers as a Group (5 people) ⁽¹⁾	*	*
All Current Non-Executive Directors as a Group ⁽²⁾	\$2,025,000	*
All Current and Former Employees as a Group (including all current non-executive officers) ⁽¹⁾	*	*

⁽¹⁾ The amounts allocable under the Amended and Restated 2007 Plan to our executive officers and employees are not determinable because the Amended and Restated 2007 Plan does not provide for set benefits or amounts with respect to awards granted under the Amended and Restated 2007 Plan, and we have not approved any awards that are conditioned on stockholder approval of this Proposal 4.

⁽²⁾ On the day following the 2014 Annual Meeting, each of our current non-employee directors will be granted one of the following with an approximate annual value of \$225,000: (a) an option to purchase shares of our common stock, (b) a restricted stock unit award covering shares of our common stock, or (c) a 50% combination of each, under the Amended and Restated 2007 Plan consistent with the Board's current policy as described under *Director Compensation* above. The number of shares subject to such awards granted under the Amended and Restated 2007 Plan is determined on the basis of the average fair market value of our common stock over the 60-day period ending three business days prior to the date of grant and, therefore, is not determinable at this time.

2007 Plan and Amended 2007 Plan Benefits

The following table shows, for each of the individuals and the various groups indicated, the number of stock options and restricted stock units underlying shares of our common stock that have been granted (even if not currently outstanding) under the 2007 Plan since its approval by our stockholders in 2007, and under the Amended 2007 Plan since its approval by our stockholders in 2012, through March 25, 2014.

2007 Plan and Amended 2007 Plan	
Name and position	Number of shares subject to stock awards
Jen-Hsun Huang Chief Executive Officer and President	4,219,025
Colette M. Kress Executive Vice President and Chief Financial Officer	401,000
Karen T. Burns Vice President, Finance and Former Interim Chief Financial Officer	309,000
Ajay K. Puri Executive Vice President, Worldwide Sales	984,013
David M. Shannon Executive Vice President, Chief Administrative Officer and Secretary	979,025
Debra Shoquist Executive Vice President, Operations	1,060,250
All Current Executive Officers as a Group (5 People)	7,643,313
All Current Non-Executive Directors as a Group	2,405,183
All Current and Former Employees as a Group (including all current non-executive officers)	104,709,043
Each Nominee for Director:	
Robert K. Burgess	99,629
Tench Coxe	343,820
James C. Gaither	275,576
Jen-Hsun Huang	4,219,025
Dawn Hudson	92,855
Harvey C. Jones	340,871
William J. Miller	343,820
Mark L. Perry	244,588
A. Brooke Seawell	337,820
Mark A. Stevens	326,204
Each Associate of any Director, Executive Officer or Nominee	—
Each Other Current and Former 5% Holder or Future 5% Recipient	—

Proposal 5—Approval of an Amendment and Restatement of our 2012 Employee Stock Purchase Plan

Summary of Proposal

We are asking our stockholders to approve an amendment and restatement of the NVIDIA Corporation 2012 Employee Stock Purchase Plan, or the 2012 Purchase Plan, at the 2014 Annual Meeting. The 2012 Purchase Plan was originally approved by our Compensation Committee and stockholders in 2012. In April 2014, our Compensation Committee approved an amendment and restatement of the 2012 Purchase Plan, or the Amended and Restated 2012 Purchase Plan, subject to approval by our stockholders at our 2014 Annual Meeting.

Approval of the Amended and Restated 2012 Purchase Plan will allow us to continue to provide our employees with the opportunity to acquire an ownership interest in NVIDIA through their participation in the Amended and Restated 2012 Purchase Plan, encouraging them to remain in our employ and more closely aligning their interests with those of our stockholders.

If this Proposal 5 is approved by our stockholders, the Amended and Restated 2012 Purchase Plan will become effective upon the date of the 2014 Annual Meeting. In the event that our stockholders do not approve this Proposal 5, the Amended and Restated 2012 Purchase Plan will not become effective and the 2012 Purchase Plan will continue in its current form.

Summary of Changes in Amended and Restated 2012 Purchase Plan

The aggregate number of shares of our common stock authorized for issuance under the Amended and Restated 2012 Purchase Plan is 67,932,333 shares, which is an increase of 12,500,000 shares over the number of shares of our common stock authorized for issuance under the 2012 Purchase Plan. As of March 25, 2014, 43,139,749 shares of our common stock remained available for future purchase under the 2012 Purchase Plan and a total of 557,305,798 shares of our common stock were outstanding.

Recommendation of the Board

The Board recommends that you vote **FOR** the approval of the Amended and Restated 2012 Purchase Plan.

Forecasted Utilization Rates

In evaluating whether to approve the Amended and Restated 2012 Purchase Plan, our Compensation Committee reviewed certain management forecasts of purchases under the Amended and Restated 2012 Purchase Plan. Management presented the forecasts below for the periods indicated.

2012 Purchase Plan / Amended and Restated 2012 Purchase Plan	Fiscal Year 2014 Actual	Fiscal Year 2015 Forecast
Shares Available for Purchase - Beginning Balance	52,561,635	46,600,000
Stockholder Approval - May 2014	—	12,500,000
Employee Purchases	(6,115,403)	(6,900,000)
Shares Available for Purchase - Ending Balance	46,620,413 ⁽¹⁾	52,200,000

⁽¹⁾ Includes 174,181 shares that were transferred into the reserve of the 2012 Purchase Plan from the reserve of the NVIDIA Corporation 1998 Employee Stock Purchase Plan, the predecessor of the 2012 Purchase Plan.

Note Regarding Forecasts and Forward-Looking Statements

We do not as a matter of course make public forecasts as to our total shares outstanding and purchases under the Amended and Restated 2012 Purchase Plan due to the unpredictability of the underlying assumptions and estimates. In particular, the forecasts set forth above in this Proposal 5 include embedded assumptions regarding purchases which are highly dependent on the public trading price of our common stock and other factors, which we do not control, and, as a result, we do not as a matter of practice provide forecasts. In evaluating these forecasts, our Compensation Committee recognized the high variability inherent in these assumptions.

However, we have included above a summary of these forecasts to give our stockholders access to certain information that was considered by our Compensation Committee for purposes of evaluating the approval of the Amended and Restated 2012 Purchase Plan. These forecasts reflect various assumptions regarding our future operations.

The inclusion of the forecasts set forth above should not be regarded as an indication that these forecasts will be predictive of actual future outcomes, and the forecasts should not be relied upon as such. Neither we nor any other person makes any representation to any of our stockholders regarding actual outcomes compared to the information contained in the forecasts set forth above. Although presented with numerical specificity, the forecasts are not fact and reflect numerous assumptions and estimates as to future events made by our management that our management believed were reasonable at the time the forecasts were prepared and other factors such as industry performance and general business, economic, regulatory, market and financial conditions, as well as factors specific to our business, all of which are difficult to predict and many of which are beyond the control of our management. In addition, the forecasts do not take into account any circumstances or events occurring after the date that they were prepared and, accordingly, do not give effect to any changes to our operations or strategy that may be implemented in the future. Accordingly, actual outcomes may be, and likely will be, materially different than those reflected in the forecasts. We do not intend to update or otherwise revise the forecasts to reflect circumstances existing after the date when made or to reflect the occurrence of future events even if any or all of the assumptions underlying the forecasts are shown to be in error. The forecasts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21A of the Securities Exchange Act of 1934, as amended. These statements involve risks and uncertainties that could cause actual outcomes to differ materially from those in the forward-looking statements, including our ability to attract and retain talent, and others described in our Annual Report on Form 10-K for the fiscal year ended January 26, 2014.

Description of the Amended and Restated 2012 Purchase Plan

The material features of the Amended and Restated 2012 Purchase Plan are outlined below. The following description of the Amended and Restated 2012 Purchase Plan is a summary only and is qualified in its entirety by reference to the complete text of the Amended and Restated 2012 Purchase Plan. Stockholders are urged to read the actual text of the Amended and Restated 2012 Purchase Plan in its entirety, which is appended to this proxy statement as Appendix B.

Purpose and Background. The purpose of the Amended and Restated 2012 Purchase Plan is to provide a means by which certain employees may be given an opportunity to purchase our common stock to attract, motivate, and retain the services of those individuals, and to provide incentives for those individuals to exert maximum efforts toward our success.

The Amended and Restated 2012 Purchase Plan includes two components. One component is designed to allow eligible employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. In addition, purchase rights may be granted under a component that does not qualify for such favorable tax treatment because of deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws.

Successor to 1998 Purchase Plan. The Amended and Restated 2012 Purchase Plan is the successor to our 1998 Employee Stock Purchase Plan, or the 1998 Purchase Plan.

Administration. The Amended and Restated 2012 Purchase Plan is administered by our Board, which may in turn delegate authority to administer the Amended and Restated 2012 Purchase Plan to a committee. Our Board has delegated concurrent authority to administer the Amended and Restated 2012 Purchase Plan to the Compensation Committee, but may, at any time, revert in itself some or all of the power previously delegated to the Compensation Committee. Each of the Board and the Compensation Committee is considered to be a Plan Administrator for purposes of this Proposal 5. The Plan Administrator has the final power to construe and interpret both the Amended and Restated 2012 Purchase Plan and the purchase rights granted thereunder. The Plan Administrator has the power, subject to the provisions of the Amended and Restated 2012 Purchase Plan, to determine the provisions of each offering of rights to purchase our common stock, and whether employees of any of our parent or subsidiary companies will be eligible to participate in the Amended and Restated 2012 Purchase Plan.

Stock Subject to Amended and Restated 2012 Purchase Plan. If this Proposal 5 is approved, the total number of shares of our common stock reserved for issuance under the Amended and Restated 2012 Purchase Plan will not exceed 67,932,333 shares. This aggregate share reserve is the sum of (i) 12,500,000 newly requested shares, (ii) 32,000,000 shares, which is the number of shares that our stockholders approved at our 2012 Annual Meeting, (iii) the number of shares that otherwise remained available for future offerings under the 1998 Purchase Plan as of the effective date of the 2012 Purchase Plan (which may not exceed 8,432,333 shares), and (iv) the number of shares subject to outstanding purchase rights granted under the 1998 Purchase Plan that would otherwise have returned to the 1998 Purchase Plan (such as upon the cancellation or expiration of an outstanding purchase right), as such shares become available from time to time (which may not exceed 15,000,000 shares).

If any purchase right granted under the Amended and Restated 2012 Purchase Plan terminates without having been exercised, the shares of common stock not purchased under such purchase right will again become available for issuance under the Amended and Restated 2012 Purchase Plan.

Offering Periods. Shares of our common stock are offered under the Amended and Restated 2012 Purchase Plan through a series of offering periods of such duration as determined by the Plan Administrator, provided that in no event may an offering period exceed 27 months. We may have concurrent or overlapping separate Offerings which vary in terms (although not inconsistent with the provisions in the Amended and Restated 2012 Purchase Plan and not inconsistent with the requirements of applicable laws). Each offering period consists of one or more purchase dates, as determined by the Plan Administrator prior to the commencement of that offering period. The Plan Administrator has the authority to alter the duration of subsequent offering periods or change the number of purchase dates within each such offering period. When an

eligible employee elects to join an offering period, he or she is granted a purchase right to acquire shares of our common stock on each purchase date within the offering period. On the purchase date, all contributions collected from the participant are automatically applied to the purchase of our common stock, subject to certain limitations.

The Plan Administrator has the discretion to structure an offering so that if the fair market value of our common stock on the first trading day of a new purchase period within the offering period is less than or equal to the fair market value of our common stock on the first day of the offering period, then that offering will terminate immediately as of that first trading day, and the participants in such terminated offering will be automatically enrolled in a new offering beginning on the first trading day of such new purchase period.

Eligibility. Generally, each regular employee (including officers) employed by us, by any of our parent or subsidiary companies designated by the Plan Administrator, or by any branch or representative office of any of our parent or subsidiary companies designated by the Plan Administrator may participate in offerings under the Amended and Restated 2012 Purchase Plan, provided such employee has been in our continuous employment for such period preceding the first day of the offering period as the Plan Administrator may require, but in no event may the required period of continuous employment be greater than two years. In addition, the Plan Administrator may (unless prohibited by law) provide that an employee will not be eligible to be granted purchase rights under the Amended and Restated 2012 Purchase Plan unless such employee is customarily employed for more than 20 hours per week and five months per calendar year. The Plan Administrator may provide in any offering that certain of our employees who are “highly compensated” as defined in the Code are not eligible to participate in the Amended and Restated 2012 Purchase Plan.

However, no employee is eligible to participate in the Amended and Restated 2012 Purchase Plan if, immediately after the grant of purchase rights, the employee would own, directly or indirectly, stock possessing 5% or more of the total combined voting power or value of all classes of our stock or of any of our parent or subsidiary companies, including any stock which such employee may purchase under all outstanding purchase rights and options. In addition, no employee may purchase more than \$25,000 worth of our common stock, valued at the time each purchase right is granted, for each calendar year during which those purchase rights are outstanding.

All of our approximately 8,840 employees working more than 20 hours per week as of March 25, 2014 are eligible to participate in the Amended and Restated 2012 Purchase Plan.

Participation in the Amended and Restated 2012 Purchase Plan. An eligible employee may enroll in the Amended and Restated 2012 Purchase Plan by delivering to us, prior to the date selected by the Plan Administrator as the beginning of an offering period, an agreement authorizing contributions as specified by the Plan Administrator, which may be up to 15% of such employee’s earnings during the applicable period.

Purchase Price. The purchase price per share at which shares of our common stock are sold on each purchase date during an offering period will not be less than 85% of the lesser of (i) the fair market value per share of our common stock on that purchase date or (ii) the fair market value per share of our common stock on the first day of the offering period. As of March 25, 2014, the closing price of our common stock as reported on the NASDAQ Global Select Market was \$18.45 per share.

Payment of Purchase Price; Contributions. The purchase price of the shares is generally funded by payroll deductions accumulated over the offering period, unless otherwise required by local laws. During an offering, a participant may change his or her rate of contributions, as determined by the Plan Administrator in the offering. All contributions made for a participant are credited to his or her account under the Amended and Restated 2012 Purchase Plan and deposited with our general funds.

Purchase of Stock. By executing an agreement to participate in the Amended and Restated 2012 Purchase Plan, an employee is entitled to purchase shares under the Amended and Restated 2012 Purchase Plan. In connection with offerings made under the Amended and Restated 2012 Purchase Plan, the Plan Administrator may specify a maximum number of shares of common stock that each participant may purchase and a maximum aggregate number of shares of common stock that may be purchased by all participants in such offering. If the aggregate number of shares to be purchased upon exercise of outstanding purchase

rights in the offering would exceed any such maximum number, the Plan Administrator will make a pro rata allocation of available shares in a uniform and equitable manner. Unless an employee's participation is discontinued, his or her right to purchase shares is exercised automatically on the next purchase date at the applicable price. See "Withdrawal" below.

Withdrawal. Participants may withdraw from a given offering period by delivering a withdrawal form provided by us and terminating their contributions. Such withdrawal may occur at any time prior to the end of an offering, except as otherwise provided by the Plan Administrator. Upon such withdrawal, we will refund accumulated but unused contributions without interest to the employee, and such employee's right to participate in that offering will terminate. However, an employee's withdrawal from an offering does not affect such employee's eligibility to participate in future offerings under the Amended and Restated 2012 Purchase Plan.

Termination of Employment. Purchase rights granted pursuant to any offering under the Amended and Restated 2012 Purchase Plan terminate immediately upon cessation of employment for any reason or if a participant is otherwise no longer eligible to participate, and we will refund all accumulated contributions to such employee without interest.

Restrictions on Transfer and Sales. Purchase rights granted under the Amended and Restated 2012 Purchase Plan are not transferable and may be exercised only by the person to whom such rights are granted, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation.

Changes in Capitalization. In the event of certain capitalization adjustments, the Plan Administrator will appropriately adjust: (i) the class(es) and maximum number of securities subject to the Amended and Restated 2012 Purchase Plan; (ii) the class(es) and number of securities and price per share in effect under each outstanding purchase right; and (iii) the class(es) and number of securities that are the subject of any purchase limits under each ongoing offering.

Effect of Certain Corporate Transactions. In the event of a corporate transaction (as defined in the Amended and Restated 2012 Purchase Plan and described below), any surviving or acquiring corporation (or its parent company) may assume or continue outstanding purchase rights or substitute similar purchase rights for outstanding purchase rights. If the surviving or acquiring corporation (or its parent company) does not assume or continue such rights or substitute similar rights, then the participants' accumulated contributions will be applied to the purchase of shares of our common stock within 10 business days prior to the corporate transaction, and such outstanding purchase rights will terminate immediately thereafter.

For purposes of the Amended and Restated 2012 Purchase Plan, a corporate transaction generally will be deemed to occur in the event of the consummation of: (i) a sale or other disposition of all or substantially all of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Plan Amendments and Termination. The Plan Administrator may amend or terminate the Amended and Restated 2012 Purchase Plan at any time. However, purchase rights granted before amendment or termination of the Amended and Restated 2012 Purchase Plan will not be materially impaired by any such amendment or termination, except (i) with the consent of the affected participant, (ii) as necessary to comply with any laws, listing requirements or governmental regulations (including Section 423 of the Code) or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. We will obtain stockholder approval of any amendment to the Amended and Restated 2012 Purchase Plan as required by applicable law and listing requirements.

U.S. Federal Income Tax Consequences

The following is a summary of the principal United States federal income taxation consequences to employees and us with respect to participation in the component of the Amended and Restated 2012 Purchase Plan intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. This summary is not intended to be exhaustive, and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant may

reside or the taxation consequences with respect to participation in any component of the Amended and Restated 2012 Purchase Plan not intended to meet the requirements of Section 423 of the Code. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any participant may depend on his or her particular situation, each participant should consult the recipient's tax adviser regarding the federal, state, local, and other tax consequences of the grant or exercise of a purchase right or the disposition of stock acquired under the Amended and Restated 2012 Purchase Plan. The Amended and Restated 2012 Purchase Plan is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974. Our ability to realize the benefit of any tax deductions described below depends on our generation of taxable income as well as the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of our tax reporting obligations.

Under the component of the Amended and Restated 2012 Purchase Plan that is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code, a participant will be taxed on amounts withheld for the purchase of shares of our common stock as if such amounts were paid directly to the participant. However, no taxable income will be recognized by a participant, and no deductions will be allowable to us, upon either the grant or exercise of purchase rights. Taxable income will not be recognized until there is a sale or other disposition of the shares acquired under the Amended and Restated 2012 Purchase Plan, or in the event the participant should die while still owning the purchased shares.

If a participant sells or otherwise disposes of the purchased shares within two years after the beginning of the offering period in which such shares were acquired or within one year after the actual purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the amount by which the fair market value of the shares on the purchase date exceeded the purchase price paid for those shares, and we will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal in amount to such excess. The participant will also recognize a capital gain to the extent the amount realized upon the sale of the shares exceeds the sum of the aggregate purchase price for those shares and the ordinary income recognized in connection with their acquisition.

If the participant sells or disposes of the purchased shares more than two years after the beginning of the offering period in which such shares were acquired and more than one year after the actual purchase date of those shares, the participant will generally recognize ordinary income in the year of sale or disposition equal to the lesser of (a) the excess of the fair market value of the shares at the time of such disposition over the purchase price or (b) the excess of the fair market value of the shares as of the beginning of the offering period over the purchase price. Any further gain or any loss will be taxed as a long-term capital gain or loss. We will not be entitled to an income tax deduction with respect to such disposition.

If the participant still owns the purchased shares at the time of death, then a transfer by the estate will be considered a distribution and the lesser of the following amounts will be treated as ordinary income: (a) the excess of the fair market value of the shares at the time of death over the purchase price or (b) the excess of the fair market value of the shares as of the beginning of the offering period over the purchase price. Any further gain or any loss will be taxed as a long-term capital gain or loss.

New Plan Benefits

Participation in the Amended and Restated 2012 Purchase Plan will be voluntary and each eligible employee will make his or her own decision whether and to what extent to participate in the Amended and Restated 2012 Purchase Plan. In addition, we have not approved any grants of purchase rights that are conditioned on stockholder approval of this Proposal 5. Accordingly, we cannot currently determine the benefits or number of shares that will be received in the future by individual employees or groups of employees under the Amended and Restated 2012 Purchase Plan. Our non-employee directors will not be eligible to participate in the Amended and Restated 2012 Purchase Plan.

2012 Purchase Plan Benefits

The following table shows, for each of the individuals and the various groups indicated, the number of shares of our common stock that have been purchased under the 2012 Purchase Plan since its approval by our stockholders in 2012 through March 25, 2014.

2012 Employee Stock Purchase Plan	
Name and position	Number of shares
Jen-Hsun Huang Chief Executive Officer and President	2,723
Colette M. Kress Executive Vice President and Chief Financial Officer	—
Karen T. Burns Vice President, Finance and Former Interim Chief Financial Officer	3,849
Ajay K. Puri Executive Vice President, Worldwide Sales	3,849
David M. Shannon Executive Vice President, Chief Administrative Officer and Secretary	3,849
Debora Shoquist Executive Vice President, Operations.	3,071
All Current Executive Officers as a Group (5 People)	13,492
All Current Non-Executive Directors as a Group.	—
All Current and Former Employees as a Group (including all current non-executive officers).	9,596,067
Each Nominee for Director:	
Robert K. Burgess	—
Tench Coxe	—
James C. Gaither	—
Jen-Hsun Huang.	2,723
Dawn Hudson	—
Harvey C. Jones	—
William J. Miller	—
Mark L. Perry.	—
A. Brooke Seawell.	—
Mark A. Stevens.	—
Each Associate of any Director, Executive Officer or Nominee	—
Each Other Current and Former 5% Holder or Future 5% Recipient.	—

Additional Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, directors and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership of our common stock and other equity securities with the SEC. Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year 2014, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were complied with, except that a Form 4, covering the sale of 1,190 shares of our common stock by Michael Byron, our principal accounting officer, was filed late by Mr. Byron.

Other Matters

The Board knows of no other matters that will be presented for consideration at the 2014 Annual Meeting. If any other matters are properly brought before the 2014 Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors



David M. Shannon
Secretary

April 10, 2014

A COPY OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 26, 2014 AS FILED WITH THE SEC IS BEING FURNISHED TO STOCKHOLDERS CONCURRENTLY HEREWITH. STOCKHOLDERS MAY SUBMIT A WRITTEN REQUEST FOR AN ADDITIONAL COPY OF THE ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 26, 2014 TO: INVESTOR RELATIONS, NVIDIA CORPORATION, 2701 SAN TOMAS EXPRESSWAY, SANTA CLARA, CALIFORNIA 95050. WE WILL ALSO FURNISH A COPY OF ANY EXHIBIT TO THE ANNUAL REPORT ON FORM 10-K IF SPECIFICALLY REQUESTED IN WRITING.

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APPENDIX A

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 __, 2014]

Termination Date: March 21, 2022

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 in accordance with the provisions of Section 3(b) below. 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.

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 a Stock 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).
- (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 Participant's 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 Officers.** The Board may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; *provided, however*, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding

anything to the contrary in this Section 2(d), the Board may not delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) 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.

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 187,767,766 shares¹ (the "**2007 Plan Reserve**"). Such maximum number of shares reserved for issuance consists of (i) 152,767,766 shares¹, 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), and (iii) 10,000,000 shares that were approved at the Company's 2014 Annual Meeting of Stockholders. 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.

(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 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 in satisfaction of the withholding of taxes incurred in connection with the exercise of an Option, Stock Appreciation Right, or the issuance of shares under a Restricted Stock Award or Restricted Stock Unit Award pursuant to Section 8(h), the number of shares that are not delivered to the Participant shall not remain available for subsequent

¹ The initial 101,845,177 shares approved in June 2007 were adjusted to 152,767,766 pursuant to a 3-for-2 forward stock split effective September 10, 2007.

issuance under the Plan. If the exercise price of any 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.

(c) **Incentive Stock Option Limit.** Notwithstanding anything to the contrary in this Section 3(d), subject to 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 250,000,000 shares of Common Stock.

(d) **Section 162(m) Limitations.** Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, at such time as the Company may be subject to the applicable provisions of Section 162(m) of the Code, 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 2,000,000 shares of Common Stock;
- (ii) Performance Stock Awards covering more than 2,000,000 shares of Common Stock; and
- (iii) Performance Cash Award 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 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 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 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.
- (v) **Dividends.** A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(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) **Dividend Equivalents.** Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents or the cash amount of any such credited dividend equivalents that are not converted into additional shares will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.
 - (vi) **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, 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 Employee's employment contract, if any), (ii) the service of a Consultant pursuant to the terms of such Consultant's 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 Participant's 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 minimum amount of tax required to be withheld by law (in countries where there is a statutory minimum withholding rate) (or such lower 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 Company's 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 Participant's 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(d); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Sections 3(e) and 6(c)(i), 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 corporation’s 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 successor’s 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 corporation’s 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 Participant’s 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 Participant’s 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 Participant’s 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 Participant’s 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 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 NVIDIA Corporation, a Delaware corporation.

(l) “**Consultant**” means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of the Plan.

(m) “**Continuous Service**” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, will not terminate a Participant’s Continuous Service; *provided, however*, that if the Entity for which a Participant is rendering services ceases to qualify as an “Affiliate” as determined by the Board in its sole discretion, such Participant’s Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service will be considered interrupted in the case of: (i) any leave of absence approved by the Board or the chief executive officer of the Company, including sick leave, military leave or any other personal leave; or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, and except as otherwise required by applicable law or as otherwise determined by the Committee, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only on those days on which the Participant is using Company-paid vacation time and floating holidays and for the first 90 days of leave during which the Participant is not being paid through such vacation time and floating holidays. In addition, to the extent required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of “separation from service” as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(n) “**Corporate Transaction**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

- (i) the consummation of a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;
- (ii) the consummation of a sale or other disposition of at least 50% of the outstanding securities of the Company, in the case of Awards granted on or after the date of the Annual Meeting of Stockholders in 2012, and at least 90% of the outstanding securities of the Company, in the case of Awards granted prior to the date of the Annual Meeting of Stockholders in 2012;
- (iii) the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or
- (iv) the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

To the extent required for compliance with Section 409A of the Code, in no event will an event be deemed a Corporate Transaction 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).

(o) “**Covered Employee**” will have the meaning provided in Section 162(m)(3) of the Code and the regulations promulgated thereunder.

(p) “**Director**” means a member of the Board.

(q) “**Directors’ Plan**” means the Company’s 1998 Non-Employee Directors’ Stock Option Plan.

(r) “**Disability**” means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as provided in Section 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(s) “**Effective Date**” means June 21, 2007, which was the date of the 2007 Annual Meeting of Stockholders of the Company at which this Plan was approved by the Company’s stockholders.

(t) “**Employee**” means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(u) “**Entity**” means a corporation, partnership, limited liability company or other entity.

(v) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(w) “**Exchange Act Person**” means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date as set forth in Section 11, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities.

(x) “**Fair Market Value**” means, as of any date, the value of the Common Stock determined as follows:

- (i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, **the closing sales price** for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) **on the date of determination**, as reported in a source the Board deems reliable.
- (ii) Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.
- (iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(y) “**Full Value Award**” means a Stock Award that is not an Option with respect to which the exercise or strike price is at least 100% of the Fair Market Value on the date of grant or a Stock Appreciation Right with respect to which the exercise or strike price is at least 100% of the Fair Market Value on the date of grant.

(z) “**Incentive Stock Option**” means an option that is intended to be, and qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(aa) “**Non-Employee Director**” means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (“**Regulation S-K**”)), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3.

(bb) “**Nonstatutory Stock Option**” means an option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(cc) “**Officer**” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(dd) “**Option**” means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(ee) “**Option Agreement**” means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(ff) “**Optionholder**” means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(gg) “**Other Stock Award**” means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

(hh) “**Other Stock Award Agreement**” means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ii) “**Outside Director**” means a Director who either (i) is not a current employee of the Company or an “affiliated corporation” (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an “affiliated corporation” who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an “affiliated corporation,” and does not receive remuneration from the Company or an “affiliated corporation,” either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an “outside director” for purposes of Section 162 (m) of the Code.

(jj) “**Own,**” “**Owned,**” “**Owner,**” “**Ownership**” means a person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(kk) “**Participant**” means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(ll) “**Performance Cash Award**” means an award of cash granted pursuant to the terms and conditions of Section 6(c) (ii).

(mm) “**Performance Criteria**” means the one or more criteria that 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) will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to

establish such Performance Goals may be based on any one of, or combination of, the following: (1) earnings, including any of the following: gross profit, operating income, income before income tax, net income, and earnings per share, in each case with any one of or combination of the following exclusions or inclusions: (a) interest income, (b) interest expense, (c) other income that is categorized as non-operating income, (d) other expense that is categorized as non-operating expense, (e) income tax, (f) depreciation, and (g) amortization; (2) total stockholder return; (3) return on equity or average stockholder's equity; (4) return on assets, investment, or capital employed; (5) stock price; (6) gross profit margin; (7) operating income margin; (8) cash flow from operating activities (including cash flow from operating activities per share); (9) free cash flow (including free cash flow per share); (10) change in cash and cash equivalents (or cash flow) (including change in cash and cash equivalents per share (or cash flow per share)); (11) sales or revenue targets; (12) increases in revenue or product revenue; (13) expenses and cost reduction goals; (14) improvement in or attainment of expense levels; (15) improvement in or attainment of working capital levels; (16) economic value added (or an equivalent metric); (17) market share; (18) share price performance; (19) debt reduction; (20) implementation or completion of projects or processes; (21) customer satisfaction; (22) stockholders' equity; (23) capital expenditures; (24) debt levels; (25) workforce diversity; (26) growth of net income or operating income; (27) employee retention; (28) quality measures; and (29) to the extent that an Award is not intended to qualify as "performance-based compensation" under Section 162(m) of the Code, other measures of performance selected by the Board. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award. 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) will, in its sole discretion, define the manner of calculating the Performance Criteria it selects to use for such Performance Period.

(nn) "**Performance Goals**" means, for a Performance Period, the one or more goals established 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) for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. 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) will be authorized to appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows, provided that any such adjustments must be objectively determinable to the extent that the Award is intended to qualify as "performance-based compensation" under Section 162(m) of the Code: (1) to exclude the effects of stock-based compensation (including any modification charges); (2) to exclude the portion of any legal settlement assigned as past infringement (*i.e.* the fair value associated with the portion of settlement that is non-recurring); (3) to exclude restructuring charges (including any costs associated with a reduction in force and/or shutting down of business operations, such as severance compensation and benefits and the cost to shut down operating sites/offices); (4) to exclude amortization expenses associated with intangible assets obtained through a business combination (acquisition or asset purchase); (5) to exclude other costs incurred in connection with acquisitions or divestitures (including potential acquisitions or divestitures) that are required to be expensed under generally accepted accounting principles (including any direct acquisition costs that are not associated with providing ongoing future benefit to the combined company and certain compensation costs associated with an acquisition, such as one-time compensation charges, longer-term retention incentives, and associated payroll tax charges); (6) to exclude any exchange rate effects; (7) to exclude the effects of changes to generally accepted accounting principles; (8) to exclude the effects of any statutory adjustments to corporate tax rates; (9) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (10) to exclude the dilutive effects of acquisitions or joint ventures; (11) to exclude the effect of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (12) to exclude the effects of the award of bonuses under the Company's bonus plans; (13) to exclude any goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; (14) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item, or any charges related to events that are infrequent or unusual in the Company's business operations; (15) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (16) to include non-operational credits (*i.e.*, situations when directly related amounts have not been previously charged to

the Company's results of operations); and (17) to the extent that an Award is not intended to qualify as "performance-based compensation" under Section 162(m) of the Code, to appropriately make any other adjustments selected by the Board.

(oo) "**Performance Period**" means the period of time selected 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) over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of 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).

(pp) "**Performance Stock Award**" means a Stock Award granted under the terms and conditions of Section 6(c)(i).

(qq) "**Plan**" means this NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan.

(rr) "**Prior Plans**" means the NVIDIA Corporation 1998 Equity Incentive 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, each as in effect immediately prior to the Effective Date.

(ss) "**Restricted Stock Award**" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(tt) "**Restricted Stock Award Agreement**" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(uu) "**Restricted Stock Unit Award**" means a right to receive shares of Common Stock (or cash equivalent) which is granted pursuant to the terms and conditions of Section 6(b).

(vv) "**Restricted Stock Unit Award Agreement**" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(ww) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(xx) "**Securities Act**" means the Securities Act of 1933, as amended.

(yy) "**Stock Appreciation Right**" or "**SAR**" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(zz) "**Stock Appreciation Right Agreement**" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(aaa) "**Stock Award**" means any right to receive Common Stock granted under the Plan, including an Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award, or any Other Stock Award.

(bbb) "**Stock Award Agreement**" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ccc) “**Subsidiary**” means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

(ddd) “**Ten Percent Stockholder**” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

APPENDIX B

NVIDIA Corporation 2012 Employee Stock Purchase Plan

Adopted 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 __, 2014]

1. General; Purpose.

(a) The Plan is intended as the successor to and continuation of the NVIDIA Corporation 1998 Employee Stock Purchase Plan (the “**1998 Plan**”). From and after 12:01 a.m. Pacific Standard Time on the Effective Date, no additional rights to purchase shares of Common Stock will be granted under the 1998 Plan. All rights to purchase shares granted on or after 12:01 a.m. Pacific Standard Time on the Effective Date will be granted under this Plan. Any rights to purchase shares of Common Stock granted under the 1998 Plan will remain subject to the terms of the 1998 Plan and any offering document or other agreements or governing documents describing the terms and conditions of offerings made pursuant to the 1998 Plan.

- (i) Any shares of Common Stock that would otherwise remain available for future offerings under the 1998 Plan as of 12:01 a.m. Pacific Standard Time on the Effective Date (the “**1998 Plan's Available Reserve**”) will cease to be available under the 1998 Plan at such time. Instead, that number of shares of Common Stock equal to the 1998 Plan's Available Reserve will be added to the Share Reserve (as further described in Section 3(a) below) and be then immediately available for grants hereunder, up to the maximum number set forth in Section 3(a) below.
- (ii) In addition, from and after 12:01 a.m. Pacific Standard Time on the Effective Date, with respect to the aggregate number of shares subject, at such time, to outstanding grants under the 1998 Plan that would, but for the operation of this sentence, subsequently return to the share reserve of the 1998 Plan (such shares, the “**Returning Shares**”), such shares of Common Stock will not return to the share reserve of the 1998 Plan, and instead that number of shares of Common Stock equal to the Returning Shares will immediately be added to the Share Reserve as and when such a share becomes a Returning Shares, up to a maximum number set forth in Section 3(a) below.

(b) The Plan provides a means by which Eligible Employees of the Company and certain Designated Companies may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees.

(c) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

(d) This Plan includes two components: a 423 Component and a Non-423 Component. It is the intention of the Company to have the 423 Component qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes the grant of Purchase Rights under the Non-423 Component that does not meet the requirements of an Employee Stock Purchase Plan because of deviations necessary or advisable to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside of the United States while complying with applicable

foreign laws; such Purchase Rights will be granted pursuant to rules, procedures or subplans adopted by the Board designed to achieve these objectives for Eligible Employees and the Company and its Related Corporations. Except as otherwise provided herein or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component. In addition, under the 423 Component of the Plan, the Company may make separate Offerings which vary in terms (although not inconsistent with the provisions in the Plan and not inconsistent with the requirements of an Employee Stock Purchase Plan) and the Company will designate which Designated Company is participating in each separate Offering.

(e) If a Participant transfers employment from the Company or any Designated 423 Corporation participating in the 423 Component to a Designated Non-423 Corporation participating in the Non-423 Component, he or she will immediately cease to participate in the 423 Component; however, any Contributions made for the Purchase Period in which such transfer occurs will be transferred to the Non-423 Component, and such Participant will immediately join the then current Offering under the Non-423 Component upon the same terms and conditions in effect for his or her participation in the Plan, except for such modifications as may be required by applicable law. A Participant who transfers employment from a Designated Non-423 Corporation participating in the Non-423 Component to the Company or any Designated 423 Corporation participating in the 423 Component will remain a Participant in the Non-423 Component until the earlier of (i) the end of the current Offering Period under the Non-423 Component, or (ii) the Offering Date of the first Offering in which he or she participates following such transfer.

2. **Administration.**

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

- (i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical), including which Designated 423 Corporations and Designated Non-423 Corporations will participate in the 423 Component or the Non-423 Component.
- (ii) To designate from time to time which Related Corporations of the Company will be eligible to participate in the Plan as Designated 423 Corporations and Designated Non-423 Corporations and which Affiliates will be eligible to participate in the Plan as Designated Non-423 Corporations and also to designate which Designated Companies will participate in each separate Offering (to the extent the Company makes separate Offerings).
- (iii) To construe and interpret the Plan and Purchase Rights, 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, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.
- (iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.
- (v) To suspend or terminate the Plan at any time as provided in Section 12.
- (vi) To amend the Plan at any time as provided in Section 12.
- (vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the 423 Component be treated as an Employee Stock Purchase Plan.

(viii) To adopt such procedures and sub-plans as are necessary or appropriate to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside the United States. Without limiting the generality of, but consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures and subplans, which, for purposes of the Non-423 Component, may be outside the scope of Section 423 of the Code, regarding, without limitation, eligibility to participate in the Plan, handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, which may vary according to local requirements.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration 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 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. 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. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) 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.

3. **Shares of Common Stock Subject to the Plan.**

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum aggregate number of shares of Common Stock that may be issued under the Plan will not exceed 67,932,333 shares of Common Stock (the "**Share Reserve**"), which number is the sum of (i) 12,500,000 shares that were approved at the Company's 2014 Annual Meeting of Stockholders, (ii) 32,000,000 shares that were approved at the Company's 2012 Annual Meeting of Stockholders, (iii) the number of shares subject to the 1998 Plan's Available Reserve, in an amount not to exceed 8,432,333 shares, and (iv) the number of shares that are Returning Shares, as such shares become available from time to time, in an amount not to exceed 15,000,000 shares.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. **Grant of Purchase Rights; Offering.**

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering on Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and with respect to the 423 Component will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan; and (ii) a

Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of the shares of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of the shares of Common Stock on the Offering Date, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. **Eligibility.**

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation or an Affiliate. Except as provided in Section 5(b), an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company, a Related Corporation or an Affiliate, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may (unless prohibited by law) provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company, the Related Corporation or the Affiliate is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on or after the day on which such person becomes an Eligible Employee, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

- (i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;
- (ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of the original Offering; and
- (iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation (unless otherwise required by law). For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which exceeds \$25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any Designated Company, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may (unless prohibited by law) provide

in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

6. Purchase Rights; Purchase Price.

(a) On each Offering Date, each Eligible Employee will be granted a Purchase Right under the applicable Offering to purchase up to that number of shares of Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board but in either case not exceeding 15%, of such Employee's eligible earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such other date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering, and/or (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

- (i) an amount equal to (85%) of the Fair Market Value of the shares of Common Stock on the Offering Date; or
- (ii) an amount equal to (85%) of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. Participation; Withdrawal; Termination.

(a) An Eligible Employee may elect to authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where applicable law requires that Contributions be deposited with a third party or otherwise segregated. If permitted in the Offering, a Participant may reduce (including to zero) or increase his or her Contributions. If required under applicable law or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash or check or wire transfer prior to a Purchase Date, in the manner directed by the Company.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute to such Participant all of his or her accumulated but unused Contributions. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but the Participant will be required to deliver a new enrollment form to participate in future Offerings.

(c) Unless otherwise required by applicable law, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason or (ii) is otherwise no longer eligible to participate. The Company will distribute to such individual all of his or her accumulated but unused Contributions.

(d) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(e) The Company has no obligation to pay interest on Contributions, unless otherwise required by applicable law.

8. Exercise of Purchase Rights.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) If any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock on the final Purchase Date of an Offering and such remaining amount is less than the amount required to purchase one share of Common Stock, then such remaining amount will be held in such Participant's account for the purchase of shares of Common Stock under the next Offering under the Plan, unless such Participant withdraws from or is not eligible to participate in such Offering, in which case such amount will be distributed to such Participant after the final Purchase Date, without interest (unless otherwise required by applicable law). If the amount of Contributions remaining in a Participant's account after the purchase of shares of Common Stock on the final Purchase Date of an Offering is at least equal to the amount required to purchase one whole share of Common Stock, then such remaining amount will not roll over to the next Offering and will instead be distributed in full to such Participant after the final Purchase Date, without interest (unless otherwise required by applicable law).

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable laws. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 27 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all applicable laws, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest (unless otherwise required under applicable local law).

9. Covenants of the Company.

The Company will seek to obtain from each federal, state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless doing so would be an unreasonable cost to the Company compared to the potential benefit to Eligible Employees which the Company shall determine at its discretion. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. Designation of Beneficiary.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. Adjustments upon Changes in Common Stock; Corporate Transactions.

(a) On 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 number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights; and (iii) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) On a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights; or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. Amendment, Termination or Suspension of the Plan.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by applicable law or listing requirements, including any amendment 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 become Participants and receive Purchase Rights, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common Stock may be purchased under the Plan, (iv) materially extends the term of the Plan, or (v) expands the types of awards available for issuance under the Plan, but in each of (i) through (v) above only to the extent stockholder approval is required by applicable law or listing requirements.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the Effective Date, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may

amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan comply with the requirements of Section 423 of the Code.

13. Code Section 409A; Tax Qualification.

(a) Purchase Rights granted under the 423 Component are intended to be exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(b)(5)(ii). Purchase Rights granted under the Non-423 Component to U.S. taxpayers are intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities will be construed and interpreted in accordance with such intent. Subject to Section 13(b) hereof, Purchase Rights granted to U.S. taxpayers under the Non-423 Component will be subject to such terms and conditions that will permit such Purchase Rights to satisfy the requirements of the short-term deferral exception available under Section 409A of the Code, including the requirement that the shares subject to a Purchase Right be delivered within the short-term deferral period. Subject to Section 13(b) hereof, in the case of a Participant who would otherwise be subject to Section 409A of the Code, to the extent the Board determines that a Purchase Right or the exercise, payment, settlement or deferral thereof is subject to Section 409A of the Code, the Purchase Right will be granted, exercised, paid, settled or deferred in a manner that will comply with Section 409A of the Code, including U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the adoption of the Plan. Notwithstanding the foregoing, the Company will have no liability to a Participant or any other party if the Purchase Right that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Board with respect thereto.

(b) Although the Company may endeavor to (i) qualify a Purchase Right for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan, including Section 13(a) hereof. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

14. Effective Date of Plan.

The Plan will become effective on the Effective Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

15. Miscellaneous Provisions.

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

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation or an Affiliate, or on the part of the Company or a Related Corporation or an Affiliate to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of California without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

16. **Definitions.**

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

(a) “**423 Component**” means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for Employee Stock Purchase Plans may be granted to Eligible Employees.

(b) “**Affiliate**” means any branch or representative office of a Related Corporation, as determined by the Board, whether now or hereafter existing.

(c) “**Board**” means the Board of Directors of the Company.

(d) “**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 Purchase Right 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, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other 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.

(e) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

(f) “**Committee**” means a committee of one or more members of the Board to whom authority has been delegated by the Board.

(g) “**Common Stock**” means the common stock of the Company.

(h) “**Company**” means NVIDIA Corporation, a Delaware corporation.

(i) “**Contributions**” means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(j) “**Corporate Transaction**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

- (i) the consummation of a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;
- (ii) the consummation of a sale or other disposition of at least 50% of the outstanding securities of the Company;
- (iii) the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or
- (iv) the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger,

consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

To the extent required for compliance with Section 409A of the Code, in no event will an event be deemed a Corporate Transaction 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 asset of” the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(k) “**Designated Non-423 Corporation**” means any Related Corporation or Affiliate selected by the Board as eligible to participate in the Non-423 Component.

(l) “**Designated Company**” means a Designated Non-423 Corporation or Designated 423 Corporation.

(m) “**Designated 423 Corporation**” means any Related Corporation selected by the Board as eligible to participate in the 423 Component.

(n) “**Director**” means a member of the Board.

(o) “**Effective Date**” means the effective date of this Plan document, which is the date of the 2012 Annual Meeting of Shareholders of the Company provided this Plan is approved by the Company's stockholders at such meeting.

(p) “**Eligible Employee**” means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(q) “**Employee**” means any person, including an Officer or Director, who is treated as an employee in the records of the Company or a Related Corporation (including an Affiliate). However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(r) “**Employee Stock Purchase Plan**” means a plan that grants Purchase Rights intended to be options issued under an “employee stock purchase plan,” as that term is defined in Section 423(b) of the Code.

(s) “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

(t) “**Fair Market Value**” means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be the **closing sales price** for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) **on the date of determination**, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with applicable laws.

(u) “**Non-423 Component**” means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for Employee Stock Purchase Plans may be granted to Eligible Employees.

(v) “**Offering**” means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the “**Offering Document**” approved by the Board for that Offering.

(w) “**Offering Date**” means a date selected by the Board for an Offering to commence.

(x) “**Officer**” means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(y) “**Participant**” means an Eligible Employee who holds an outstanding Purchase Right.

(z) “**Plan**” means this NVIDIA Corporation 2012 Employee Stock Purchase Plan, including both the 423 and Non-423 Components, as amended from time to time.

(aa) “**Purchase Date**” means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

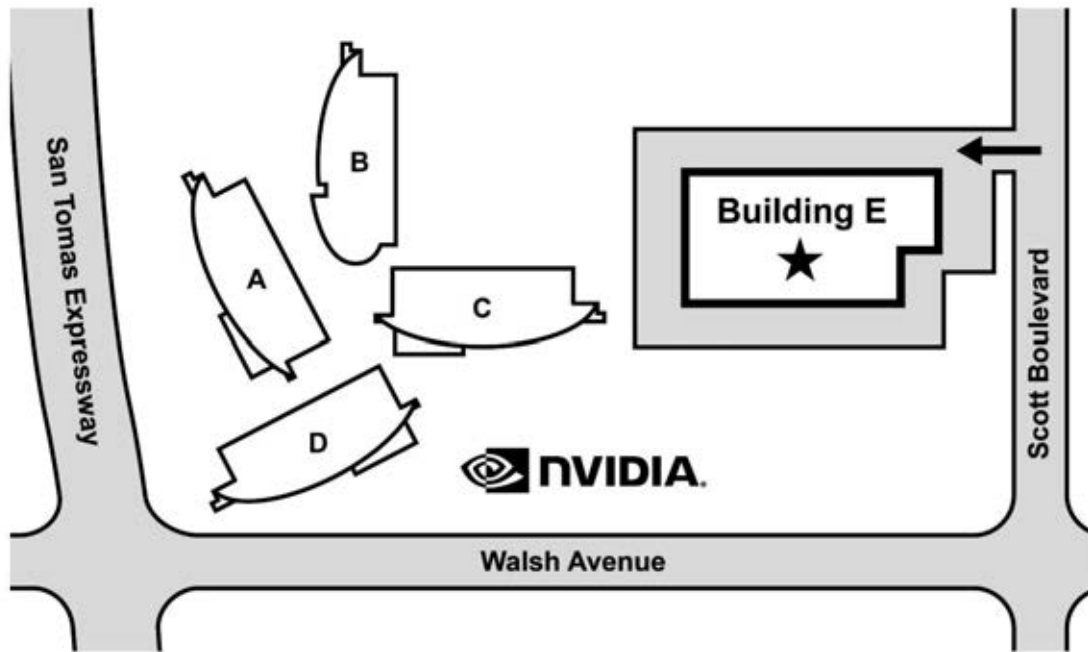
(bb) “**Purchase Period**” means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(cc) “**Purchase Right**” means an option to purchase shares of Common Stock granted pursuant to the Plan.

(dd) “**Related Corporation**” means any “parent corporation” or “subsidiary corporation” of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and 424(f), respectively, of the Code.

(ee) “**Securities Act**” means the U.S. Securities Act of 1933, as amended.

(ff) “**Trading Day**” means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the NYSE, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.



Directions to Our Headquarters—Building E

FROM HIGHWAY 101

Take the San Tomas/Montague Exit
Follow the sign to San Tomas Expressway
Stay on San Tomas for less than a mile to Walsh Avenue
Turn left onto Walsh Avenue
Continue on Walsh Avenue to the stoplight at Scott Boulevard
Turn left onto Scott Boulevard
2800 Scott Boulevard is the first office building on the left
Turn left into 2800 Scott Boulevard

FROM INTERSTATE 280

Take the Saratoga Ave/Saratoga Exit towards Santa Clara
Stay on Saratoga Avenue for about 1 mile
Turn left onto San Tomas Expressway and drive for approximately 3 miles to Walsh Avenue
Turn right onto Walsh Avenue
Continue on Walsh Avenue to the stoplight at Scott Boulevard
Turn left onto Scott Boulevard
2800 Scott Boulevard is the first office building on the left
Turn left into 2800 Scott Boulevard

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 26, 2014

OR

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

Commission file number: 0-23985



NVIDIA CORPORATION
(Exact name of registrant as specified in its charter)

Delaware

94-3177549

(State or other jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

2701 San Tomas Expressway
Santa Clara, California 95050
(408) 486-2000

(Address, including zip code, and telephone number, including area code, of principal executive offices)

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

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

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

None

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

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of July 26, 2013 was approximately \$7.82 billion (based on the closing sales price of the registrant's common stock as reported by the NASDAQ Global Select Market on July 26, 2013). This calculation excludes approximately 27,595,765 shares held by directors and executive officers of the registrant. This calculation does not exclude shares held by such organizations whose ownership exceeds 5% of the registrant's outstanding common stock that have represented to the registrant that they are registered investment advisers or investment companies registered under section 8 of the Investment Company Act of 1940.

The number of shares of common stock outstanding as of March 7, 2014 was 554,241,412.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

NVIDIA CORPORATION

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Forward-Looking Statements

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

All references to “NVIDIA,” “we,” “us,” “our” or the “Company” mean NVIDIA Corporation and its subsidiaries, except where it is made clear that the term means only the parent company.

© 2014 NVIDIA Corporation. All rights reserved. NVIDIA, the NVIDIA logo, GeForce, NVIDIA Fermi, ICERA, Kepler, Quadro, Tesla, Tegra, NVIDIA GRID are trademarks and/or registered trademarks of NVIDIA Corporation in the U.S. and other countries.

PART I

ITEM 1. BUSINESS

Our Company

NVIDIA is a visual computing company. In a world increasingly filled with visual displays, our graphics technologies let our customers interact with the world of digital ideas, information and entertainment with an efficiency that no other communication medium can match.

Our strategy is to be the world leader in visual computing. We target applications in each of the major computing platforms - PC, cloud, mobile - where we can create value. Our target markets are gaming, design and visualization, high performance computing, or HPC, and data center, and automotive and smart devices. We deploy business models we believe are best suited for each application, whether IP, chips, systems, or NVIDIA-branded devices and services.

We have long been known for bringing video games to life with our PC graphics chips. With our invention of the GPU, we introduced the world to the power of programmable shading, which defines modern computer graphics. Today, we reach well beyond PC graphics and games. Our energy-efficient processors are at the heart of products ranging from smartphones to automobiles to supercomputers. We believe in leveraging our processors and visual computing expertise to create differentiated products.

PC gamers choose our GPUs to enjoy immersive fantasy worlds. Our Tegra system-on-a-chip, or SOC, processors power smartphones, tablets and automobile infotainment systems. Professional designers use our GPUs to create visual effects in movies and design everything from audio headsets to commercial aircraft. Supercomputers take advantage of the massively parallel processing capabilities of our GPUs to accelerate a wide range of important applications, from simulations of viruses to weather forecasting and global oil exploration.

NVIDIA's research and development in visual computing has yielded approximately 7,000 patent assets, including inventions essential to modern computing.

Our businesses are based on two technologies with a consistent underlying graphics architecture: the GPU and the Tegra processor.

GPUs, each with billions of transistors, are the engines of visual computing and among the world's most complex processors. We have GPU product brands aimed at specific users and applications: GeForce for gamers; Quadro for designers; Tesla for researchers; and GRID for cloud-based graphics.

- In gaming, GPUs enhance the gaming experience on PCs by improving the visual quality of graphics, increasing the frame rate for smoother gameplay and improving realism by replicating the behavior of light and physical objects.
- For designers, GPUs improve productivity and introduce new capabilities. For example, an architect designing a new building in a CAD package can interact with the model in real time, the model can be more detailed, and photo realistic renderings can be generated for the client.
- Researchers can use GPUs to run their simulations faster while consuming less power, increasing the accuracy of weather forecasts, or pricing financial derivatives more quickly.
- GRID uses GPUs to deliver graphics performance remotely, from the cloud. Uses include gaming, professional applications provided as a service (SaaS) and improving Citrix and VMware installations.

The Tegra processor is a SOC integrating an entire computer on a single chip. Tegra processors incorporate GPUs and multi-core CPUs together with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Our Tegra SOC conserves power while delivering state-of-the-art graphics and multimedia processing.

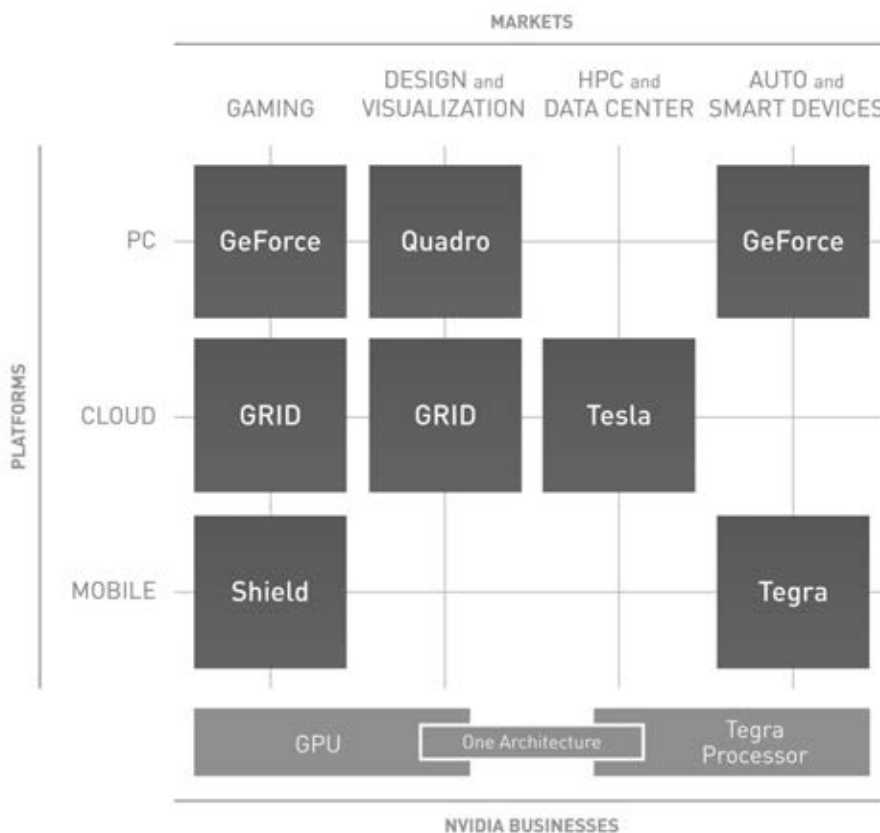
Tegra runs devices like smartphones, tablets and PCs; it can also be embedded into smart devices, such as televisions, monitors, set-top boxes, gaming devices and cars. SHIELD, our Android gaming device based on Tegra, contains proprietary NVIDIA-developed software and system technologies and leverages our deep partnerships with game developers.

Headquartered in Santa Clara, California, we were incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Our Businesses

Our two reporting segments - GPU and Tegra Processor - leverage a single, unified architecture. On this foundation, we build technologies for each of the major computing platforms - PC, cloud, mobile. We create differentiated brands to target large markets - Gaming, Design and Visualization, HPC and Data Center, and Automotive and Smart Devices - where visual computing is challenging.

NVIDIA Brand Architecture



Businesses

NVIDIA Brands and Product Lines

GPU

- **GeForce** for consumer desktop and notebook PCs
- **Quadro** for professionals working in computer-aided design, video editing, special effects and other applications
- **Tesla** for supercomputing and big data applications
- **GRID** to provide the power of NVIDIA graphics through the cloud

Tegra Processor

- **Tegra** processors for smartphones, tablets, gaming devices, other computer devices such as Windows RT-based devices, set-top boxes, chromebooks, clamshells, and others
- **Icera** baseband processors and radio frequency (RF) transceivers for mobile connectivity
- **Tegra NOTE**, a complete tablet platform based on Tegra 4
- **Tegra VCM**, a Tegra-based vehicle computing module that integrates an entire automotive computer into a single component
- **SHIELD**, an Android gaming device optimized to help users enjoy digital content in the cloud

In addition, we have also announced an IP licensing initiative designed to bring our GPU technology to new markets.

Our Markets

We are focused on markets in which visual computing is important, such as gaming, design and visualization, HPC and data center, and automotive and smart devices.

Gaming

We focus on open platforms - PCs, mobile devices and the cloud. We build processors to deliver the best graphics for a great gaming experience, sophisticated 3D software and algorithms that are incorporated into games, and technology that enables games to be played remotely from the cloud.

Our products for the gaming market include: GeForce GTX GPUs for PC gaming; Tegra processors for mobile devices; the GRID visual computing appliance, which streams games from the cloud to connected devices; and SHIELD. These products can be enjoyed independently or in conjunction with each other to connect the gaming experience across platforms. For example, gamers can use SHIELD to play Android games or stream games from a PC with a GeForce processor; or they can stream games from a GRID gaming server to their PC or TV.

Design and Visualization

Our strategy is to serve as our customers' most trusted graphics partner, working closely with independent software vendors to optimize their offerings for NVIDIA GPUs. Our visual computing solutions enhance productivity for critical parts of the workflow of major industries, ranging from automotive, to film and television broadcast.

Visual computing is vital to productivity in many environments:

- **Design and Manufacturing** - including computer-aided design, architectural design, consumer-products manufacturing, medical instrumentation, and science and aerospace
- **Media and Entertainment** - including professional video editing and movie post production, special effects for movies and television, advertising, and virtual sets for broadcast

- **Virtual Desktop Infrastructure (VDI)** - many enterprises choose to virtualize their IT infrastructure using software from companies such as Citrix and VMware; for these environments, NVIDIA GRID hardware and software can significantly improve the end-user experience

NVIDIA brands for this market include Quadro GPUs for workstations and GRID for enterprise VDI.

NVIDIA Quadro GPUs enhance the productivity of designers by improving performance and adding functionality, such as photorealistic rendering for computer-aided design workstations. Other applications include professional video editing, generating special effects in movies and creating virtual sets for broadcast.

GRID makes it possible to run graphics-intensive applications remotely on a server in the datacenter, instead of locally on a PC or workstation. Applications include accelerating virtual desktop infrastructures and delivering graphics-intensive applications from the cloud.

HPC and Data Center

Our strategy for the HPC and data center market is to serve demand for big data analytics, including aerospace simulation, molecular dynamics, bio-science simulations of viruses, oil and gas exploration.

NVIDIA Tesla applies the parallel-processing capability of GPUs to general-purpose computing problems, greatly increasing performance and power efficiency over CPU-only solutions. Tesla-based servers and supercomputers increase the speed of applications used in bio-science research, mechanical and fluid simulations, energy exploration, computational finance and in big data analytics.

Automotive and Smart Devices

The foundation of our mobile computing strategy is the Tegra processor, which harnesses our expertise in computer chip, software and system design, while leveraging our world-leading expertise in visual computing.

The mobile market is more than smartphones. The combination of Tegra and our significant computing software assets enables us to address the many new markets for connected smart devices. For example, millions of cars are sold each year, and all, we believe, will eventually include multiple smart devices similar to Tegra-based computers that augment our driving experience. They will ensure our safety and the safety of those around us, search and navigate to destinations through heads-up displays, and enhance our comfort and enjoyment. Cars will be connected to our mobile devices. They may someday drive themselves out of parking garages to meet their owners, with the seat and temperature already set to their liking. These features could be enabled by sophisticated navigation and infotainment systems, as well as next-generation safety and driver-assistance systems.

Increasingly, devices are becoming smarter and more connected. There will be smart TVs that respond to voice and gesture commands, smart monitors powered by Android making a PC optional, and watches and jewelry that recognize voice commands and make calls. Our mobile vision is to put Tegra into every device where visual computing is valued.

Our Strategies

Extend Technology Leadership in Visual Computing. We believe that visual computing is fundamental to the continued expansion of computing and essential to new computing experiences that define the future of computing. We apply our expertise in these areas to enhance the user experience for consumer entertainment and professional visualization applications. We focus our significant R&D depth and scale to extend our visual computing leadership.

Enable and Deliver the World's Best Gaming Experiences. By focusing on open platforms and end-to-end experiences, we aim to bring the highest fidelity and quality to any gaming device. We have a broad portfolio of products and technologies

optimized for gamers - GPUs and software, mobile SOCs, value-added solutions such as GeForce Experience and TegraZone, differentiated devices like SHIELD, and technologies and appliances for high-quality streaming in GRID.

Revolutionize Computing with the Parallel Processing Capability of the GPU. NVIDIA CUDA is a general purpose parallel computing platform that leverages the thousands of massively parallel processors inside an NVIDIA GPU to solve many complex computational problems in a fraction of the time required by a CPU and at a fraction of the power consumption. We work with developers worldwide who write programs for the CUDA platform using various high-level programming languages. Developers are able to accelerate applications in areas ranging from molecular dynamics to image processing, derivatives modeling for financial risk analysis and big data analytics.

Extend our Visual Computing Leadership into Mobile and Cloud Computing Platforms. Mobile, cloud and SaaS are driving changes in the computer industry. We believe visual computing will be a key component in this new computing paradigm. We want to enable interactive graphics applications like games, movie and photo editors, and design software to be accessed from any computer and from anywhere. We also believe that the user experience in VDIs, such as those enabled by Citrix and VMware, should be indistinguishable from traditional, non-virtual, environments.

Leverage our Processors and Visual Computing Expertise to Create Differentiated Devices. We leverage our significant R&D depth and scale to create differentiated products, including SHIELD. SHIELD is intended to attract modern gamers who want to play on open platforms. We believe SHIELD also enhances the strategic position of Tegra, for example, by attracting more games to TegraZone, which will in turn make every Tegra-powered device more enjoyable.

Use Our Intellectual Property and Resources to Enter into License and Development Contracts. We believe our intellectual property portfolio is a valuable asset than can be monetized by licensing our technology to customers that desire to build such capabilities directly into their own products. Such license and development arrangements may further enhance the reach of our graphics and mobile technology.

Sales and Marketing

Our worldwide sales and marketing strategy is key to our objective to become the leading supplier of high-performance and efficient GPUs and mobile SOC products. Our sales and marketing teams work closely with each industry's respective original equipment manufacturers, or OEMs, original design manufacturers, or ODMs, system builders, motherboard manufacturers, add-in board manufacturers, or AIBs, and industry trendsetters, collectively referred to as our Channel, to define product features, performance, price and timing of new products. Members of our sales team have a high level of technical expertise and product and industry knowledge to support the competitive and complex design win process. We also employ a highly skilled team of application engineers to assist our Channel in designing, testing and qualifying system designs that incorporate our products. We believe that the depth and quality of our design support are keys to improving our Channel's time-to-market, maintaining a high level of customer satisfaction within our Channel and fostering relationships that encourage customers to use the next generation of our products.

In the markets we serve that purchase our GPUs, the sales process involves achieving key design wins with leading OEMs and major system builders and supporting the product design into high volume production with key ODMs, motherboard manufacturers and AIBs. These design wins in turn influence the retail and system builder channel that is serviced by AIB and motherboard manufacturers. Our distribution strategy is to work with a number of leading independent contract equipment manufacturers, or CEMs, ODMs, motherboard manufacturers, AIBs and distributors, each of which have relationships with a broad range of major OEMs and/or strong brand name recognition in the retail channel. Currently, we sell a significant portion of our processors directly to distributors, CEMs, ODMs, motherboard manufacturers and AIBs, which then sell boards and systems with our products to leading OEMs, retail outlets and a large number of system builders. In the Tegra Processor segment that we serve, the sales process primarily involves achieving key design wins directly with the leading mobile OEMs and supporting the product design into high-volume production.

As a result of our Channel strategy, a small number of our customers represent the majority of our revenue. However, their end customers consist of a large number of OEMs and system builders throughout the world. Sales to our largest customer accounted for 11% of our total revenue for fiscal year 2014.

To encourage software title developers and publishers to develop games optimized for platforms utilizing our products and enterprise applications optimized for our GPUs, we seek to establish and maintain strong relationships in the software development community. Engineering and marketing personnel interact with and visit key software developers to promote and discuss our products, as well as to ascertain product requirements and solve technical problems. Our developer program makes certain that our products are available to developers prior to volume availability in order to encourage the development of software applications and game titles that are optimized for our products.

Backlog

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

Seasonality

Our GPU and Tegra processor products serve many markets from consumer PC gaming to enterprise workstations to government and service provider cloud datacenters; however, a majority of our revenue is consumer focused. Our consumer products have typically seen stronger revenue in the second half of our fiscal year. However, there can be no assurance that this trend will continue.

Manufacturing

We do not directly manufacture semiconductor wafers used for our products. Instead, we utilize what is known as a fabless manufacturing strategy for all of our product-line operating segments whereby we employ world-class suppliers for all phases of the manufacturing process, including wafer fabrication, assembly, testing and packaging. This strategy uses the expertise of industry-leading suppliers that are certified by the International Organization for Standardization in such areas as fabrication, assembly, quality control and assurance, reliability and testing. In addition, this strategy allows us to avoid many of the significant costs and risks associated with owning and operating manufacturing operations. Our suppliers are also responsible for procurement of most of the raw materials used in the production of our products. As a result, we can focus our resources on product design, additional quality assurance, marketing and customer support.

We utilize industry-leading suppliers, such as Taiwan Semiconductor Manufacturing Company Limited, to produce our semiconductor wafers. We then utilize independent subcontractors, such as Advanced Semiconductor Engineering, Inc., JSI Logistics Ltd., King Yuan Electronics Co., Ltd. and Siliconware Precision Industries Company Ltd. to perform assembly, testing and packaging of most of our products. We purchase substrates from IbidenCo., Ltd., Nanya Technology Corporation, and Unimicron Technology Corporation.

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

Inventory and Working Capital

We focus considerable attention on managing our inventories and other working-capital-related items. We manage inventories by communicating with our customers and then using our industry experience to forecast demand on a product-

by-product basis. We then place manufacturing orders for our products that are based on forecasted demand. The quantity of products actually purchased by our customers as well as shipment schedules are subject to revisions that reflect changes in both the customers' requirements and in manufacturing availability. We generally maintain substantial inventories of our products because the semiconductor industry is characterized by short lead time orders and quick delivery schedules. A substantial amount of our inventories are maintained as semi-finished products that can be leveraged across a wide range of our processors to balance our customer demands.

Our existing cash and marketable securities balances increased by 25.3% to \$4.67 billion at the end of fiscal year 2014 compared with the end of fiscal year 2013, primarily due to our issuance of \$1.5 billion in Convertible Senior Notes in December 2013. We believe that these balances and our anticipated cash flows from operations will be sufficient to meet our operating, acquisition, capital purchases and our intended capital return to shareholders needs for at least the next twelve months.

Research and Development

We believe that the continued introduction of new and enhanced products designed to deliver leading visual computing technology including 3D graphics, HD video, audio, ultra-low power consumption and SOC architectures is essential to our future success. Our research and development strategy is to focus on concurrently developing multiple generations of GPUs and Tegra Processors, including GPUs for high-performance computing, and Tegra SOCs for SHIELD and other mobile products using independent design teams. Our research and development efforts are performed within specialized groups consisting of software engineering, hardware engineering, very large scale integration design engineering, process engineering, architecture and algorithms. These groups act as a pipeline designed to allow the efficient simultaneous development of multiple generations of products.

A critical component of our product development effort is our partnerships with leaders in the computer-aided design industry. We invest significant resources in the development of relationships with industry leaders, often assisting these companies in the product definition of their new products. We believe that forming these relationships and utilizing next-generation development tools to design, simulate and verify our products will help us remain at the forefront of the 3D graphics market and develop products that utilize leading-edge technology on a rapid basis. We believe this approach assists us in meeting the new design schedules of PC OEMs and other manufacturers. We believe in leveraging our significant R&D depth and scale to create differentiated products.

As of January 26, 2014, we had 6,384 full-time employees engaged in research and development. During fiscal years 2014, 2013 and 2012, we incurred research and development expense of \$1,335.8 million, \$1,147.3 million and \$1,002.6 million, respectively.

Competition

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

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

Our current competitors include:

- suppliers of discrete and integrated GPUs, including supercomputers and chipsets that incorporate 3D graphics functionality as part of their existing solutions, such as Advanced Micro Devices, or AMD, and Intel Corporation;
- suppliers of SOC products that support tablets, smartphones, and PCs as well as products that are embedded into smart devices such as televisions, monitors, set-top boxes, gaming devices and automobiles, such as AMD, ARM Holdings plc, or ARM, Broadcom Corporation, Freescale Semiconductor Inc., HiSilicon Technologies Co., Ltd., Imagination Technologies Ltd., Intel, Marvell Technology Group Ltd., Mediatek, Qualcomm Incorporated, Renesas Technology Corp., Samsung Electronics Co. Ltd., ST Microelectronics, and Texas Instruments Incorporated;
- licensors of graphics technologies, such as ARM and Imagination Technologies Group plc.; and
- suppliers of cellular basebands, such as Broadcom Corporation, HiSilicon Technologies Co., Ltd., Intel, Marvell Technology Group Ltd., Mediatek, Qualcomm Incorporated, Samsung Electronics Co. Ltd., and Spreadtrum Communications Co., Ltd.

If and to the extent we offer products in new markets, we may face competition from existing competitors as well as from companies with which we currently do not compete. We expect substantial competition from both Intel's and AMD's, strategy of selling platform solutions, including integrating a CPU and a GPU on the same chip or same package, as evidenced by Intel's CPUs with integrated graphics and AMD's accelerated processing unit, or APU, products. As AMD and Intel continue to pursue platform solutions and integrated CPUs, we may not be able to successfully compete and our business could be negatively impacted.

Patents and Proprietary Rights

We rely primarily on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements and licensing arrangements to protect our intellectual property in the United States and internationally. Our currently issued patents have expiration dates from April 2014 to September 2033. We have numerous patents issued, allowed and pending in the United States and in foreign jurisdictions. Our patents and pending patent applications primarily relate to our products and the technology used in connection with our products. We also rely on international treaties, organizations and foreign laws to protect our intellectual property. The laws of certain foreign countries in which our products are or may be manufactured or sold, including various countries in Asia, may not protect our products or intellectual property rights to the same extent as the laws of the United States. This decreased protection makes the possibility of piracy of our technology and products more likely. We continuously assess whether and where to seek formal protection for particular innovations and technologies based on such factors as:

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

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

Employees

As of January 26, 2014, we had 8,808 employees, 6,384 of whom were engaged in research and development and 2,424 of whom were engaged in sales, marketing, operations and administrative positions.

Environmental Regulatory Compliance

To date, we have not incurred significant expenses related to environmental regulatory compliance matters. For additional detail see “Item 1A. Risk Factors - Risks Related to Regulatory, Legal, Our Common Stock and Other Matters - *Our failure to comply with any applicable environmental regulations could result in a range of consequences, including fines, suspension of production, excess inventory, sales limitations, and criminal and civil liabilities.*”

Financial Information by Reporting Segment and Geographic Data

The information included in Note 16 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K, including financial information by reporting segment and revenue and long-lived assets by geographic region, is hereby incorporated by reference. For additional detail regarding the risks attendant to our foreign operations see “Item 1A. Risk Factors - Risks Related to Our Business, Industry and Partners - *We are subject to risks associated with international operations which may harm our business.*”

Executive Officers of the Registrant

The following sets forth certain information regarding our executive officers, their ages and their positions as of March 7, 2014:

Name	Age	Position
Jen-Hsun Huang	51	President, Chief Executive Officer and Director
Colette M. Kress	46	Executive Vice President and Chief Financial Officer
Ajay K. Puri	59	Executive Vice President, Worldwide Sales
David M. Shannon	58	Executive Vice President, Chief Administrative Officer and Secretary
Debora Shoquist	59	Executive Vice President, Operations

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

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

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

David M. Shannon serves as Executive Vice President, Chief Administrative Officer and Secretary of NVIDIA. In this role, he is responsible for NVIDIA's legal and human resources functions, as well as intellectual property licensing. Mr. Shannon joined NVIDIA in August 2002 as Vice President and General Counsel. Mr. Shannon became Secretary of NVIDIA in April 2005, a Senior Vice President in December 2005 and an Executive Vice President in January 2009. In January 2013, Mr. Shannon also became the head of Human Resources. Mr. Shannon was promoted to the role of Chief Administrative Officer in January 2014. From 1993 to 2002, Mr. Shannon held various counsel positions at Intel, most recently the position of Vice President and Assistant General Counsel. Mr. Shannon also practiced for eight years in the law firm of Gibson Dunn and Crutcher, focusing on complex commercial and high-technology related litigation. Mr. Shannon holds B.A. and J.D. degrees from Pepperdine University.

Debora Shoquist joined NVIDIA in September 2007 as Senior Vice President of Operations and became Executive Vice President of Operations in January 2009. From 2004 to 2007, Ms. Shoquist served as Executive Vice President of Operations at JDS Uniphase Corporation, a provider of communications test and measurement solutions and optical products for the telecommunications industry. From 2002 to 2004, Ms. Shoquist served as Senior Vice President and General Manager of the Electro-Optics business at Coherent, Inc., a manufacturer of commercial and scientific laser equipment. Ms. Shoquist's experience includes her role at Quantum Corporation, a data protection company, as the President of the Personal Computer Hard Disk Drive Division. Ms. Shoquist's experience also includes senior roles at Hewlett-Packard. Ms. Shoquist holds a B.S. degree in Electrical Engineering from Kansas State University and a B.S. degree in Biology from Santa Clara University.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, are available free of charge on or through our web site, <http://www.nvidia.com>, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or the SEC. Our web site and the information on it or connected to it are not a part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

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

Risks Related to Our Business, Industry and Partners

If we are unable to compete in the markets for our products, our financial results will be adversely impacted.

The market for our products is extremely competitive, and we expect competition to intensify as current competitors expand their product offerings, industry standards continue to evolve and others realize the market potential of mobile and consumer products and services.

We expect competition to increase from both existing competitors and new market entrants with products that may be less costly than ours, or may provide better performance or additional features not provided by our products. In addition, it is possible that new competitors or alliances among competitors could emerge and acquire significant market share. Furthermore, competitors with greater financial resources may be able to offer lower prices than us, or they may offer additional products, services or other incentives that we may not be able to match. In addition, many of our competitors operate and maintain their own fabrication facilities and have longer operating histories, greater name recognition, larger customer bases, and greater sales, marketing and distribution resources than we do. In order to effectively compete we may have to invest more resources in research and development than anticipated, which could increase our operating expenses and negatively impact our operating results. If we are required to invest significantly greater resources than anticipated in research and development efforts without a corresponding increase in revenue, our operating results could decline. In order to remain competitive and meet the demands of the markets we serve, we expect to devote a substantial portion of our resources to research and development. Our ability to compete will depend on, among other factors, our ability to:

- continue to keep pace with technological developments;
- develop and introduce new products, services, technologies and enhancements on a timely basis;
- transition our semiconductor products to increasingly smaller line width geometries;
- obtain sufficient foundry capacity and packaging materials; and
- succeed in significant foreign markets, such as China and India.

If we are unable to compete in our current or new markets, demand for our products could decrease which could cause our revenue to decline and our financial results to suffer. If and to the extent we offer products in new markets, we may face competition from existing competitors as well as from companies with which we currently do not compete. We expect substantial competition from both Intel and AMD's, strategy of selling platform solutions, including integrating a CPU and a GPU on the same chip or same package, as evidenced by Intel's CPUs with integrated graphics and AMD's APU product. As AMD and Intel continue to pursue platform solutions and integrated CPUs, we may not be able to successfully compete and our business could be negatively impacted. Despite the use of these integrated CPUs, personal computer, or PC, builders and consumers have continued to embrace discrete GPUs to provide higher performance. If integrated CPUs offer a more compelling value proposition in the future, PC builders and consumers may move away from the use of discrete GPUs, which could adversely affect our business and cause our financial results to decline.

We are implementing a business strategy to license our GPU cores and visual computing patent portfolio to device manufacturers. Although we have engaged in licensing in the past, we are now engaging a broader market with new and existing competitors who may be able to adapt more quickly to customer requirements and emerging technologies. We cannot be assured of the extent of the demand for licenses to our GPU cores or other elements of our visual computing patent portfolio, or that we will be able to compete successfully against current or new competitors who may have stronger positions in these new markets.

Our business results could be adversely affected if the identification and development of new products is delayed or unsuccessful.

In order to maintain or improve our financial results, we will need to continue to identify and develop new products and enhancements to our existing products in a timely and cost-effective manner. The process of developing new products and services and enhancing existing products and services is highly complex, costly and uncertain, and any failure by us to anticipate customers' changing needs and emerging technology trends could adversely affect our business. We must make multi-year investments and commit significant resources before knowing whether our predictions will accurately reflect customer demand for our new products and technologies. It is possible that our development efforts will not be successful and that our new technologies will not result in meaningful revenues. Even if we introduce new and enhanced products to the market, we may not be able to achieve consumer and/or market acceptance of them in a timely manner.

Our ability to successfully develop and deliver new products will depend on various factors, including our ability to:

- effectively identify and capitalize upon opportunities in new markets;
- timely complete and introduce new products and technologies;
- transition our semiconductor products to increasingly smaller line width geometries; and
- obtain sufficient foundry capacity and packaging materials.

We occasionally have experienced delays in completing the development and introduction of new products and product enhancements, and we could experience delays in the future. In addition, in the past, we have faced challenges in managing product transitions from older to newer products resulting in obsolete inventory. Our failure to successfully develop and introduce new products and technologies or identify new uses for existing or future products could result in rapidly declining average selling prices, reduced demand for our products or loss of market share, any of which could harm our competitive position and cause our revenue, gross margin and overall financial results to suffer.

If we are unable to achieve consumer and market acceptance and design wins for our products and technologies, our results of operations and competitive position will be harmed.

The success of our business depends to a significant extent on our ability to achieve consumer and market acceptance of our new products and enhancements to our existing products and identify and enter new markets, such as cloud-based computing appliances, servers, automotive technology, smartphones, tablets, video game consoles, and other similar consumer electronic devices. The markets for our products and technologies are characterized by unpredictable and sometimes rapid shifts in the popularity of products, often caused by the publication of competitive industry benchmark results, changes in pricing of dynamic random-access memory devices and other changes in the total system cost of add-in boards, or AIBs, as well as by severe price competition and by frequent new technology and product introductions. Broad consumer and market acceptance is difficult to achieve and such consumer and market acceptance, if achieved, is difficult to sustain due to intense competition and frequent new technology and product introductions. Our success in achieving consumer and market acceptance will depend in part on our ability to cultivate new industry relationships and improve the functionality of our products as the number of internet-connected devices increases. If we do not successfully achieve or maintain consumer and market acceptance for our products and enhancements or identify and enter new markets, our ability to compete and maintain or increase revenues will suffer.

We believe achieving design wins, which entails having our existing and future products chosen for hardware components or subassemblies designed by original equipment manufacturers, or OEMs, original design manufacturers, or ODMs, and AIB and motherboard manufacturers, is an integral part of our future success. Our OEM, ODM, and AIB and motherboard manufacturers' customers typically introduce new system configurations as often as twice per year, typically based on spring and fall design cycles or in connection with trade shows. Accordingly, when our customers are making their design decisions, our existing products must have competitive performance levels or we must timely introduce new products in order to be included in our customers' new system configurations. This requires that we:

- anticipate the features and functionality that customers and consumers will demand;
- incorporate those features and functionalities into products that meet the exacting design requirements of our customers;
- price our products competitively; and
- introduce products to the market within our customers' limited design cycles.

If OEMs, ODMs, and AIB and motherboard manufacturers do not include our products in their systems, they will typically not use our products in their systems until at least the next design configuration.

Our ability to achieve design wins also depends in part on our ability to identify and be compliant with evolving industry standards. Unanticipated changes in industry standards could render our products incompatible with products developed by major hardware manufacturers and software developers. If our products are not in compliance with prevailing industry standards, we may not be designed into our customers' product designs. However, to be compliant with changes to industry standards, we may have to invest significant time and resources to redesign our products which could negatively impact our gross margin or operating results. If we are unable to achieve new design wins for existing or new customers, we may lose market share and our operating results would be negatively impacted.

We depend on foundries to manufacture our products and these third parties may not be able to obtain or successfully implement high quality, leading-edge process technologies or otherwise satisfy our manufacturing requirements, which would harm our business.

We do not manufacture the silicon wafers used for our products and do not own or operate a wafer fabrication facility. Instead, we are dependent on industry-leading foundries, such as Taiwan Semiconductor Manufacturing Company Limited, or TSMC, to manufacture our semiconductor wafers using their fabrication equipment and techniques. A substantial portion of our wafers are supplied by TSMC. The foundries, which have limited capacity, also manufacture products for other semiconductor companies, including some of our competitors. Because we do not have long-term commitment contracts with any of these foundries, they do not have an obligation to provide us with any set pricing or minimum quantity of product at any time except as may be provided in a specific purchase order. Most of our products are only manufactured by one foundry at a time. In times of high demand, the foundries could choose to prioritize their capacity for other companies, reduce or eliminate deliveries to us, or increase the prices that they charge us. If we are unable to meet customer demand due to reduced or eliminated deliveries or have to increase the prices of our products, we could lose sales to customers, which would negatively impact our revenue and our reputation.

Furthermore, our third-party foundries may not be able to develop, obtain or successfully implement high quality, leading-edge process technologies, including transitions to smaller geometry process technologies, needed to manufacture our products profitably or on a timely basis. If our third-party foundries experience manufacturing inefficiencies, we may fail to achieve acceptable yields or experience product delivery delays. For example, due to capacity constraints at TSMC of our 28 nanometer Kepler GPUs in the first quarter of fiscal year 2013, we were unable to fulfill customer demand for our high-end desktop GPU products, and as our sales mix shifted to our mainstream desktop GPU products, revenue and gross margins for the first quarter of fiscal year 2013 were negatively impacted compared to the prior quarter.

Because the lead-time needed to establish strategic relationships with new manufacturing partners and achieve initial production could be over a year, we do not have a readily available alternative source of supply for our products. In addition, the time and effort to qualify a new foundry would result in additional expense and diversion of resources, and could result in lost sales, any of which would negatively impact our financial results. We believe that long-term market acceptance for our products will depend on reliable relationships with the third-party manufacturers we use to ensure adequate product supply and competitive pricing to respond to customer demand.

Failure to achieve expected manufacturing yields for our products could negatively impact our financial results and damage our reputation.

Manufacturing yields for our products are a function of product design, which is developed largely by us, and process technology, which typically is proprietary to the manufacturer. Low yields may result from either product design or process technology failure. We do not know a yield problem exists until our design is manufactured. When a yield issue is identified, the product is analyzed and tested to determine the cause. As a result, yield problems may not be identified until well into the production process. Resolution of yield problems requires cooperation by, and communication between, us and the manufacturer. Because of our potentially limited access to wafer foundry capacity, decreases in manufacturing yields could

result in an increase in our costs and force us to allocate our available product supply among our customers. Lower than expected yields could potentially harm customer relationships, our reputation and our financial results.

A decline in demand in certain end-user markets could decrease the demand for our products and harm our results of operations.

Our customer base includes companies in a wide range of end-user markets, but we generate a significant amount of revenue from sales to consumers of communications- and PC-related products. Within these end-user markets, a large portion of our revenue is generated from sales to consumers in the smartphone, tablet and PC markets, including professional workstations. Decline in one or several of these end-user markets could harm demand for our products and our results of operations and financial condition. These declines could be large and sudden. Because smartphone, tablet and PC manufacturers often build inventories during periods of anticipated growth, they may be left with excess inventories if growth slows or if they incorrectly forecast product transitions. In these cases, these manufacturers may abruptly suspend substantially all purchases of additional inventory from suppliers like us until their excess inventory has been absorbed, which would have a negative impact on our financial results.

We sell our products to a limited number of customers and our business could suffer if we lose any of these customers.

We receive a significant amount of our revenue from a limited number of customers. Revenue from significant customers, those representing 10% or more of total revenue, was approximately 21% of our total revenue from two customers in fiscal year 2014 and approximately 13% and 11% of our total revenue from one customer in fiscal years 2013 and 2012, respectively. Approximately 23% of our accounts receivable balance was from one customer as of January 26, 2014, and approximately 40% of our accounts receivable balance was from three customers as of January 27, 2013. We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments and obtain credit insurance over the purchasing credit extended to certain customers. In the future, we may have to record additional reserves or write-offs and/or defer revenue on certain sales transactions which could negatively impact our financial results and as a result of the tightening of the credit markets, we may not be able to acquire credit insurance on the credit we extend to these customers or in amounts that we deem sufficient.

Revenue from our largest customer has fluctuated significantly from period to period primarily due to the timing and number of design wins with each customer, as well as the continued diversification of our customer base as we expand into new markets, and will likely continue to fluctuate dramatically in the future. Our operating results in the foreseeable future will continue to depend on sales to a relatively small number of customers, as well as the ability of these customers to sell products that incorporate our products. In the future, these customers may decide not to purchase our products at all, purchase fewer products than they did in the past, or alter their purchasing patterns in some other way, particularly because:

- substantially all of our sales are made on a purchase order basis, which permits our customers to cancel, change or delay product purchase commitments with little or no notice to us and without penalty;
- our customers may develop their own solutions;
- our customers may purchase products from our competitors; or
- our customers may discontinue sales or lose market share in the markets for which they purchase our products.

The loss of any of our large customers or a significant reduction in sales we make to them would likely harm our financial condition and results of operations and any difficulties in collecting accounts receivable could harm our operating results and financial condition.

If we fail to appropriately scale our operations in response to changes in demand for our existing products or to the demand for new products requested by our customers, our business and profitability could be harmed.

To achieve our business objectives, it may be necessary from time to time for us to expand or contract our operations. In the future, we may not be able to scale our workforce and operations in a sufficiently timely manner to respond effectively to changes in demand for our existing products or to the demand for new products requested by our customers. In that event, we may be unable to meet competitive challenges or exploit potential market opportunities, and our current or future business could be materially and adversely affected. Conversely, if we expand our operations and workforce too rapidly in anticipation of increased demand for our products, and such demand does not materialize at the pace at which we expected, the rate of increase in our costs and operating expenses may exceed the rate of increase in our revenue, which would adversely affect our results of operations. In addition, if such demand does not materialize at the pace which we expect, we may be required to scale down our business through expense and headcount reductions as well as facility consolidations or closures that could result in restructuring charges that would materially and adversely affect our results of operations. Because many of our expenses are fixed in the short-term or are incurred in advance of anticipated sales, we may not be able to decrease our expenses in a timely manner to offset any decrease in customer demand. If customer demand does not increase as anticipated, our profitability could be adversely affected due to our higher expense levels.

Our past growth has placed, and any future long-term growth is expected to continue to place, a significant strain on our management personnel, systems and resources. To implement our current business and product plans, we will need to continue to expand, train, manage and motivate our workforce. All of these endeavors require substantial management effort. If we are unable to effectively manage our expanding operations, we may be unable to scale our business quickly enough to meet competitive challenges or exploit potential market opportunities, or conversely, we may scale our business too quickly and the rate of increase in our costs and expenses may exceed the rate of increase in our revenue, either of which would harm our results of operations.

Our revenue may fluctuate while a majority of our operating expenses are a factor of multi-year investments ahead of when revenue is received, which makes our results difficult to predict and could cause our results to fall short of expectations.

Our operating expenses are primarily related to multi-year research and development investments ahead of the revenue received from the products which are produced. Our research and development expenses totaled \$1.34 billion, \$1.15 billion, and \$1.00 billion in fiscal years 2014, 2013 and 2012, respectively.

Any one or more of the risks discussed in this Annual Report on Form 10-K or other factors could prevent us from achieving our expected future revenue or net income. Accordingly, we believe that period-to-period comparisons of our results of operations should not be relied upon as an indication of future performance. Similarly, the results of any quarterly or full fiscal year period are not necessarily indicative of results to be expected for a subsequent quarter or a full fiscal year. As a result, it is possible that in some quarters our operating results could be below the expectations of securities analysts or investors, which could cause the trading price of our common stock to decline. We believe that our quarterly and annual results of operations may continue to be affected by a variety of factors that could harm our revenue, gross profit and results of operations.

Because our gross margin for any period depends on a number of factors, our failure to forecast changes in any of these factors could adversely affect our gross margin.

We are focused on improving our gross margin. Our gross margin for any period depends on a number of factors, including:

- the mix of our products sold;
- average selling prices;

- introduction of new products;
- product transitions;
- sales discounts;
- unexpected pricing actions by our competitors;
- the cost of product components; and
- the yield of wafers produced by the foundries that manufacture our products.

If we do not correctly forecast the impact of any of the relevant factors on our business, there may not be any actions we can take or we may not be able to take any possible actions in time to counteract any negative impact on our gross margin. In addition, if we are unable to meet our gross margin target for any period or the target set by analysts, the trading price of our common stock may decline.

Our failure to estimate customer demand properly could adversely affect our financial results.

We manufacture our products based on forecasts of customer demand in order to have shorter shipment lead times and quicker delivery schedules for our customers. As a result, we may build inventories for anticipated periods of growth which do not occur or may build inventory anticipating demand for a product that does not materialize. In forecasting demand, we make multiple assumptions any of which may prove to be incorrect. Situations that may result in excess or obsolete inventory include:

- changes in business and economic conditions, including downturns in the semiconductor industry and/or overall economy;
- changes in consumer confidence caused by changes in market conditions, including changes in the credit market, expectations for inflation, and energy prices;
- if there were a sudden and significant decrease in demand for our products;
- if there were a higher incidence of inventory obsolescence because of rapidly changing technology and customer requirements;
- if we fail to estimate customer demand properly for our older products as our newer products are introduced; or
- if our competition were to take unexpected competitive pricing actions.

Any inability to sell products to which we have devoted resources could harm our business. In addition, cancellation or deferral of customer purchase orders could result in our holding excess inventory, which could adversely affect our gross margin and restrict our ability to fund operations. Additionally, because we often sell a substantial portion of our products in the last month of each quarter, we may not be able to reduce our inventory purchase commitments in a timely manner in response to customer cancellations or deferrals. We could be subject to excess or obsolete inventories and be required to take corresponding inventory write-downs and/or a reduction in average selling prices if growth slows or does not materialize, or if we incorrectly forecast product demand, which could negatively impact our financial results.

Conversely, if we underestimate our customers' demand for our products, our third-party manufacturing partners may not have adequate lead-time or capacity to increase production for us meaning that we may not be able to obtain sufficient inventory to fill our customers' orders on a timely basis. Even if we are able to increase production levels to meet customer demand, we may not be able to do so in a cost effective or timely manner. Inability to fulfill our customers' orders on a

timely basis, or at all, could damage our customer relationships, result in lost revenue, cause a loss in market share, impact our customer relationships or damage our reputation, any of which could adversely impact our business.

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

We have acquired and invested in other businesses that offered products, services and technologies that we believe will help expand or enhance our existing products and business.

We may enter into future acquisitions of, or investments in, businesses, in order to complement or expand our current businesses or enter into a new business market. Negotiations associated with an acquisition or strategic investment could divert management's attention and other company resources. Any of the following risks associated with past or future acquisitions or investments could impair our ability to grow our business, develop new products or sell our products, and ultimately could have a negative impact on our growth or our financial results:

- difficulty in combining the technology, products, operations or workforce of the acquired business with our business;
- difficulty in operating in a new or multiple new locations;
- disruption of our ongoing businesses or the ongoing business of the company we invest in or acquire;
- difficulty in realizing the potential financial or strategic benefits of the transaction;
- difficulty in maintaining uniform standards, controls, procedures and policies;
- difficulty integrating the target's accounting, management information, human resources and other administrative systems;
- diversion of capital and other resources;
- assumption of liabilities;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact our operating results;
- incurring impairment charges related to goodwill and other purchased intangible assets acquired in connection with acquisitions or investments;
- diversion of resources and unanticipated expenses resulting from litigation arising from potential or actual business acquisitions or investments;
- potential failure of the due diligence processes to identify significant issues with product quality, architecture and development, or legal and financial contingencies, among other things;
- difficulties in entering into new markets in which we have limited or no experience and where competitors in such markets have stronger positions;
- potential inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions or investments; and

- impairment of relationships with employees, vendors and customers, or the loss of any of our key employees, vendors or customers or our target's key employees, vendors or customers, as a result of our acquisition or investment.

We may be required to record a charge to earnings if our goodwill or amortizable intangible assets become impaired, which could negatively impact our operating results.

Under generally accepted accounting principles in the United States, or U.S. GAAP, we review our amortizable intangible assets and goodwill for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment at least annually. The carrying value of our goodwill or amortizable assets from acquisitions may not be recoverable due to factors such as a decline in stock price and market capitalization, reduced estimates of future cash flows and slower growth rates in our industry or in any of our reporting units. Estimates of future cash flows are based on an updated long-term financial outlook of our operations. However, actual performance in the near-term or long-term could be materially different from these forecasts, which could impact future estimates. For example, in the most recent impairment test of our Tegra Processor reporting unit, the fair value of the reporting unit only exceeded its carrying value by 17%. If the future operating results of the Tegra Processor reporting unit are significantly lower than our estimates, the goodwill assigned to Tegra Processor could be impaired, which would negatively impact our results of operations.

System security risks, data protection breaches, cyber-attacks and systems integration issues could disrupt our internal operations, and any such disruption could reduce our expected revenue, increase our expenses, damage our reputation and adversely affect our stock price.

Experienced computer programmers and hackers may be able to penetrate our security controls and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. The costs to us to eliminate or alleviate malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions.

We manage and store various proprietary information and sensitive or confidential data relating to our business and third party business. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us or our partners or customers, including the potential loss or disclosure of such information or data as a result of fraud, trickery or other forms of deception, could expose us, our partners and customers or the individuals affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business. In addition, the cost and operational consequences of implementing further data protection measures could be significant. For example, in July 2012, unauthorized third parties gained access to certain user information on our online forums. We have strengthened security in an effort to minimize future attacks. However, hackers may continue to target our security controls in the future, and we cannot guarantee that our security measures will be able to prevent future breaches of our website and/or attacks on our products.

Portions of our IT infrastructure also may experience interruptions of service or produce errors in connection with systemic failures, systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time consuming, disruptive and resource-intensive. Such disruptions could adversely impact our ability to fulfill orders and interrupt other processes. Delayed sales, lower margins or lost customers resulting from these disruptions could adversely affect our financial results, stock price and reputation.

We may not be able to attract and retain qualified employees which could negatively impact our business.

Our future success and ability to compete are substantially dependent on our ability to identify, hire, train and retain highly qualified key personnel. The market for key employees in the technology industry can be competitive. None of our key employees is bound by an employment agreement, meaning our relationships with all of our key employees are at will. The loss of the services of any of our key employees could delay our product development efforts, harm our ability to sell our products or otherwise negatively impact our business.

We are dependent on third parties for assembly, testing and packaging of our products, which reduces our control over our product delivery schedule, product quantity or product quality.

Our products are assembled, tested and packaged by independent subcontractors, such as Advanced Semiconductor Engineering, Inc., ChipPAC, JSI Logistics, Ltd., King Yuan Electronics Co. and Siliconware Precision Industries Co. Ltd. As a result, we do not directly control our product delivery schedules, product quantity, or product quality. All of these subcontractors assemble, test and package products for other companies, including some of our competitors. Because we do not have long-term agreements with our subcontractors, when demand for subcontractors to assemble, test or package products is high, our subcontractors may decide to prioritize the orders of other customers over our orders. Because the time required to qualify a different subcontractor to assemble, test or package our products can be lengthy, if we have to find a replacement subcontractor we could experience significant delays in shipments of our products, product shortages, a decrease in the quality of our products, or an increase in product cost. Any product shortages or quality assurance problems could increase the costs of manufacture, assembly or testing of our products, which could cause our gross margin to decline.

We rely on third-party vendors to supply software development tools to us for the development of our new products and we may be unable to obtain the tools necessary to develop or enhance new or existing products.

We rely on third-party software development tools to assist us in the design, simulation and verification of new products or product enhancements. To bring new products or product enhancements to market in a timely manner, or at all, we need software development tools that are sophisticated enough or technologically advanced enough to complete our design, simulations and verifications. In the past, we have experienced delays in the introduction of products as a result of the inability of then available software development tools to fully simulate the complex features and functionalities of our products. In the future, the design requirements necessary to meet consumer demands for more features and greater functionality from our products may exceed the capabilities of available software development tools. Unavailability of software development tools may result in our missing design cycles or losing design wins, either of which could result in a loss of market share or negatively impact our operating results.

Because of the importance of software development tools to the development and enhancement of our products, a critical component of our product development efforts is our partnerships with leaders in the computer-aided design industry, including Cadence Design Systems, Inc. and Synopsys, Inc. We have invested significant resources to develop relationships with these industry leaders and have often assisted them in the development of their new products. We believe that forming these relationships and utilizing next-generation development tools to design, simulate and verify our products will help us remain at the forefront of the 3D graphics, communications and networking segments and develop products that utilize leading-edge technology on a rapid basis. If these relationships are not successful, we may be unable to develop new products or product enhancements in a timely manner, which could result in a loss of market share, a decrease in revenue or a negative impact on our operating results.

If our products contain significant defects, our financial results could be negatively impacted, our reputation could be damaged and we could lose market share.

Our products are complex and may contain defects or experience failures due to any number of issues in design, fabrication, packaging, materials and/or use within a system. If any of our products or technologies contains a defect, compatibility issue or other error, we may have to invest additional research and development efforts to find and correct the issue. Such efforts could divert our engineers' attention from the development of new products and technologies and

could increase our operating costs and reduce our gross margin. In addition, an error or defect in new products or releases or related software drivers after commencement of commercial shipments could result in failure to achieve market acceptance or loss of design wins. Also, we may be required to reimburse customers, including our customers' costs to repair or replace products in the field. A product recall or a significant number of product returns could be expensive, could damage our reputation, could result in the shifting of business to our competitors and could result in litigation against us. Costs associated with correcting defects, errors, bugs or other issues could be significant and could materially harm our financial results.

Our business is cyclical in nature and has experienced severe downturns that have harmed, and may in the future harm, our business and financial results.

Our business is directly affected by market conditions in the highly cyclical semiconductor industry. The semiconductor industry has been adversely affected by many factors, including the global downturn that started in the second half of 2008, ongoing efforts by our customers to reduce their spending, diminished product demand, increased inventory levels, lower average selling prices, uncertainty regarding long-term growth rates and underlying financial health and increased competition. These factors could, among other things, limit our ability to maintain or increase our sales or recognize revenue and in turn adversely affect our business, operating results and financial condition. If our actions to reduce our operating expenses to sufficiently offset these factors when they occur are unsuccessful, our operating results will suffer.

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

We conduct our business worldwide and we have offices in various countries outside of the United States. Our semiconductor wafers are manufactured, assembled, tested and packaged by third parties located outside of the United States and other Americas. We generated 75%, 74% and 78% of our revenue for fiscal years 2014, 2013 and 2012, respectively, from sales to customers outside the United States and other Americas. The manufacture, assembly, test and packaging of our products outside of the United States, operation of offices outside of the United States, and sales to customers internationally subjects us to a number of risks, including:

- international economic and political conditions, such as political tensions between countries in which we do business;
- unexpected changes in, or impositions of, legislative or regulatory requirements;
- complying with a variety of foreign laws;
- differing legal standards with respect to protection of intellectual property and employment practices;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act and other anticorruption laws and regulations;
- inadequate local infrastructure that could result in business disruptions;
- exporting or importing issues related to export or import restrictions, tariffs, quotas and other trade barriers and restrictions;
- financial risks such as longer payment cycles, difficulty in collecting accounts receivable and fluctuations in currency exchange rates;
- imposition of additional taxes and penalties;
- increased costs due to imposition of climate change regulations, such as carbon taxes, fuel or energy taxes, and pollution limits; and

- other factors beyond our control such as terrorism, cyber attack, civil unrest, war and diseases.

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

Our international operations are subject to many of the above listed risks. Difficulties with our international operations, including finding appropriate staffing and office space, may divert management's attention and other resources, any of which could negatively impact our operating results.

Legal and regulatory requirements differ among jurisdictions worldwide. Violations of these laws and regulations 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. Although we have policies, controls, and procedures designed to ensure compliance with foreign laws, many of these laws and regulations are ambiguous and are often interpreted and enforced in unpredictable ways.

The economic conditions in our primary overseas markets, particularly in Asia, may negatively impact the demand for our products abroad. All of our international sales to date have been denominated in United States dollars. Accordingly, an increase in the value of the United States dollar relative to foreign currencies could make our products less competitive in international markets or require us to assume the risk of denominating certain sales in foreign currencies. We anticipate that these factors will impact our business to a greater degree as we further expand our international business activities.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our worldwide operations could be disrupted by earthquakes, telecommunications failures, power or water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics or pandemics and other natural or man-made disasters, catastrophic events or climate change. The occurrence of any of these business disruptions could result in significant losses, seriously harm our revenue and financial condition, adversely affect our competitive position, increase our costs and expenses, and require substantial expenditures and recovery time in order to fully resume operations. Our corporate headquarters, and a portion of our research and development activities, are located in California, and other critical business operations and some of our suppliers are located in Asia, near major earthquake faults known for seismic activity. In addition, a majority of our principal IT data centers are located in California, making our operations vulnerable to natural disasters or other business disruptions occurring in this geographical area. The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including Taiwan, China and Korea. Our operations could be adversely affected if manufacturing, logistics or other operations in these locations are disrupted for any reason, including natural disasters, high heat events or water shortages, information technology system failures, military actions or economic, business, labor, environmental, public health, regulatory or political issues. The ultimate impact on us, our significant suppliers and our general infrastructure of being located near major earthquake faults and being consolidated in certain geographical areas is unknown. However, in the event of a major earthquake or other natural disaster or catastrophic event, our revenue, profitability and financial condition could suffer.

Our investment portfolio may become impaired by deterioration of the capital markets.

Our cash equivalent and marketable securities portfolio as of January 26, 2014 consisted of cash and cash equivalents, commercial paper, mortgage-backed securities issued by government-sponsored enterprises, asset-backed securities, money market funds and debt securities of corporations, municipalities and the United States government and its agencies. We follow an established investment policy and set of guidelines, designed to preserve principal, minimize risk, and monitor and help mitigate our exposure to interest rate and credit risk. The policy sets forth credit quality standards and limits our exposure to any one issuer, as well as our maximum exposure to various asset classes, and a variety of financial instruments, consisting principally of cash and cash equivalents, commercial paper, mortgage-backed securities issued by government-sponsored enterprises, asset-backed securities, money market funds and debt securities of corporations, municipalities and the United States government and its agencies.

Should financial market conditions worsen in the future, investments in some financial instruments may pose risks arising from market liquidity and credit concerns. In addition, any deterioration of the capital markets could cause our other income and expense to vary from expectations. As of January 26, 2014, we had no material impairment charges associated with our short-term investment portfolio, and although we believe our current investment portfolio has very little risk of material impairment, we cannot predict future market conditions or market liquidity, or credit availability, and can provide no assurance that our investment portfolio will remain materially unimpaired.

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

Our common stock price has at times experienced substantial price volatility and, as a result, investors may suffer losses.

Our stock has at times experienced substantial price volatility as a result of variations between our actual and anticipated financial results, announcements by us and our competitors, or uncertainty about current global economic conditions. The stock market as a whole also has experienced extreme price and volume fluctuations that have affected the market price of many technology companies in ways that may have been unrelated to these companies' operating performance.

In the past, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. Due to changes in the volatility of our stock price, we have been in the past and may be in the future the target of securities litigation. Such lawsuits generally result in the diversion of management's time and attention away from business operations, which could harm our business. In addition, the costs of defense and any damages resulting from litigation, a ruling against us, or a settlement of the litigation could adversely affect our cash flow and financial results.

We are subject to litigation which, if determined adversely to us, could harm our business.

We are engaged in litigation with parties related to our acquisition of 3dfx in 2001. In addition, in September, October and November 2008, several putative securities class action lawsuits were filed against us for alleged defects in our previous generation MCP and GPU products. Please refer to Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further details on these lawsuits.

There can be no assurance that any litigation to which we are a party will be resolved in our favor. Any claim that is successfully decided against us may cause us to pay substantial damages, including punitive damages, and other related fees or prevent us from selling or importing certain of our products. Regardless of whether lawsuits are resolved in our favor or if we are the plaintiff or the defendant in the litigation, any lawsuits to which we are a party will likely be expensive and time consuming to defend or resolve. Such lawsuits could result in the diversion of management's time and attention away from business operations, which could harm our business. Such lawsuits could also harm our relationships with existing customers and result in the diversion of management's time and attention away from business operations, which could harm our business. Costs of defense and any damages resulting from litigation, a ruling against us, or a settlement of the litigation could adversely affect our cash flow and financial results.

Actions to adequately protect our intellectual property rights, such as litigation to defend against alleged infringement of intellectual property rights or to enforce our intellectual property rights, could result in substantial costs to us and our ability to compete could be harmed if we fail to take such actions or are unsuccessful in doing so.

We rely primarily on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements, and licensing arrangements to protect our intellectual property in the United States and internationally. We have numerous patents issued, allowed and pending in the United States and in foreign jurisdictions. Our patents and pending patent applications primarily relate to our products and the technology used in connection with our products. We also rely on international treaties, organizations and foreign laws to protect our intellectual property. The laws of certain foreign countries in which our products are or may be manufactured or sold, including various countries in Asia, may not protect

our products or intellectual property rights to the same extent as the laws of the United States. This makes the possibility of piracy of our technology and products more likely. We continuously assess whether and where to seek formal protection for particular innovations and technologies based on such factors as:

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

Our pending patent applications and any future applications may not be approved. In addition, any issued patents may not provide us with competitive advantages or may be challenged, invalidated, infringed, circumvented or misappropriated by third parties. We expect that as the number of issued hardware and software patents increases and as competition intensifies, the volume of intellectual property infringement claims and lawsuits may increase. We may in the future become involved in lawsuits or other legal proceedings alleging patent infringement or other intellectual property rights violations by us or parties that we have agreed to indemnify for certain claims of infringement. Third parties may also claim that our employees have misappropriated or divulged their former employers' trade secrets or confidential information.

An unfavorable ruling in any such intellectual property related litigation could include significant damages, invalidation of a patent or family of patents, indemnification of customers, payment of lost profits, or, when it has been sought, injunctive relief.

In addition, in the future, we may need to commence litigation or other legal proceedings in order to:

- assert claims of infringement of our intellectual property;
- enforce our patents;
- protect our trade secrets or know-how; or
- determine the enforceability, scope and validity of the propriety rights of others.

If we have to initiate litigation in order to protect our intellectual property, our operating expenses may increase which could negatively impact our operating results. Our failure to effectively protect our intellectual property could harm our business.

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

Changes in United States tax legislation regarding our foreign earnings could adversely impact our business.

Currently, a majority of our revenue is generated from customers located outside the United States, and a significant portion of our assets, including employees, are located outside the United States. United States income taxes and foreign

withholding taxes have not been provided on undistributed earnings for certain non-United States subsidiaries, because such earnings are intended to be indefinitely reinvested in the operations of those subsidiaries. Throughout the period of President Obama's administration, the White House has proposed various international tax measures, some of which, if enacted into law, would substantially reduce our ability to defer United States taxes on such indefinitely reinvested non-United States earnings, eliminate certain tax deductions until foreign earnings are repatriated to the United States and/or otherwise cause the total tax cost of U.S. multinational corporations to increase. If these or similar proposals are constituted into legislation in the current or future year(s), they could have a negative impact on our financial position and results of operations.

Our operating results may be adversely affected if we are subject to unexpected tax liabilities.

We are subject to taxation by a number of taxing authorities both in the United States and throughout the world. Tax rates vary among the jurisdictions in which we operate. Significant judgment is required in determining our provision for our income taxes as there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, any of the below could cause our effective tax rate to be materially different than that which is reflected in historical income tax provisions and accruals:

- the jurisdictions in which profits are determined to be earned and taxed;
- adjustments to estimated taxes upon finalization of various tax returns;
- changes in available tax credits;
- changes in stock-based compensation expense;
- changes in tax laws, the interpretation of tax laws either in the United States or abroad or the issuance of new interpretative accounting guidance related to transactions and calculations where the tax treatment was previously uncertain; and
- the resolution of issues arising from tax audits with various tax authorities.

Should additional taxes be assessed as a result of any of the above, our operating results could be adversely affected. In addition, our future effective tax rate could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in tax laws or changes in the interpretation of tax laws.

We are subject to the risks of owning real property.

During fiscal year 2009, we purchased real property in Santa Clara, California that includes approximately 36 acres of land and twelve commercial buildings and eventually expect to break ground on a new building for a corporate headquarters campus in Santa Clara. We also own real property in India. We have limited experience in the ownership and management of real property and are subject to the risks of owning real property, including:

- the possibility of environmental contamination and the costs associated with mitigating any environmental problems;
- adverse changes in the value of these properties, due to interest rate changes, changes in the market in which the property is located, or other factors;
- the risk of loss if we decide to sell and are not able to recover all capitalized costs;
- increased cash commitments for the planned construction of our Santa Clara campus;

- the possible need for structural improvements in order to comply with zoning, seismic and other legal or regulatory requirements;
- increased operating expenses for the buildings or the property or both;
- possible disputes with third parties, such as neighboring owners or others, related to the buildings or the property or both; and
- the risk of financial loss in excess of amounts covered by insurance, or uninsured risks, such as the loss caused by damage to the buildings as a result of earthquakes, floods and or other natural disasters.

Expensing employee equity compensation adversely affects our operating results and could also adversely affect our competitive position.

Since inception, we have used equity through our equity incentive plans and our employee stock purchase program as a fundamental component of our compensation packages. We believe that these programs directly motivate our employees and, through the use of vesting, encourage our employees to remain with us.

We record compensation expense for stock options, restricted stock units and our employee stock purchase plan using the fair value of those awards in accordance with U.S. GAAP. Stock-based compensation expense was \$136.3 million, \$136.7 million and \$136.4 million for fiscal years 2014, 2013 and 2012, respectively, related to on-going vesting of equity awards, which negatively impacted our operating results.

To the extent that expensing employee equity compensation makes it more expensive to grant stock options and restricted stock units or to continue to have an employee stock purchase program, we may decide to incur increased cash compensation costs. In addition, actions that we may take to reduce stock-based compensation expense that may be more severe than any actions our competitors may implement and may make it difficult to attract retain and motivate employees, which could adversely affect our competitive position as well as our business and operating results.

We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from implementing our strategy or fulfilling our contractual obligations.

In December 2013, we issued \$1.5 billion of 1.00% Convertible Senior Notes due 2018, or 1.00% Notes. Our substantial indebtedness may:

- limit our ability to use our cash flow or borrow additional funds for working capital, capital expenditures, acquisitions and general corporate and other purposes;
- make it difficult for us to satisfy our financial obligations;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

The exercise of warrants issued to Goldman, Sachs & Co., or Goldman, concurrently with our 1.00% Notes would, and the conversion of our 1.00% Notes could, dilute the ownership interest of our existing stockholders.

The warrants issued concurrently with our 1.00% Notes shall be deemed to be automatically exercised on certain dates between March 2019 and June 2019, unless Goldman notifies us otherwise. Any issuance by us of additional shares to Goldman upon exercise of the warrants will dilute the ownership interests of our existing stockholders. Moreover, the conversion of our 1.00% Notes may dilute the ownership interests of our existing stockholders and could have a dilutive effect on our earnings per share to the extent that the price of our common stock exceeds the conversion price of the 1.00%

Notes. Any sales in the public market by Goldman of our common stock upon exercise of the warrants or sales in the public market of our common stock issuable upon conversion of the 1.00% Notes could adversely affect prevailing market prices of our common stock.

Our failure to comply with any applicable environmental regulations could result in a range of consequences, including fines, suspension of production, excess inventory, sales limitations, and criminal and civil liabilities.

We are subject to various state, federal and international laws and regulations governing the environment, including restricting the presence of certain substances in electronic products and making producers of those products financially responsible for the collection, treatment, recycling and disposal of those products. Although our management systems are designed to maintain compliance, we cannot assure you that we have been or will be at all times in complete compliance with such laws and regulations. If we violate or fail to comply with any of them, a range of consequences could result, including fines, import/export restrictions, sales limitations, criminal and civil liabilities or other sanctions. We could also be held liable for any and all consequences arising out of exposure to hazardous materials used, stored, released, disposed of by us or located at, under or emanating from our facilities or other environmental or natural resource damage.

Environmental laws are complex, change frequently and have tended to become more stringent over time. For example, the European Union and China are two among a growing number of jurisdictions that have enacted in recent years restrictions on the use of lead, among other chemicals, in electronic products. These regulations affect semiconductor packaging. There is a risk that the cost, quality and manufacturing yields of lead-free products may be less favorable compared to lead-based products or that the transition to lead-free products may produce sudden changes in demand, which may result in excess inventory.

There is also a movement to improve the transparency and accountability concerning the supply of minerals coming from the areas of conflict. Recent U.S. legislation includes SEC disclosure requirements regarding the use of “conflict” minerals mined from the Democratic Republic of Congo and adjoining countries, for which the first report is due on May 31, 2014 for the 2013 calendar year. The implementation of these requirements could affect the sourcing and availability of minerals used in the manufacture of semiconductor devices. As a result, there may only be a limited pool of suppliers who provide conflict-free metals, and we cannot assure you that we will be able to obtain products in sufficient quantities or at competitive prices. Furthermore, we may incur additional costs associated with complying with these disclosure requirements, including costs related to determining the source of any “conflict” minerals in our products. Also, because our supply chain is complex, we may be unable to sufficiently verify the origins for all metals used in our products, resulting in reputational challenges with our customers and stockholders. Some customers may require that all of our products are certified to be conflict-free; if we cannot satisfy these customers, they may choose a competitor's products. Although we expect to be able to file the required report on time, we are dependent upon the information provided by our many suppliers. To the extent that the information we receive from our suppliers is inaccurate or inadequate or our processes in obtaining such information do not fulfill the SEC’s diligence requirements, we could also face SEC enforcement risks.

Future environmental legal requirements may become more stringent or costly and our compliance costs and potential liabilities arising from past and future releases of, or exposure to, hazardous substances may harm our business and our reputation.

While we believe that we have adequate internal control over financial reporting, if we or our independent registered public accounting firm determines that we do not, our reputation may be adversely affected and our stock price may decline.

Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, requires our management to report on, and our independent registered public accounting firm to audit, the effectiveness of our internal control structure and procedures for financial reporting. We have an ongoing program to perform the system and process evaluation and testing necessary to comply with these requirements. However, the manner in which companies and their independent public accounting firms apply these requirements and test companies' internal controls remains subject to some judgment. To date, we have incurred, and we expect to continue to incur, increased expense and to devote additional management resources to Section 404

compliance. Despite our efforts, if we identify a material weakness in our internal controls, there can be no assurance that we will be able to remediate that material weakness in a timely manner, or that we will be able to maintain all of the controls necessary to determine that our internal control over financial reporting is effective. In the event that our chief executive officer, our chief financial officer or our independent registered public accounting firm determine that our internal control over financial reporting is not effective as defined under Section 404, investor perceptions of us may be adversely affected and could cause a decline in the market price of our stock.

Changes in financial accounting standards or interpretations of existing standards could affect our reported results of operations.

We prepare our consolidated financial statements in conformity with U.S. GAAP. These principles are constantly subject to review and interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. A change in these principles, or the interpretation of them, can have a significant effect on our reported results and may even retroactively affect previously reported transactions. Additionally, changes in existing accounting rules, such as the possible upcoming changes to revenue recognition and lease accounting standards, or changes in practices, such as changes to auditing standards promulgated by the Public Company Accounting Oversight Board, could have a significant adverse effect on our results of operations or the manner in which we conduct our business.

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

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

- the ability of our Board of Directors to create and issue preferred stock without prior stockholder approval;
- the prohibition of stockholder action by written consent;
- a classified Board of Directors, which will become fully declassified from and after our 2014 Annual Meeting of Stockholders;
- advance notice requirements for director nominations and stockholder proposals;
- the ability of our Board of Directors to increase or decrease the number of directors without stockholder approval;
- a super-majority voting requirement to amend some provisions in our certificate of incorporation and bylaws;
- the elimination of the ability of our stockholders to call special meetings of stockholders; and
- the ability of our Board of Directors to make, amend or repeal our bylaws.

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our headquarters complex is located in Santa Clara, California. Our corporate campus is comprised of leased facilities with eight commercial buildings totaling 887,993 square feet. In addition, we also lease data center space in Santa Clara.

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

We own real property in Santa Clara, California that includes approximately 36 acres of land and twelve commercial buildings. We expect to eventually build a new building for a corporate headquarters campus on this property. However, we recently leased and occupied an office building within the boundaries of our main Santa Clara campus that has balanced the workspace needs for our Santa Clara staff. As such, we now have the opportunity to delay the start of the new campus building and refine our design to further optimize for functionality and cost.

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

ITEM 3. LEGAL PROCEEDINGS

3dfx

On December 15, 2000, NVIDIA and one of our indirect subsidiaries entered into an Asset Purchase Agreement, to purchase certain graphics chip assets from 3dfx. The transaction closed on April 18, 2001. That acquisition, and 3dfx's October 2002 bankruptcy filing, led to four lawsuits against NVIDIA: two brought by 3dfx's former landlords, one by 3dfx's bankruptcy trustee and the fourth by a committee of 3dfx's equity security holders in the bankruptcy estate. The two landlord cases have been settled with payments from the landlords to NVIDIA, and the equity security holders' lawsuit was dismissed with prejudice and no appeal was filed. Accordingly, only the bankruptcy trustee suit remains outstanding. Please refer to Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion regarding this litigation.

Securities Cases

In September 2008, three putative securities class actions, were filed in the United States District Court for the Northern District of California arising out of our announcements on July 2, 2008, that we would take a charge against cost of revenue to cover anticipated costs and expenses arising from a weak die/package material set in certain versions of our previous generation MCP and GPU products and that we were revising financial guidance for our second quarter of fiscal year 2009. Please refer to Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion regarding this litigation.

Accounting for Loss Contingencies

While there can be no assurance of favorable outcomes, we believe the claims made by other parties in the above ongoing matters are without merit and we intend to vigorously defend the actions. With the exception of the 3dfx case, we have not recorded any accrual for contingent liabilities associated with the legal proceedings described above based on our

belief that liabilities, while possible, are not probable. Further, any possible range of loss in these matters cannot be reasonably estimated at this time. We are engaged in other legal actions not described above arising in the ordinary course of its business and, while there can be no assurance of favorable outcomes, we believe that the ultimate outcome of these actions will not have a material adverse effect on our operating results, liquidity or financial position.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

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

Our common stock is traded on the NASDAQ Global Select Market under the symbol NVDA. Public trading of our common stock began on January 22, 1999. Prior to that, there was no public market for our common stock. As of March 7, 2014, we had approximately 381 registered stockholders, not including those shares held in street or nominee name. The following table sets forth for the periods indicated the high and low sales price for our common stock as quoted on the NASDAQ Global Select Market:

	<u>High</u>	<u>Low</u>
Fiscal year ending January 25, 2015		
First Quarter (through March 7, 2014)	\$ 19.05	\$ 15.32
Fiscal year ended January 26, 2014		
Fourth Quarter	\$ 16.44	\$ 14.52
Third Quarter	\$ 16.10	\$ 13.11
Second Quarter	\$ 15.48	\$ 13.37
First Quarter	\$ 13.50	\$ 12.04
Fiscal year ended January 27, 2013		
Fourth Quarter	\$ 13.19	\$ 11.15
Third Quarter	\$ 15.22	\$ 11.83
Second Quarter	\$ 13.90	\$ 11.63
First Quarter	\$ 16.90	\$ 12.75

Dividend Policy

Prior to fiscal year 2013, we had never declared or paid any dividend on shares of our common stock. On November 8, 2012, we announced the initiation of a quarterly cash dividend program. This initial quarterly dividend of \$0.075 per share was equivalent to \$0.30 per share on an annual basis. On November 7, 2013, we increased our quarterly cash dividend by 13% to \$0.085 per share which was equivalent to \$0.34 per share on an annual basis. A subsequent cash dividend of \$0.085 per share was declared on February 12, 2014, payable on March 20, 2014 to all common stockholders of record at the close of business on February 27, 2014. In fiscal year 2014 and fiscal year 2013, we paid \$181.3 million and \$46.9 million, respectively, in cash dividends to our common stockholders.

Our cash dividend program and the payment of future cash dividends under that program are subject to continued capital availability and our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our stockholders and are in compliance with all laws and agreements of

NVIDIA applicable to the declaration and payment of cash dividends. In fiscal year 2014, based upon our earnings and profits, 85% of our dividend payments were considered qualified dividends and 15% of our dividend payments were considered to be a return of capital for U.S. federal income tax purposes. We expect that a portion of our dividend payments in fiscal year 2015 may also be considered a return of capital for U.S. federal income tax purposes.

Issuer Purchases of Equity Securities

Beginning August 2004, our Board of Directors authorized us, subject to certain specifications, to repurchase shares of our common stock. Most recently, in November 2013, the Board extended the previously authorized repurchase program through January 2016 and authorized an additional \$1.0 billion for an aggregate of \$3.7 billion under the repurchase program. Through January 26, 2014, we have repurchased an aggregate of 161.2 million shares under our stock repurchase program for a total cost of \$2.45 billion. As of January 26, 2014, we are authorized, subject to certain specifications, to repurchase shares of our common stock up to \$1.25 billion through January 2016. In November 2013, we announced the intention to return \$1.0 billion to shareholders in fiscal year 2015 in the form of share repurchases and cash dividends.

The repurchases will be made from time to time in the open market, in privately negotiated transactions, or in structured stock repurchase programs, and may be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, or 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. As part of our share repurchase program, we have entered into, and we may continue to enter into, structured share repurchase transactions with financial institutions. These agreements generally require that we make an up-front payment in exchange for the right to receive a fixed number of shares of our common stock upon execution of the agreement, and a potential incremental number of shares of our common stock, within a pre-determined range, at the end of the term of the agreement.

The following table presents details of our share repurchase transactions during the three months ended January 26, 2014 (in millions, except per share amounts):

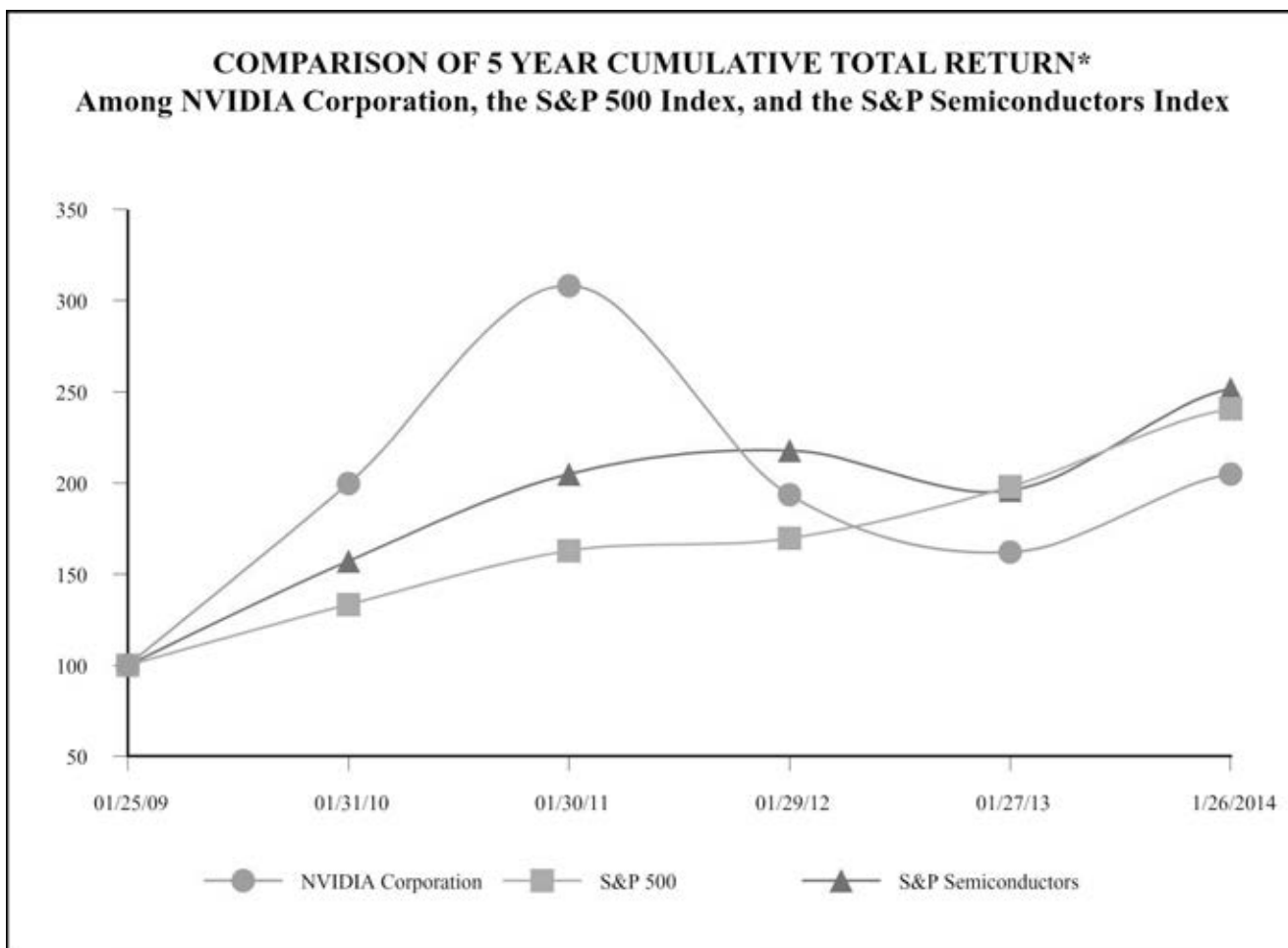
<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs</u>
October 28, 2013 - November 24, 2013 ..	1.5	\$15.86	1.5	\$1,262.7
November 25, 2013 - December 22, 2013 ..	0.9	\$15.51	0.9	\$1,248.4
December 23, 2013 - January 26, 2014	—	—	—	\$1,248.4
Total	2.4	\$15.72	2.4	

As part of the repurchase program, during February 2014, we entered into an accelerated share repurchase agreement, or ASR, with an investment bank, under which we prepaid \$500.0 million to purchase shares of our common stock. In February 2014, the investment bank delivered 20.6 million shares to us. We expect to receive additional shares at the time of settlement of the ASR in the second quarter of fiscal year 2015. The price we will ultimately pay per share will be no more than the volume-weighted average price of our common stock over the period of the ASR.

In addition to our share repurchase program, we withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of restricted stock unit, or RSU, awards under our equity incentive program. During fiscal year 2014, we withheld approximately 1.9 million shares at a total cost of \$27.3 million through net share settlements. Please refer to Note 2 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Form 10-K for further discussion regarding our equity incentive plans.

Stock Performance Graphs

The following graph compares the cumulative total stockholder return for our common stock, the S&P 500 Index and the S&P Semiconductors Index for the five years ended January 26, 2014. The graph assumes that \$100 was invested on January 25, 2009 in our common stock or on January 31, 2009 in each of the S&P 500 Index and the S & P Semiconductors Index. Total return assumes reinvestment of dividends in each of the indices indicated. Our results are calculated on a fiscal year-end basis and each of the S&P 500 Index and the S&P Semiconductors Index are calculated on a month-end basis. Total return is based on historical results and is not intended to indicate future performance.

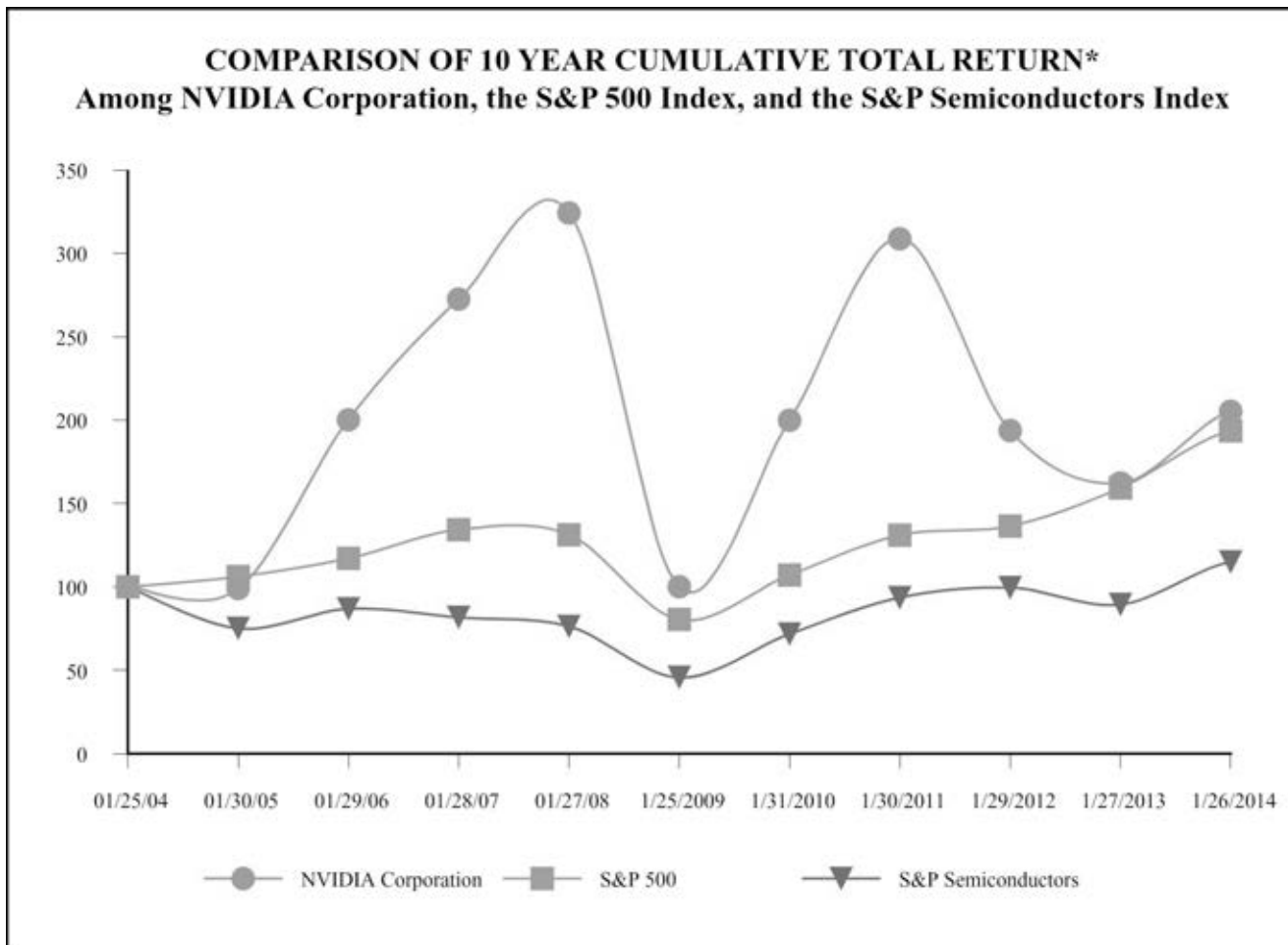


*\$100 invested on 1/25/09 in stock or 1/31/09 in index, including reinvestment of dividends. Indexes calculated on month-end basis.

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	1/25/2009	1/31/2010	1/30/2011	1/29/2012	1/27/2013	1/26/2014
NVIDIA Corporation	\$ 100.00	\$ 199.61	\$ 308.17	\$ 193.39	\$ 162.01	\$ 204.89
S&P 500	\$ 100.00	\$ 133.14	\$ 162.67	\$ 169.54	\$ 197.98	\$ 240.58
S&P Semiconductors	\$ 100.00	\$ 156.98	\$ 204.86	\$ 217.83	\$ 195.89	\$ 251.73

The following graph compares the cumulative total stockholder return for our common stock, the S&P 500 Index and the S&P Semiconductors Index for the ten years ended January 26, 2014. The graph assumes that \$100 was invested on January 25, 2004 in our common stock or on January 31, 2004 in each of the S&P 500 Index and the S&P Semiconductors Index. Total return assumes reinvestment of dividends in each of the indices indicated. Our results are calculated on a fiscal year-end basis and each of the S&P 500 Index and the S&P Semiconductors Index are calculated on a month-end basis. Total return is based on historical results and is not intended to indicate future performance.



*\$100 invested on 1/25/04 in stock or 1/31/04 index, including reinvestment of dividends. Indexes calculated on month-end basis.

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	1/25/04	1/30/05	1/29/06	1/28/07	1/27/08	1/25/09	1/31/10	1/30/11	1/29/12	1/27/13	1/26/14
NVIDIA Corporation ...	\$ 100.00	\$ 99.09	\$ 200.30	\$ 272.59	\$ 324.17	\$ 100.17	\$ 199.96	\$ 308.71	\$ 193.72	\$ 162.29	\$ 205.25
S&P 500	\$ 100.00	\$ 106.23	\$ 117.26	\$ 134.28	\$ 131.17	\$ 80.50	\$ 107.18	\$ 130.96	\$ 136.48	\$ 159.38	\$ 193.68
S&P Semiconductors ...	\$ 100.00	\$ 75.16	\$ 86.90	\$ 81.82	\$ 76.25	\$ 45.71	\$ 71.75	\$ 93.64	\$ 99.56	\$ 89.54	\$ 115.06

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our financial statements and the notes thereto, and with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The consolidated statements of operations data for the fiscal years ended January 26, 2014, January 27, 2013 and January 29, 2012 and the consolidated balance sheet data as of January 26, 2014 and January 27, 2013 have been derived from and should be read in conjunction with our audited consolidated financial statements and the notes thereto included in Part IV, Item 15 in this Annual Report on Form 10-K. We operate on a 52- or 53-week year, ending on the last Sunday in January. Fiscal years 2014, 2013, 2012 and 2011 were 52-week years, while fiscal year 2010 was a 53-week year.

	Year Ended				
	January 26, 2014	January 27, 2013	January 29, 2012	January 30, 2011 (A,B)	January 31, 2010 (A,C)
	(In thousands, except per share data)				
Consolidated Statement of Operations Data:					
Revenue	\$ 4,130,162	\$ 4,280,159	\$ 3,997,930	\$ 3,543,309	\$ 3,326,445
Income (loss) from operations	\$ 496,227	\$ 648,239	\$ 648,299	\$ 255,747	\$ (98,945)
Net income (loss)	\$ 439,990	\$ 562,536	\$ 581,090	\$ 253,146	\$ (67,987)
Basic net income (loss) per share	\$ 0.75	\$ 0.91	\$ 0.96	\$ 0.44	\$ (0.12)
Diluted net income (loss) per share	\$ 0.74	\$ 0.90	\$ 0.94	\$ 0.43	\$ (0.12)
Shares used in basic per share computation	587,893	619,324	603,646	575,177	549,574
Shares used in diluted per share computation	594,517	624,957	616,371	588,684	549,574

	Year Ended				
	January 26, 2014 (D,E)	January 27, 2013 (D)	January 29, 2012 (F)	January 30, 2011	January 31, 2010
	(In thousands, except per share data)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities	\$ 4,671,810	\$ 3,727,883	\$ 3,129,576	\$ 2,490,563	\$ 1,728,227
Total assets	\$ 7,250,894	\$ 6,412,245	\$ 5,552,928	\$ 4,495,246	\$ 3,585,918
Long-term debt	\$ 1,356,375	\$ —	\$ —	\$ —	\$ —
Capital lease obligations, less current portion	\$ 17,500	\$ 18,998	\$ 21,439	\$ 23,389	\$ 24,450
Total stockholders’ equity	\$ 4,456,398	\$ 4,827,703	\$ 4,145,724	\$ 3,181,462	\$ 2,665,140
Cash dividends declared and paid per common share	\$ 0.310	\$ 0.075	\$ —	\$ —	\$ —

(A) We recorded a net warranty charge of \$193.9 million and \$94.0 million during fiscal years 2011 and 2010, respectively, towards the repair and replacement of products arising from a weak die/package material set used in certain versions of our previous generation MCP and GPU products.

- (B) In fiscal year 2011, we entered into a six-year cross licensing agreement with Intel and also mutually agreed to settle all outstanding legal disputes. We valued the settlement portion at \$57.0 million, which was recorded within income from operations in fiscal year 2011.
- (C) Fiscal year 2010 includes impact of charge for a tender offer to purchase an aggregate of 28.5 million outstanding stock options for a total cash payment of \$78.1 million. As a result of the tender offer, we incurred a charge of \$140.2 million, consisting of the remaining unamortized stock-based compensation expenses associated with the unvested portion of the options tendered in the offer, stock-based compensation expense resulting from amounts paid in excess of the fair value of the underlying options, plus associated payroll taxes and professional fees.
- (D) On November 8, 2012, we initiated a quarterly dividend payment of 7.5 cents per share, or 30 cents on an annual basis. On November 7, 2013, we increased the quarterly cash dividend to 8.5 cents per share, or 34 cents on an annual basis.
- (E) On December 2, 2013, we issued \$1.5 billion aggregate principal amount of 1.00% Convertible Senior Notes due 2018.
- (F) On June 10, 2011, we completed the acquisition of Icera, Inc. for total cash consideration of \$352.2 million, and recorded goodwill of \$271.2 million.

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

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

Overview

Our Company

NVIDIA is a visual computing company. In a world increasingly filled with visual displays, our graphics technologies let our customers interact with the world of digital ideas, information and entertainment with an efficiency that no other communication medium can match.

Our strategy is to be the world leader in visual computing. We target applications in each of the major computing platforms - PC, cloud, mobile - where we can create value. Our target markets are gaming, design and visualization, high performance computing, or HPC, and data center, and automotive and smart devices. We deploy business models we believe are best suited for each application, whether IP, chips, systems, or NVIDIA-branded devices and services.

We have long been known for bringing video games to life with our PC graphics chips. With our invention of the GPU, we introduced the world to the power of programmable shading, which defines modern computer graphics. Today, we reach well beyond PC graphics and games. Our energy-efficient processors are at the heart of products ranging from smartphones to automobiles to supercomputers. We believe in leveraging our processors and visual computing expertise to create differentiated products.

PC gamers choose our GPUs to enjoy immersive fantasy worlds. Our Tegra system-on-a-chip, or SOC, processors power smartphones, tablets and automobile infotainment systems. Professional designers use our GPUs to create visual effects in movies and design everything from audio headsets to commercial aircraft. Supercomputers take advantage of the massively parallel processing capabilities of our GPUs to accelerate a wide range of important applications, from simulations of viruses to weather forecasting and global oil exploration.

NVIDIA's research and development in visual computing has yielded approximately 7,000 patent assets, including inventions essential to modern computing.

Our businesses are based on two technologies with a consistent underlying graphics architecture: the GPU and the Tegra processor.

GPUs, each with billions of transistors, are the engines of visual computing and among the world's most complex processors. We have GPU product brands aimed at specific users and applications: GeForce for gamers; Quadro for designers; Tesla for researchers; and GRID for cloud-based graphics.

- In gaming, GPUs enhance the gaming experience on PCs by improving the visual quality of graphics, increasing the frame rate for smoother gameplay and improving realism by replicating the behavior of light and physical objects.
- For designers, GPUs improve productivity and introduce new capabilities. For example, an architect designing a new building in a CAD package can interact with the model in real time, the model can be more detailed, and photo realistic renderings can be generated for the client.
- Researchers can use GPUs to run their simulations faster while consuming less power, increasing the accuracy of weather forecasts, or pricing financial derivatives more quickly.
- GRID uses GPUs to deliver graphics performance remotely, from the cloud. Uses include gaming, professional applications provided as a service (SaaS) and improving Citrix and VMware installations.

The Tegra processor is a SOC integrating an entire computer on a single chip. Tegra processors incorporate GPUs and multi-core CPUs together with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Our Tegra SOC conserves power while delivering state-of-the-art graphics and multimedia processing.

Tegra runs devices like smartphones, tablets and PCs; it can also be embedded into smart devices, such as televisions, monitors, set-top boxes, gaming devices and cars. SHIELD, our Android gaming device based on Tegra, contains proprietary NVIDIA-developed software and system technologies and leverages our deep partnerships with game developers.

Headquartered in Santa Clara, California, we were incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Our Businesses

We have two reporting segments - GPU and Tegra Processor - that leverage a single, unified architecture. Our GPU business leverages our GPU technology across multiple end markets. It comprises four primary product lines: GeForce for desktop and notebook PCs; Quadro for professional workstations; Tesla for high-performance servers and workstations; and NVIDIA GRID for server graphics solutions. It also includes other related products, licenses and revenue supporting the GPU business, such as memory products. Our Tegra Processor business comprises product lines primarily based on our Tegra SOC and modem processor technologies including Tegra for smartphones and tablets, including for Windows RT-based devices; automotive computers, including infotainment and navigation systems; and gaming devices such as SHIELD. It also includes other related products, licenses and revenue supporting the Tegra Processor business - such as Icera baseband processors and RF transceivers, embedded products, and license and other revenue associated with game consoles.

In addition to the two reporting segments discussed above, the "All Other" category primarily includes licensing revenue from our patent cross licensing agreement with Intel, which we expect to recognize through March 2017.

Recent Developments, Future Objectives and Challenges

GPU Business

During fiscal year 2014, we announced and shipped our new family of high-end Kepler-based gaming GPUs - GeForce GTX Titan, GeForce GTX 780, GeForce GTX 780 Ti, GeForce GTX 770 and GeForce GTX 760, and introduced G-SYNC technology that enables synchronization between the GPU and the display to help eliminate on-screen lag.

In addition, we extended our Kepler technology further into the workstation market by shipping four new professional graphics products under our Quadro K Series, including our most powerful workstation graphics card - the Quadro K6000. Furthermore, we launched Tesla K40, an accelerator for supercomputing and enterprise data analytics, and partnered with IBM to build supercomputers for the high performance computing community.

For the cloud computing platform, we launched GRID VCA - the industry's first visual computing appliance that enables businesses to deploy cloud-based, GPU-accelerated applications through any Windows, Linux or Mac client on their network. We also announced that VMware Horizon View supports NVIDIA GRID technology and that Citrix's XenDesktop 7 has fully integrated our GRID vGPU technology to share GPUs across virtual machines. Finally, we announced an IP licensing initiative designed to bring our GPU technology to new markets and generate revenue from markets previously inaccessible to us.

Tegra Processor Business

During fiscal year 2014, we announced our first fully integrated 4G LTE mobile processor - Tegra 4i, and extended our reach in the mobile devices market with the first shipments of Tegra 4 devices - including Xiaomi's Mi3 smartphone in China and Tegra Note, a complete tablet platform. We also launched our next generation mobile system-on-a-chip, Tegra K1, extending the Kepler architecture across the Company's entire line of processors, displayed Denver, our custom 64-bit ARM core inside Tegra K1, and showed Android running on 64-bit ARM.

In addition, we announced that Audi introduced a new Tegra-powered infotainment system, smart display and digital cockpit and that Audi would use Tegra K1 to power its future piloted-driving initiatives. Finally, we started shipping SHIELD, an open-platform gaming and entertainment portable that enables gamers to play Android games or stream games from a PC with a GeForce processor.

Convertible Notes

On December 2, 2013, we issued \$1.5 billion of 1.00% Convertible Senior Notes, or the Notes, due in 2018 and concurrently entered into separate note hedge and warrant transactions and used \$14.3 million to repurchase shares of our common stock from purchasers of the Notes in privately negotiated transactions. In addition to using the net proceeds to fund the transaction costs, note hedge and warrant transactions, we further intend to use the proceeds to repurchase shares of our common stock and pay cash dividends pursuant to our recently announced fiscal year 2015 capital return program, and for general corporate purposes. Please refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Capital Return to Shareholders

During fiscal year 2014, we repurchased shares worth \$887.3 million, paid a total of \$181.3 million in dividends and increased our quarterly cash dividend by 13% to \$0.085 per share. We have announced our intention to return \$1.0 billion to shareholders in fiscal year 2015 in the form of share repurchases and dividends. As part of our capital return program, during February 2014 we entered into an accelerated share repurchase agreement to purchase \$500.0 million in shares of our common stock.

Please refer to Note 14 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Critical Accounting Policies and Estimates

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

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

Revenue Recognition

Product Revenue

We recognize revenue from product sales when persuasive evidence of an arrangement exists, the product has been delivered, the price is fixed or determinable and collection of the related receivable is reasonably assured. For most sales, we use a binding purchase order and in certain cases we use a contractual agreement as evidence of an arrangement. We consider delivery to occur upon shipment provided title and risk of loss have passed to the customer. At the point of sale, we assess whether the arrangement fee is fixed or determinable and whether collection is reasonably assured. If we determine that collection of a fee is not reasonably assured, we defer the fee and recognize revenue at the time collection becomes reasonably assured, which is generally upon receipt of payment.

Our policy on sales to certain distributors with rights of return is to defer recognition of revenue and related cost of revenue until the distributors resell the product, as the level of returns cannot be reasonably estimated.

Our customer programs primarily involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets. We account for rebates as a reduction of revenue and accrue for 100% of the potential rebates and do not apply a breakage factor. While we have a long history of rebate arrangements with OEMs, we believe we are unable to apply our historical experience to reliably estimate the amount of rebates that will eventually be claimed by individual OEMs. The OEMs are not our direct customers and the quantity and mix of demand they place on CEM/ODMs may shift as we introduce new generations and iterations of products and as we experience changes in new competitor offerings. In addition, we typically find that approximately 95% of the rebates we accrue each year are eventually claimed, which is substantially close to 100%, and that this percentage varies by program and by customer. We recognize a liability for these rebates at the later of the date at which we record the related revenue or the date at which we offer the rebate. Rebates typically expire six months from the date of the original sale, unless we reasonably believe that the customer intends to claim the rebate. Unclaimed rebates are reversed to revenue, the amount of which typically represents approximately 0.5% of total revenue.

Our customer programs also include marketing development funds, or MDFs. MDFs represent monies paid to retailers, system builders, original equipment manufacturers, or OEMs, distributors and add-in card partners that are earmarked for market segment development and expansion and typically are designed to support our partners' activities while also promoting NVIDIA products. Depending on market conditions, we may take actions to increase amounts offered under customer programs, possibly resulting in an incremental reduction of revenue at the time such programs are offered. We

account for MDFs as a reduction of revenue and apply a breakage factor to certain types of MDF program accruals for which we believe we can make a reasonable and reliable estimate of the amount that will ultimately be unclaimed. MDF amounts that have been previously recorded against revenue and subsequently expired unclaimed are reversed to revenue. Such amounts have not been significant.

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

License and Development Revenue

For license arrangements that require significant customization of our intellectual property components, we generally recognize the related revenue over the period that services are performed. For most license and service arrangements, we determine progress to completion based on actual direct labor hours incurred to date as a percentage of the estimated total direct labor hours required to complete the project. We periodically evaluate the actual status of each project to ensure that the estimates to complete each contract remain accurate. A provision for estimated losses on contracts is made in the period in which the loss becomes probable and can be reasonably estimated. Costs incurred in advance of revenue recognized are recorded as deferred costs on uncompleted contracts. If the amount billed exceeds the amount of revenue recognized, the excess amount is recorded as deferred revenue. Revenue recognized in any period is dependent on our progress toward completion of projects in progress. Significant management judgment and discretion are used to estimate total direct labor hours. Any changes in or deviations from these estimates could have a material effect on the amount of revenue we recognize in any period.

For license arrangements that do not require significant customization but where we are obligated to provide further deliverables over the term of the license agreement, we record revenue over the life of the license term, with consideration received in advance of the performance period classified as deferred revenue.

Royalty revenue is recognized related to the distribution or sale of products that use our technologies under license agreements with third parties. We recognize royalty revenue upon receipt of a confirmation of earned royalties and when collectability is reasonably assured from the applicable licensee.

Accounts Receivable

We maintain an allowance for doubtful accounts receivable for estimated losses resulting from the inability of our customers to make required payments. Management determines this allowance, which consists of an amount identified for specific customer issues as well as an amount based on overall estimated exposure. Our accounts receivable are highly concentrated and make us vulnerable to adverse changes in our customers businesses, and to downturns in the industry and the worldwide economy. Our overall estimated exposure excludes significant amounts that are covered by credit insurance and letters of credit. If the financial condition of our customers, the financial institutions providing letters of credit, or our credit insurance carrier were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required that could adversely affect our operating results. Furthermore, there can be no assurance that we will be able to continue to obtain credit insurance in the future.

As of January 26, 2014, our allowance for doubtful accounts receivable was \$0.8 million and our gross accounts receivable balance was \$443.5 million. Of the \$443.5 million, \$84.1 million was covered by credit insurance and \$23.1 million was covered by letters of credit. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required and we may have to record additional reserves or write-offs on certain sales transactions in the future. Factors impacting the allowance include the level of gross receivables, the financial condition of our customers and the extent to which balances are covered by credit insurance or letters of credit. The amount of our cumulative bad debt charges over the last three fiscal years has not been significant. As a result of our low bad debt experience, our allowance for doubtful accounts receivable has ranged between 0.1% and 0.4%

during fiscal years 2014 and 2013. As of January 26, 2014, our allowance for doubtful accounts receivable represented 0.2% of our gross accounts receivable balance.

Inventories

Inventory cost is computed on an adjusted standard basis, which approximates actual cost on an average or first-in, first-out basis. Inventory costs consist primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, and shipping costs, as well as the cost of purchased memory products and other component parts. We charge cost of sales for inventory provisions to write down our inventory to the lower of cost or estimated market value or to completely write off obsolete or excess inventory. Most of our inventory provisions relate to the write-off of excess quantities of products, based on our inventory levels and future product purchase commitments compared to assumptions about future demand and market conditions. Once inventory has been written-off or written-down, it creates a new cost basis for the inventory that is not subsequently written-up.

Situations that may result in excess or obsolete inventory include changes in business and economic conditions, changes in consumer confidence caused by changes in market conditions, sudden and significant decreases in demand for our products, inventory obsolescence because of rapidly changing technology and customer requirements, failure to estimate customer demand properly for older products as newer products are introduced, or unexpected competitive pricing actions by our competition. In addition, cancellation or deferral of customer purchase orders could result in our holding excess inventory. Also, because we often sell a substantial portion of our products in the last month of each quarter, we may not be able to reduce our inventory purchase commitments in a timely manner in response to customer cancellations or deferrals.

Charges to cost of sales for inventory provisions totaled \$50.1 million, \$89.9 million and \$53.0 million, unfavorably impacting our gross margin by 1.2%, 2.1% and 1.3%, in fiscal years 2014, 2013 and 2012, respectively. Sales of inventory that was previously written-off or written-down totaled \$43.4 million, \$53.7 million and \$71.1 million, favorably impacting our gross margin by 1.1%, 1.3% and 1.8% in fiscal years 2014, 2013 and 2012, respectively. As a result, the overall net effect on our gross margin from charges to cost of sales for inventory provisions and sales of items previously written-off or written-down was a 0.1% unfavorable impact in fiscal year 2014, a 0.8% unfavorable impact in fiscal year 2013 and a 0.5% favorable impact in fiscal year 2012.

During fiscal years 2014, 2013 and 2012, the charges we took to cost of sales for inventory provisions were primarily related to the write-off of excess quantities of certain older generations of GPU and Tegra Processor products whose inventory levels were higher than our updated forecasts of future demand for those products. As a fabless semiconductor company, we must make commitments to purchase inventory based on forecasts of future customer demand. In doing so, we must account for our third-party manufacturers' lead times and constraints. We also adjust to other market factors, such as product offerings and pricing actions by our competitors, new product transitions, and macroeconomic conditions - all of which may impact demand for our products.

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

Warranty Liabilities

Cost of revenue includes the estimated cost of product warranties that are calculated at the point of revenue recognition. Under limited circumstances, we may offer an extended limited warranty to customers for certain products. Our products are complex and may contain defects or experience failures due to any number of issues in design, fabrication, packaging, materials and/or use within a system. If any of our products or technologies contains a defect, compatibility issue or other error, we may have to invest additional research and development efforts to find and correct the issue. In addition, an error or defect in new products or releases or related software drivers after commencement of commercial shipments could result in failure to achieve market acceptance or loss of design wins. Also, we may be required to reimburse customers, including our customers' costs to repair or replace products in the field.

Income Taxes

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

United States income tax has not been provided on a portion of earnings of our non-U.S. subsidiaries to the extent that such earnings are considered to be indefinitely reinvested.

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

As of January 26, 2014, we had a valuation allowance of \$244.5 million related to state and certain foreign deferred tax assets that management determined are not likely to be realized due, in part, to projections of future taxable income and potential utilization limitations of tax attributes acquired as a result of stock ownership changes. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

Our deferred tax assets do not include the excess tax benefit related to stock-based compensation that are a component of our federal and state net operating loss and research tax credit carryforwards in the amount of \$427.9 million as of January 26, 2014. Consistent with prior years, the excess tax benefit reflected in our net operating loss and research tax credit carryforwards will be accounted for as a credit to stockholders' equity, if and when realized. In determining if and when excess tax benefits have been realized, we have elected to utilize the with-and-without approach with respect to such excess tax benefits. We have also elected to ignore the indirect tax effects of stock-based compensation deductions for financial and accounting reporting purposes, and specifically to recognize the full effect of the research tax credit in income from operations.

We recognize the benefit from a tax position only if it is more-likely-than-not that the position would be sustained upon audit based solely on the technical merits of the tax position. Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense. Please refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Goodwill

Goodwill is subject to our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist, using either a qualitative or a quantitative assessment. Our impairment review process compares the fair value of the reporting unit in which the goodwill resides to its carrying value. We have identified three reporting units, GPU, Professional Solutions and Tegra Processor, for the purposes of completing our goodwill analysis. Goodwill assigned to these reporting units as of January 26, 2014 was \$135.3 million, \$95.1 million and \$412.8 million, respectively. Determining the number of reporting units and the fair value of a reporting unit requires us to make judgments and involves the use of significant estimates and assumptions. We also make judgments and assumptions in allocating assets and liabilities to each of our reporting units. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain.

Both a qualitative and quantitative approach are applicable accounting standards for the assessment of goodwill impairment. With the qualitative approach to testing goodwill for impairment, we perform an analysis evaluating factors including, but not limited to, macro-economic conditions, market and industry conditions, the competitive environment, the operational stability and overall financial performance of the reporting units, including cost factors and actual revenue results. For reporting units in which the qualitative assessment concludes it is more likely than not that the fair value is more than its carrying value, no further goodwill impairment testing is required.

For those reporting units where a significant change or event has occurred, where potential impairment indicators exist, or for which we have not performed a quantitative assessment recently, we utilize a two-step quantitative assessment to testing goodwill for impairment. The first step tests for possible impairment by applying a fair value-based test. The second step, if necessary, measures the amount of such impairment by applying fair value-based tests to individual assets and liabilities. We estimated the fair value of reporting units by weighing the results from the income approach and the market approach. These valuation approaches consider a number of factors that include, but are not limited to, prospective financial information, growth rates, terminal or residual values, discount rates and comparable multiples from publicly traded companies in our industry and require us to make certain assumptions and estimates regarding industry economic factors and the future profitability of our business.

When performing an income approach valuation, we incorporate the use of projected financial information and a discount rate that are developed using market participant based assumptions to our discounted cash flow model. Our estimates of discounted cash flow were based upon, among other things, certain assumptions about our expected future operating performance, such as revenue growth rates, operating margins, risk-adjusted discount rates, and future economic and market conditions. Our estimates may differ from actual cash flow due to, among other things, economic conditions, changes to our business model or changes in operating performance. Additionally, certain estimates of discounted cash flow involve businesses with limited financial history and developing revenue models, which increases the risk of differences between the projected and actual performance. The long-term financial forecasts that we utilize represent the best estimate that we have at this time and we believe that its underlying assumptions are reasonable. Significant differences between our estimates and actual cash flow could materially affect our future financial results, which could impact our future estimates of the fair value of our reporting unit.

During the fourth quarter of fiscal year 2014, we utilized a quantitative assessment to test goodwill impairment for all three reporting units and concluded that there was no impairment, as the fair value of our GPU and Professional Solutions reporting units significantly exceeded their carrying values and the fair value of our Tegra Processor reporting unit exceeded its carrying value by 17%. As such, even if we applied a hypothetical 10% decrease to the fair value of each reporting unit, it still would not have resulted in the fair value of our reporting units being less than their carrying values. As an overall test of the reasonableness of estimated fair values of reporting units, we reconciled the combined fair value estimates of our reporting units to our market capitalization as of the valuation date of October 27, 2013. The reconciliation confirmed that the fair values were relatively representative of the market views when applying a reasonable control premium to the market capitalization. However, any significant reductions in the actual amount of future cash flows realized by our reporting units, reductions in the value of market comparables, or reductions in our market capitalization could impact future estimates of the fair values of our reporting units. Such events could ultimately result in a charge to our earnings in future periods due to the potential for a write-down of the goodwill associated with our reporting units.

In particular, the fair value of our Tegra reporting unit exceeded its carrying value by approximately 17%. The fair value of this reporting unit was assessed using a combination of income and market approaches. The underlying assumptions we used in assessing the fair value of the Tegra reporting unit include, but are not limited to, assumptions around future revenue growth rates, gross margins, operating expense investment levels, overall market growth rates, our market share of the overall market, and the appropriate discount rates to apply to future cash flows. If the actual future results of the Tegra reporting unit do not achieve the levels we estimated in assessing its fair value, the fair value of the Tegra reporting unit could decline. A future decline in the fair value of the Tegra reporting unit could result a charge to our earnings as a result of a write-down of the value of the goodwill associated with that reporting unit.

Our next annual evaluation of the goodwill by reporting unit will be performed during the fourth quarter of fiscal year 2015, or earlier if indicators of potential impairment exist. Such indicators include, but are not limited to, challenging economic conditions, such as a decline in our operating results, an unfavorable industry or macroeconomic environment, a substantial decline in our stock price, or any other adverse change in market conditions. Such conditions could have the effect of changing one of the critical assumptions or estimates we use to calculate the fair value of our reporting units, which could result in a decrease in fair value and require us to record goodwill impairment charges.

Cash Equivalents and Marketable Securities

Cash equivalents consist of financial instruments which are readily convertible into cash and have original maturities of three months or less at the time of acquisition. Marketable securities consist primarily of highly liquid investments with maturities of greater than three months when purchased. We generally classify our marketable securities at the date of acquisition as available-for-sale. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income (loss), a component of stockholder's equity, net of tax. Any unrealized losses which are considered to be other-than-temporary impairments are recorded in the other income (expense) section of our consolidated statements of operations. Realized gains (losses) on the sale of marketable securities are determined using the specific-identification method and recorded in the other income (expense) section of our consolidated statements of operations. Please refer to Note 7 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K. We measure our cash equivalents and marketable securities at fair value. The fair values of our financial assets and liabilities are determined using quoted market prices of identical assets or quoted market prices of similar assets from active markets. Our Level 1 assets consist of our money market funds. We classify securities within Level 1 assets when the fair value is obtained from real time quotes for transactions in active exchange markets involving identical assets. Our available-for-sale securities are classified as having Level 2 inputs. Our Level 2 assets are valued utilizing a market approach where the market prices of similar assets are provided by a variety of independent industry standard data providers to our investment custodian. Most of our cash equivalents and marketable securities are valued based on Level 2 inputs. We do not have any investments classified as Level 3 as of January 26, 2014.

All of our available-for-sale investments are subject to a periodic impairment review. We record a charge to earnings when a decline in fair value is significantly below cost basis and judged to be other-than-temporary, or have other indicators of impairments. If the fair value of an available-for-sale debt instrument is less than its amortized cost basis, an other-than-temporary impairment is triggered in circumstances where (1) we intend to sell the instrument, (2) it is more likely than not that we will be required to sell the instrument before recovery of its amortized cost basis, or (3) a credit loss exists where we do not expect to recover the entire amortized cost basis of the instrument. If we intend to sell or it is more likely than not that we will be required to sell the available-for-sale debt instrument before recovery of its amortized cost basis, we recognize an other-than-temporary impairment in earnings equal to the entire difference between the debt instruments' amortized cost basis and its fair value. For available-for-sale debt instruments that are considered other-than-temporarily impaired due to the existence of a credit loss, if we do not intend to sell and it is more likely than not that we will be required to sell the instrument before recovery of its remaining amortized cost basis (amortized cost basis less any current-period credit loss), we separate the amount of the impairment into the amount that is credit related and the amount due to all other factors. The credit loss component is recognized in earnings.

Stock-based Compensation

We measure stock-based compensation expense based on the estimated fair value of equity awards at the grant date, and recognize the expense using a straight-line attribution method over the requisite employee service period. We estimate the fair value of employee stock options on the date of grant using a binomial model. We use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of restricted stock units, or RSUs. The fair value of our employee stock purchase plan is calculated using the Black-Scholes model. Our stock-based compensation for employee stock purchase plan is expensed using an accelerated amortization model.

We determine the fair value of stock option awards on the date of grant using an option-pricing model that is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables

include, but are not limited to, weighted average expected term, risk-free interest rate, expected stock price volatility, dividend yield, actual and projected employee stock option exercise behaviors, vesting schedules and death and disability probabilities. We also segregate options into groups of employees with relatively homogeneous exercise behavior in order to calculate the best estimate of fair value using the binomial valuation model.

The expected life of employee stock options is a derived output of our valuation model and is impacted by the underlying assumptions of our company. The risk-free interest rate assumption is based upon observed interest rates on Treasury bills appropriate for the term of our employee stock options. Our management has determined that the use of implied volatility is expected to be more reflective of market conditions and, therefore, can reasonably be expected to be a better indicator of our expected volatility than historical volatility. Dividend yield is based on history and expectation of dividend payouts.

Our RSU awards are not eligible for cash dividends prior to vesting; therefore, the fair value of RSUs is discounted by the dividend yield. Additionally, for employee stock option and RSU awards, we estimate forfeitures annually and revise the estimates of forfeiture in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience. If factors change and we employ different assumptions in the application of accounting standards in future periods, the compensation expense that we record under these accounting standards may differ significantly from what we have recorded in the current period.

Using the binomial model, we estimated the fair value of the stock options granted under our stock option plans using the following assumptions during fiscal year 2014:

Weighted average expected life (in years)	2.4-3.5
Risk-free interest rate	1.8%-3.0%
Volatility.....	28%-37%
Dividend yield.....	1.9%-2.4%

We used the Black-Scholes model to estimate the fair value of shares issued under our ESPP during fiscal year 2014, using the following assumptions:

Weighted average expected life (in years).....	0.5-2.0
Risk-free interest rate	0.1%-0.4%
Volatility	32%-37%
Dividend yield	2.0%-2.4%

Litigation, Investigation and Settlement Costs

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

Results of Operations

The following table sets forth, for the periods indicated, certain items in our consolidated statements of operations expressed as a percentage of revenue.

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Revenue	100.0%	100.0%	100.0%
Cost of revenue	45.1	48.0	48.6
Gross profit	54.9	52.0	51.4
Operating expenses:.....			
Research and development	32.3	26.8	25.1
Sales, general and administrative	10.5	10.1	10.1
Total operating expenses	42.8	36.9	35.2
Income from operations.....	12.1	15.1	16.2
Interest income	0.4	0.5	0.5
Interest expense	(0.3)	(0.1)	(0.1)
Other income (expense), net.....	0.2	(0.1)	—
Income before income taxes.....	12.4	15.4	16.6
Income tax expense	1.7	2.3	2.1
Net income.....	10.7%	13.1%	14.5%

Fiscal Years Ended January 26, 2014, January 27, 2013, and January 29, 2012

Revenue

Fiscal Year 2014 vs. Fiscal Year 2013

Revenue was \$4.13 billion for fiscal year 2014 and \$4.28 billion for fiscal year 2013, a decrease of 4%. A discussion of our revenue results for each of our reporting segments and the other category is as follows:

GPU Business. GPU business revenue for fiscal year 2014 increased by 7% to \$3.47 billion when compared to \$3.25 billion for fiscal year 2013. This growth was largely attributable to strength in our high-end GeForce GTX GPUs which grew 18% driven by gaming market segment demand. The GPU business also benefited from a 37% increase in Tesla high-performance computing revenue and a 10% increase in Quadro workstation revenue in fiscal year 2014. Offsetting these growth areas were declines in the overall market for desktop PCs and notebooks, which contributed to lower unit volumes of our mainstream GeForce GPUs.

Tegra Processor Business. Tegra Processor business revenue decreased by 48% to \$398.0 million for fiscal year 2014 as compared to \$764.4 million for fiscal year 2013. This decrease was primarily due to lower sales of our previous generation Tegra 3-based products for smartphones and tablet devices. Additionally, sales of our embedded products for entertainment devices and revenue from license fees related to game consoles also decreased during fiscal year 2014. These decreases were partially offset by the sales of Tegra 4-based products for smartphones and tablet devices as well as infotainment systems for automobiles.

All Other. License revenue from the patent cross licensing arrangement we entered into with Intel in January 2011 was flat at \$264.0 million between fiscal years 2014 and 2013.

Fiscal Year 2013 vs. Fiscal Year 2012

Revenue was \$4.28 billion for fiscal year 2013 and \$4.00 billion for fiscal year 2012, an increase of 7%. A discussion of our revenue results for each of our reporting segments and the other category is as follows:

GPU Business. GPU business revenue of \$3.25 billion for fiscal year 2013 increased by 2% compared to \$3.19 billion for fiscal year 2012. This growth was largely attributable to the introduction of GPUs based on our Kepler architecture in fiscal year 2013. GeForce notebook revenues increased on the strength of Kepler-based design wins on the Ivy Bridge platform. Strong demand for Kepler-based GeForce desktop GPU products also contributed to the increase in GPU business revenues. The GPU business also benefited from a greater than 36% increase in Tesla revenue in fiscal year 2013. Offsetting these increases were a decrease in Quadro revenue, which we believe was due primarily to general weakness in Western Europe, and a continued decline in sales of our MCP products as we continued to phase out our chipset product line.

Tegra Processor Business. Tegra Processor business revenue increased by 29% to \$764.4 million for fiscal year 2013 as compared to \$591.2 million for fiscal year 2012. This increase was primarily due to higher sales of our Tegra 3-based smartphones and tablet devices as we transitioned from the previous generation Tegra 2-based products and introduced our Tegra-3 based processors in Windows RT-based tablet devices. Additionally, revenues for our embedded products for entertainment and automotive devices also increased during fiscal year 2013. Offsetting these increases was a decrease in revenue from license fees and other revenue related to game consoles.

All Other. The increase in revenue is also due to revenue from the patent cross licensing arrangement we entered into with Intel in January 2011. We recognized \$264.0 million in related licensing revenue during the entire twelve months of fiscal year 2013, while fiscal year 2012 only included \$220.0 million in related revenue - reflecting only ten months of the corresponding revenue.

Concentration of Revenue

We generated 75%, 74% and 78% of our total revenue for fiscal years 2014, 2013 and 2012, respectively, from sales to customers outside the United States and other Americas. Revenue by geographic region is allocated to individual countries based on the location to which the products are initially billed even if the foreign contract equipment manufacturers, add-in board and motherboard manufacturers' revenue is attributable to end customers in a different location.

Revenue from significant customers, those representing 10% or more of total revenue for the respective dates, is summarized as follows:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Revenue:			
Customer A	11%	13%	11%
Customer B	10%	9%	7%

Gross Profit and Gross Margin

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

Gross margin is the percentage of gross profit to revenue. Our gross margin was 54.9%, 52.0% and 51.4% for fiscal years 2014, 2013 and 2012, respectively. Our gross margin is significantly impacted by the mix of products we sell and can vary in any period depending on that product mix.

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

Fiscal Year 2014 vs. Fiscal Year 2013

Our gross margin increased to 54.9% in fiscal year 2014 from 52.0% in fiscal year 2013. The improvement in gross margin was driven primarily by a combination of increased unit sales and a richer product mix of our high-end GeForce GTX GPU, Tesla high performance computing, and Quadro professional workstation products. The lower sales unit volumes of our lower margin mainstream GPUs and Tegra processors also contributed to the gross margin increase. Gross margin also improved due to the favorable impact of lower net inventory provisions in fiscal year 2014 compared to fiscal year 2013.

Charges to cost of sales for inventory provisions totaled \$50.1 million and \$89.9 million for fiscal years 2014 and 2013, unfavorably impacting our gross margin by 1.2% and 2.1%, respectively. Sales of inventory that was previously written-off or written-down totaled \$43.4 million and \$53.7 million for fiscal years 2014 and 2013, favorably impacting our gross margin by 1.1% and 1.3%, respectively. As a result, the overall net effect on our gross margin from inventory provisions and sales of items previously written down was an unfavorable impact of 0.1% and 0.8% in fiscal years 2014 and 2013, respectively.

GPU Business. The gross margin of our GPU business increased during fiscal year 2014 when compared to fiscal year 2013. This was primarily due to a combination of increased unit sales and a richer product mix of our high-end GeForce GTX GPU, Tesla high performance computing, and Quadro professional workstation products. Lower inventory provisions for excess inventory in fiscal year 2014 also contributed to the increase in gross margin.

Tegra Processor Business. The gross margin of our Tegra Processor business decreased during fiscal year 2014 when compared to fiscal year 2013. This decrease was driven primarily by a combination of an overall decline in margins of our Tegra products and a less rich mix between tablet products, which have had higher gross margins, and smartphone and automotive module products, which have had comparably lower gross margins.

Fiscal Year 2013 vs. Fiscal Year 2012

Our gross margin increased to 52.0% in fiscal year 2013 from 51.4% in fiscal year 2012. The improvement in gross margin was driven primarily by increased unit sales and a richer product mix of our high-end GeForce desktop products, plus Tesla and Quadro products. The addition of a full year of revenue from the patent cross licensing arrangement with Intel compared to ten months of such corresponding revenue in fiscal year 2012 also contributed to the improvement in gross margin. Offsetting these were the unfavorable impact of higher net provisions for inventory in fiscal year 2013 when compared to fiscal year 2012.

Charges to cost of sales for inventory provisions totaled \$89.9 million and \$53.0 million for fiscal years 2013 and 2012, unfavorably impacting our gross margin by 2.1% and 1.3%, respectively. Sales of inventory that was previously written-off or written down totaled \$53.7 million and \$71.1 million for fiscal years 2013 and 2012, favorably impacting our gross margin by 1.3% and 1.8%, respectively. As a result, the overall net effect on our gross margin from inventory provisions and sales of items previously written down was a 0.8% unfavorable impact in fiscal year 2013 and a 0.5% favorable impact in fiscal year 2012.

GPU Business. The gross margin of our GPU business increased during fiscal year 2013 when compared to fiscal year 2012. This was primarily due to a richer product mix of our Kepler-based high-end 28 nanometer GeForce desktop products and our Quadro products. Memory margins strengthened on improved market pricing. These favorable contributors to gross margin were primarily offset by higher net inventory provisions in fiscal year 2013 compared to fiscal year 2012.

Tegra Processor Business. The gross margin of our Tegra Processor business decreased slightly during fiscal year 2013 as compared to fiscal year 2012. This decrease was the result of a change in product mix driven by a lower mix of revenue from areas such as license fees and other revenues related to game consoles, which typically have higher gross margins than our Tegra products, offset by a higher mix of revenue from sales of our Tegra products, which grew substantially during the year.

Operating Expenses

	Year Ended				Year Ended			
	January 26, 2014	January 27, 2013	\$ Change	% Change	January 27, 2013	January 29, 2012	\$ Change	% Change
	(In millions)				(In millions)			
Research and development expenses.	\$ 1,335.8	\$ 1,147.3	\$ 188.5	16.4%	\$ 1,147.3	\$ 1,002.6	\$ 144.7	14.4%
Sales, general and administrative expenses	435.7	430.8	4.9	1.1%	430.8	405.6	25.2	6.2%
Total operating expenses	<u>\$ 1,771.5</u>	<u>\$ 1,578.1</u>	<u>\$ 193.4</u>	12.3%	<u>\$ 1,578.1</u>	<u>\$ 1,408.2</u>	<u>\$ 169.9</u>	12.1%
Research and development as a percentage of net revenue	32.3%	26.8%			26.8%	25.1%		
Sales, general and administrative as a percentage of net revenue	10.5%	10.1%			10.1%	10.1%		

Research and Development

Fiscal Year 2014 vs. Fiscal Year 2013

Research and development expenses increased by \$188.5 million, or 16%, year over year. This increase was primarily due to a \$101.9 million increase in compensation and benefits expense due to increased hiring of engineering talent. The growth in engineering employees also drove an increase in facilities and IT support expense of \$34.6 million, purchases of computer and software supplies of \$14.1 million and depreciation and amortization of \$11.0 million. In addition, engineering development expenses increased by \$23.2 million, primarily related to the ramp up of our next generation Tegra products.

Fiscal Year 2013 vs. Fiscal Year 2012

Research and development expenses increased by \$144.7 million, or 14%, year over year. This increase was primarily due to a \$99.4 million increase in compensation and benefits expense as we continue to hire engineering talent to invest in our business. Depreciation and amortization increased by \$9.8 million, driven primarily by amortization of intangible assets associated with our acquisition of Icera in fiscal year 2012, as well as purchases of additional hardware and licenses during the year. Engineering development expenses increased by \$6.8 million related to the ramp of our next-generation GPU architecture, Kepler, designed for 28nm technology and our next generation Tegra processor architecture, Tegra 4.

Sales, General and Administrative

Fiscal Year 2014 vs. Fiscal Year 2013

Sales, general and administrative expenses increased by \$4.9 million, or 1%, year over year. This increase was primarily due to a \$37.9 million increase in compensation and benefits expense due to increased hiring. Offsetting this increase were the absence of both a \$20.1 million charge for a charitable contribution and a charge of \$3.1 million for a class action settlement that we recorded in the prior fiscal year.

Fiscal Year 2013 vs. Fiscal Year 2012

Sales, general and administrative expenses increased by \$25.2 million, or 6%, year over year. This increase was primarily due to a \$21.6 million increase in compensation and benefits expense as we continue to invest in our business. Also contributing to the increase was a \$20.1 million expense for the net present value of a charitable contribution that we recorded in the second quarter of fiscal year 2013. Offsetting these increases were decreases in outside professional fees of \$10.4 million due to an overall decrease in professional services costs during fiscal year 2013 compared with fiscal year 2012 due to a general decline in litigation-related costs and the absence of services associated with acquisition activity in fiscal year 2013.

Interest Income and Interest Expense

Interest income consists of interest earned on cash, cash equivalents and marketable securities. Interest expense is primarily comprised of coupon interest and debt discount amortization related to the convertible notes issued in the fourth quarter of fiscal year 2014.

Interest income was \$17.1 million, \$19.9 million and \$19.1 million in fiscal years 2014, 2013 and 2012, respectively. The decrease in fiscal year 2014 from the prior year was primarily due to the result of lower average cash balances as we liquidated a portion of our investment portfolio to fund an accelerated share repurchase transaction during the second quarter of fiscal year 2014.

Interest expense was \$10.4 million, \$3.3 million, and \$3.1 million in fiscal years 2014, 2013 and 2012, respectively. The increase from prior year is attributable to \$2.5 million for coupon interest and \$4.6 million for debt discount amortization related to the convertible notes. We expect to incur annual coupon interest expense of \$15.0 million, and annual debt discount amortization of \$28.0 million, for fiscal year 2015.

Other Income and Expense

Other income and expense primarily consists of realized gains and losses from the sale of marketable securities, sale of investment in non-affiliated companies, and the impact of changes in foreign currency rates. Net other income (expense) was \$7.4 million, \$(2.8) million and \$(1.0) million in fiscal years 2014, 2013 and 2012, respectively. The increase in other income for fiscal year 2014 was primarily due to an increase in gains from foreign currency remeasurements and a gain of \$3.1 million from sale of a non-affiliated investment.

Income Taxes

We recognized income tax expense of \$70.3 million, \$99.5 million and \$82.3 million during fiscal years 2014, 2013 and 2012, respectively. Income tax expense as a percentage of income before taxes, or our annual effective tax rate, was 13.8%, 15.0%, and 12.4% in fiscal years 2014, 2013 and 2012, respectively.

Our effective tax rate on income or loss before tax for the fiscal years was lower than the United States federal statutory rate of 35% due to income or loss earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate is lower than the United States federal statutory tax rate of 35%, favorable recognition

in these fiscal years of the U.S. federal R&D tax credit and release of tax reserves as a result of the expiration of statutes of limitations in certain non-U.S. jurisdictions for which we had not previously recognized related tax benefits.

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

Liquidity and Capital Resources

	January 26, 2014	January 27, 2013
	(In millions)	
Cash and cash equivalents.....	\$ 1,151.6	\$ 732.8
Marketable securities.....	3,520.2	2,995.1
Cash, cash equivalents, and marketable securities.....	<u>\$ 4,671.8</u>	<u>\$ 3,727.9</u>

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In millions)		
Net cash provided by operating activities.....	\$ 835.1	\$ 824.2	\$ 909.2
Net cash used in investing activities.....	\$ (805.9)	\$ (744.0)	\$ (1,143.4)
Net cash (used in) provided by financing activities.....	\$ 389.6	\$ (15.3)	\$ 236.7

As of January 26, 2014, we had \$4.67 billion in cash, cash equivalents and marketable securities, an increase of \$943.9 million from the end of fiscal year 2013. Our portfolio of cash equivalents and marketable securities is managed on our behalf by several financial institutions which are required to follow our investment policy, which requires the purchase of high grade investment securities, the diversification of asset types and includes certain limits on our portfolio duration.

Operating activities

Operating activities consist primarily of net income or loss for the fiscal period, offset by the impact of non-cash expenses such as stock-based compensation and depreciation and amortization expense, and changes in operating assets and liabilities such as accounts receivable and inventories.

Cash provided by operating activities increased slightly in fiscal year 2014 compared to fiscal year 2013 primarily due to favorable changes in operating assets offset by a decrease in net income. The favorable change in operating assets was driven mainly by a combination of a decrease in accounts receivable, resulting from strong collections and linear monthly shipments in the fourth quarter of fiscal year 2014, and a decrease in inventories.

Cash provided by operating activities decreased in fiscal year 2013 compared to fiscal year 2012 primarily due to a decrease in net income and unfavorable changes in operating assets compared to fiscal year 2012. For example, accounts receivable increased primarily due to higher sales in the fourth quarter of fiscal year 2013 compared to the fourth quarter of fiscal year 2012 and inventory increased as a result of the production ramp of Kepler-based GPU products.

Investing activities

Investing activities consist primarily of purchases, sales and maturities of marketable securities, acquisitions of businesses and purchases of property and equipment, including leasehold improvements for our facilities and intangible assets.

Cash used in investing activities for fiscal year 2014 increased from fiscal year 2013 driven primarily by capital expenditures in fiscal year 2014 for new technology licenses and leasehold improvements at our facilities in various locations.

Cash used in investing activities for fiscal year 2013 decreased from fiscal year 2012 due primarily to the acquisition of Icera in fiscal year 2012. We used \$183.3 million towards capital expenditures in fiscal year 2013 mainly for the purchase of new research and development equipment, testing equipment to support our increased production requirements, technology licenses, software, intangible assets and leasehold improvements at our facilities in various locations.

Financing activities

Financing activities consist primarily of borrowing activities, such as convertible debt issuances or capital leases, and equity-related activities such as stock repurchases and dividend payments.

Cash provided by financing activities increased in fiscal year 2014 due primarily to the net proceeds of \$1.48 billion we received from the convertible note offering that was completed during the fourth quarter of fiscal year 2014 as well as cash proceeds of \$70.2 million from common stock issued under our employee stock plans. Concurrent with the convertible note offering, we used net proceeds of \$108 million to fund the related note hedge and warrant transactions. During fiscal year 2014, we also used \$887.3 million to repurchase shares of our common stock and paid \$181.3 million of cash dividends to shareholders.

Cash used in financing activities in fiscal year 2013 was due primarily to our repurchase of \$100.0 million of shares of our common stock and our first quarterly cash dividend payment of \$46.9 million. These uses of cash were offset by cash proceeds of \$64.9 million from common stock issued under our employee stock plans and a non-cash tax benefit of \$68.7 million related to employee stock-based compensation.

Liquidity

Our primary source of liquidity is cash generated by our operations. Our investment portfolio consisted of cash and cash equivalents, commercial paper, mortgage-backed securities issued by government-sponsored enterprises, money market funds and debt securities of corporations, municipalities and the United States government and its agencies. These investments are denominated in United States dollars. As of January 26, 2014, we did not have any investments in auction-rate preferred securities.

All of the cash equivalents and marketable securities are treated as “available-for-sale”. Investments in both fixed and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate debt securities may have their market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value of our publicly traded debt or equity investments is judged to be other-than-temporary. We may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because any debt securities we hold are classified as “available-for-sale,” no gains or losses are realized in our statement of income due to changes in interest rates unless such securities are sold prior to maturity or unless declines in market values are determined to be other-than-temporary. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of stockholders’ equity, net of tax.

As of January 26, 2014 and January 27, 2013, we had \$4.67 billion and \$3.73 billion, respectively, in cash, cash equivalents and marketable securities. Our investment policy requires the purchase of high grade investment securities, the diversification of asset types and includes certain limits on our portfolio duration, as specified in our investment policy guidelines. These guidelines also limit the amount of credit exposure to any one issue, issuer or type of instrument. As of January 26, 2014, we were in compliance with our investment policy. As of January 26, 2014, our investments in U.S. government agencies and U.S. government sponsored enterprises represented approximately 42% of our total investment

portfolio, while the financial sector accounted for approximately 27% of our total investment portfolio. Substantially all of our investments are with A/A3 or better rated securities.

We performed an impairment review of our investment portfolio as of January 26, 2014. Based on our quarterly impairment review, we concluded that our investments were appropriately valued and did not record any impairment during fiscal year 2014.

Net realized gains were \$2.4 million, \$0.5 million and \$0.4 million for fiscal years 2014, 2013 and 2012, respectively. As of January 26, 2014, we had a net unrealized gain of \$4.8 million, which was comprised of gross unrealized gains of \$7.2 million, offset by \$2.4 million of gross unrealized losses. As of January 27, 2013, we had a net unrealized gain of \$10.9 million, which was comprised of gross unrealized gains of \$11.7 million, offset by \$0.8 million of gross unrealized losses.

Our accounts receivable are highly concentrated. One customer accounted for approximately 23% of our accounts receivable balance at January 26, 2014. We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. This allowance consists of an amount identified for specific customers and an amount based on overall estimated exposure. As of January 26, 2014, our allowance for doubtful accounts receivable was 0.2% of our gross accounts receivable balance.

Our cash balances are held in numerous locations throughout the world, including substantial amounts held outside of the United States. As of January 26, 2014, we had cash, cash equivalents and marketable securities of \$2.06 billion held within the United States and \$2.61 billion held outside of the United States. Most of the amounts held outside the United States may be repatriated to the United States but, under current law, would be subject to U.S. federal income taxes, less applicable foreign tax credits. Further, repatriation of some foreign balances may be restricted by local laws. As of January 26, 2014, we have not provided for U.S. federal and state income taxes on approximately \$1.96 billion of undistributed earnings of non-United States subsidiaries, as such earnings are considered indefinitely reinvested outside the United States. Although we have no current need to do so, if we repatriate foreign earnings for cash requirements in the United States, we would incur U.S. federal and state income tax, less applicable foreign tax credits, and reduced by the current amount of our U.S. federal and state net operating loss and tax credit carryforwards. Further, in addition to the \$2.06 billion of cash, cash equivalents and marketable securities held within the United States and available to fund our U.S. operations and any other U.S. cash needs, we have access to external sources of financing if cash is needed in the United States other than by repatriation of foreign earnings where U.S. income tax may otherwise be due. Accordingly, we do not reasonably expect any material effect on our business, as a whole, or to our financial flexibility with respect to our current cash balances held outside of the United States.

Convertible Notes

On December 2, 2013, we issued \$1.5 billion of 1.00% Convertible Senior Notes, or the Notes, due in 2018 and concurrently entered into separate note hedge and warrant transactions and used \$14.3 million to repurchase shares of our common stock from purchasers of the Notes in privately negotiated transactions. In addition to using the net proceeds to fund the transaction costs, note hedge and warrant transactions, we further intend to use the proceeds to repurchase shares of our common stock and pay cash dividends pursuant to our recently announced fiscal year 2015 capital return program, and for general corporate purposes.

The Notes are unsecured, unsubordinated obligations of the Company, which pay interest in cash semi-annually at a rate of 1.00% per annum. The Notes will mature on December 1, 2018 unless earlier repurchased or converted in accordance with their terms prior to such date. As of January 26, 2014, none of the conditions allowing holders of the Notes to convert had been met and the Notes are therefore classified as a long-term liability on our consolidated balance sheets. Please refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Stock Repurchase Program

Our Board of Directors has authorized us to repurchase up to \$3.7 billion of our common stock through January 2016. As of January 26, 2014, we had repurchased \$2.45 billion of that amount, leaving up to \$1.25 billion available under this authorization through January 2016. We have announced our intention to return \$1.0 billion to shareholders in fiscal year 2015 in the form of share repurchases and dividends. As part of our capital return program, during February 2014 we entered into an accelerated share repurchase agreement to purchase \$500.0 million in shares of our common stock. Please refer to Note 14 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion regarding our stock repurchase program.

Cash Dividend Program

Prior to fiscal year 2013, we had never declared or paid any dividend on shares of our common stock. On November 8, 2012, we announced the initiation of a quarterly cash dividend program. This initial quarterly dividend of \$0.075 per share was equivalent to \$0.30 per share on an annual basis. On November 7, 2013, we increased our quarterly cash dividend by 13% to \$0.085 per share which was equivalent to \$0.34 per share on an annual basis. A subsequent cash dividend of \$0.085 per share was declared on February 12, 2014, payable on March 20, 2014 to all common stockholders of record at the close of business on February 27, 2014. In fiscal year 2014 and fiscal year 2013, we paid \$181.3 million and \$46.9 million, respectively, in dividends to our common stockholders.

Our cash dividend program and the payment of future cash dividends under that program are subject to continued capital availability and our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our stockholders and are in compliance with all laws and agreements of NVIDIA applicable to the declaration and payment of cash dividends.

Operating Capital and Capital Expenditure Requirements

We believe that our existing cash balances and anticipated cash flows from operations will be sufficient to meet our operating, acquisition, stock repurchase, cash dividend and capital requirements for at least the next twelve months. However, there is no assurance that we will not need to raise additional equity or debt financing within this time frame. Additional financing may not be available on favorable terms or at all and may be dilutive to our then-current stockholders. We also may require additional capital for other purposes not presently contemplated. If we are unable to obtain sufficient capital, we could be required to curtail capital equipment purchases or research and development expenditures, which could harm our business. Factors that could affect our cash used or generated from operations and, as a result, our need to seek additional borrowings or capital include:

- decreased demand and market acceptance for our products and/or our customers' products;
- inability to successfully develop and produce in volume production our next-generation products;
- competitive pressures resulting in lower than expected average selling prices; and
- new product announcements or product introductions by our competitors.

We expect to spend approximately \$150.0 million to \$175.0 million for capital expenditures during fiscal year 2015, primarily for leasehold improvements, emulation equipment, computers and engineering workstations.

For additional factors see "Item 1A. Risk Factors - Risks Related to Our Business, Industry and Partners - *Our revenue may fluctuate while a majority of our operating expenses are a factor of multi-year investments ahead of when revenue is received, which makes our results difficult to predict and could cause our results to fall short of expectations.*"

Contractual Obligations

The following table summarizes our contractual obligations as of January 26, 2014:

Contractual Obligations	Payment Due By Period					
	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	All Other
	(In thousands)					
1.00% Convertible Senior Notes due 2018 (1).....	\$ 1,575,000	\$ 15,000	\$ 30,000	\$ 1,530,000	\$ —	\$ —
Operating leases (2).....	291,848	74,007	131,684	51,464	34,693	—
Capital lease.....	27,324	5,168	10,756	11,374	26	—
Inventory purchase obligations.....	397,704	397,704	—	—	—	—
Uncertain tax positions, interest and penalties (3).....	119,977	—	—	—	—	119,977
Capital purchase obligations.....	41,293	41,293	—	—	—	—
Retention program (4).....	18,090	14,468	3,622	—	—	—
Total contractual obligations.....	<u>\$ 2,471,236</u>	<u>\$ 547,640</u>	<u>\$ 176,062</u>	<u>\$ 1,592,838</u>	<u>\$ 34,719</u>	<u>\$ 119,977</u>

- (1) Represents the aggregate principal amount of \$1,500.0 million and anticipated interest payments of \$75.0 million of the Notes. See Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K.
- (2) The Company includes most of its facilities leases as well as non-cancelable obligations under certain software licensing arrangements in the operating lease category.
- (3) Represents unrecognized tax benefits of \$120.0 million which consists of \$107.1 million plus the related interest and penalties of \$12.9 million recorded in non-current income tax payable as of January 26, 2014. We are unable to reasonably estimate the timing of any potential tax liability or interest/penalty payments in individual years due to uncertainties in the underlying income tax positions and the timing of the effective settlement of such tax positions.
- (4) Represents the remaining portion of a retention program totaling approximately \$61.5 million that we initiated in fiscal year 2012 in connection with our acquisition of Icera. As of January 26, 2014, we have made payments of \$43.4 million in connection with this program. The remaining payments will be paid out over the next two years.

Off-Balance Sheet Arrangements

During fiscal years 2014, 2013 and 2012, we had no material off-balance sheet arrangements as defined in Regulation S-K 303(a)(4)(ii).

Adoption of New and Recently Issued Accounting Pronouncements

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Investment and Interest Rate Risk

As of January 26, 2014 and January 27, 2013, we had \$4.67 billion and \$3.73 billion, respectively, in cash, cash equivalents and marketable securities. We invest in a variety of financial instruments, consisting principally of cash and cash equivalents, asset-backed securities, commercial paper, mortgage-backed securities issued by Government-sponsored enterprises, money market funds and debt securities of corporations, municipalities and the United States government and its agencies. As of January 26, 2014, we did not have any investments in auction-rate preferred securities. Our investments are denominated in United States dollars.

All of the cash equivalents and marketable securities are treated as “available-for-sale.” Investments in both fixed and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value of our publicly traded debt or equity investments is judged to be other-than-temporary. We may suffer losses in principal if we are forced to sell securities that decline in securities market value due to changes in interest rates. However, because any debt securities we hold are classified as “available-for-sale,” no gains or losses are realized in our Consolidated Statements of Income due to changes in interest rates unless such securities are sold prior to maturity or unless declines in value are determined to be other-than-temporary. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income (loss), a component of stockholders’ equity, net of tax.

As of January 26, 2014, we performed a sensitivity analysis on our floating and fixed rate financial investments. According to our analysis, parallel shifts in the yield curve of both plus or minus 0.5% would result in changes in fair values for these investments of approximately \$21.5 million.

Other income and expense could also vary materially from expectations depending on gains or losses realized on the sale or exchange of financial instruments; impairment charges related to debt securities as well as equity and other investments; interest rates; and cash, cash equivalent and marketable securities balances. Volatility in the financial markets and economic uncertainty increases the risk that the actual amounts realized in the future on our financial instruments could differ significantly from the fair values currently assigned to them. As of January 26, 2014, our investments in government agencies and government sponsored enterprises represented approximately 42% of our total investment portfolio, while the financial sector accounted for approximately 27% of our total investment portfolio. Substantially all of our investments are with A/A3 or better rated securities. If the fair value of our investments in these sectors was to decline by 2%-5%, the fair values of these investments would decline by approximately \$56-\$140 million.

Exchange Rate Risk

We consider our direct exposure to foreign exchange rate fluctuations to be minimal. Gains or losses from foreign currency remeasurement are included in “Other expense, net” in our Consolidated Financial Statements and to date have not been significant. The impact of foreign currency transaction gain (loss) included in determining net income for fiscal years 2014, 2013 and 2012 was \$4.7 million, \$(1.5) million and \$1.6 million, respectively. Currently, sales and arrangements with third-party manufacturers provide for pricing and payment in United States dollars, and, therefore, are not subject to exchange rate fluctuations. Increases in the value of the United States’ dollar relative to other currencies would make our products more expensive, which could negatively impact our ability to compete. Conversely, decreases in the value of the United States’ dollar relative to other currencies could result in our suppliers raising their prices in order to continue doing business with us. Fluctuations in currency exchange rates could harm our business in the future.

We may enter into certain transactions such as forward contracts which are designed to reduce the future potential impact resulting from changes in foreign currency exchange rates. There were no forward exchange contracts outstanding at January 26, 2014.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of January 26, 2014, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) were effective to provide reasonable assurance.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 26, 2014 based on the criteria set forth in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the criteria set forth in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of January 26, 2014.

The effectiveness of our internal control over financial reporting as of January 26, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included herein.

Changes in Internal Control Over Financial Reporting

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

Inherent Limitations on Effectiveness of Controls

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

ITEM 9B. OTHER INFORMATION

None.

PART III

Certain information required by Part III is omitted from this report because we will file with the SEC a definitive proxy statement pursuant to Regulation 14A, or the 2014 Proxy Statement, not later than 120 days after the fiscal year ended January 26, 2014, and certain information included therein is incorporated herein by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors

Reference is made to the information regarding directors appearing under the heading “Proposal 1 - Election of Directors” in our 2014 Proxy Statement, which information is hereby incorporated by reference.

Identification of Executive Officers

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

Identification of Audit Committee and Financial Experts

Reference is made to the information regarding directors appearing under the heading “Report of the Audit Committee of the Board of Directors” and “Information about the Board of Directors and Corporate Governance” in our 2014 Proxy Statement, which information is hereby incorporated by reference.

Material Changes to Procedures for Recommending Directors

Reference is made to the information regarding directors appearing under the heading “Information about the Board of Directors and Corporate Governance” in our 2014 Proxy Statement, which information is hereby incorporated by reference.

Compliance with Section 16(a) of the Exchange Act

Reference is made to the information appearing under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in our 2014 Proxy Statement, which information is hereby incorporated by reference.

Code of Conduct

Reference is made to the information appearing under the heading “Information about the Board of Directors and Corporate Governance - Code of Conduct” in our 2014 Proxy Statement, which information is hereby incorporated by reference. The full text of our “Code” and “Financial Team Code” are published on the Investor Relations portion of our web site, under Corporate Governance, at www.nvidia.com. The contents of our website are not a part of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is hereby incorporated by reference from the sections entitled “Executive Compensation”, “Compensation Committee Interlocks and Insider Participation”, “Director Compensation” and “Compensation Committee Report” in our 2014 Proxy Statement.

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

Ownership of NVIDIA Securities

The information required by this item is hereby incorporated by reference from the section entitled “Security Ownership of Certain Beneficial Owners and Management” in our 2014 Proxy Statement.

Equity Compensation Plan Information

Information regarding our equity compensation plans, including both stockholder approved plans and non-stockholder approved plans, will be contained in our 2014 Proxy Statement under the caption “Equity Compensation Plan Information,” and is hereby incorporated by reference.

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

The information required by this item is hereby incorporated by reference from the sections entitled “Review of Transactions with Related Persons” and “Information about the Board of Directors and Corporate Governance - Independence of the Members of the Board of Directors” in our 2014 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is hereby incorporated by reference from the section entitled “Fees Billed by the Independent Registered Public Accounting Firm” in our 2014 Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULE

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The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as a part of this Annual Report on Form 10-K.	106

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of NVIDIA Corporation:

In our opinion, the accompanying consolidated financial statements listed in the index appearing under Item 15(a)1. present fairly, in all material respects, the financial position of NVIDIA Corporation and its subsidiaries at January 26, 2014 and January 27, 2013, and the results of their operations and their cash flows for each of the three years in the period ended January 26, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)2. presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 26, 2014, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

San Jose, CA
March 12, 2014

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

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Revenue	\$ 4,130,162	\$ 4,280,159	\$ 3,997,930
Cost of revenue	1,862,399	2,053,816	1,941,413
Gross profit	2,267,763	2,226,343	2,056,517
Operating expenses:			
Research and development	1,335,834	1,147,282	1,002,605
Sales, general and administrative	435,702	430,822	405,613
Total operating expenses	1,771,536	1,578,104	1,408,218
Income from operations	496,227	648,239	648,299
Interest income	17,119	19,908	19,149
Interest expense	(10,443)	(3,294)	(3,089)
Other income (expense), net	7,351	(2,814)	(963)
Income before income tax	510,254	662,039	663,396
Income tax expense	70,264	99,503	82,306
Net income	<u>\$ 439,990</u>	<u>\$ 562,536</u>	<u>\$ 581,090</u>
Net income per share:			
Basic	<u>\$ 0.75</u>	<u>\$ 0.91</u>	<u>\$ 0.96</u>
Diluted	<u>\$ 0.74</u>	<u>\$ 0.90</u>	<u>\$ 0.94</u>
Weighted average shares used in per share computation:			
Basic	<u>587,893</u>	<u>619,324</u>	<u>603,646</u>
Diluted	<u>594,517</u>	<u>624,957</u>	<u>616,371</u>
Cash dividends declared and paid per common share	\$0.310	\$0.075	\$ —

See accompanying notes to the consolidated financial statements.

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

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Net income	\$ 439,990	\$ 562,536	\$ 581,090
Other comprehensive income (loss), net of tax:			
Net change in unrealized gains (losses) on available-for-sale securities, net of tax effect of \$(134), \$126, and \$937 in 2014, 2013 and 2012, respectively	(3,555)	(303)	755
Reclassification adjustments for net realized gains on available-for-sale securities included in net income, net of tax effect of \$834, \$178, and \$222 in 2014, 2013 and 2012, respectively	(1,549)	(330)	(413)
Other comprehensive income (loss)	\$ (5,104)	\$ (633)	\$ 342
Total comprehensive income	<u>\$ 434,886</u>	<u>\$ 561,903</u>	<u>\$ 581,432</u>

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	January 26, 2014	January 27, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,151,587	\$ 732,786
Marketable securities	3,520,223	2,995,097
Accounts receivable, less allowances of \$14,959 in 2014 and \$16,595 in 2013....	426,357	454,252
Inventories	387,765	412,467
Prepaid expenses and other.....	70,285	76,920
Deferred income taxes	68,494	103,736
Total current assets	5,624,711	4,775,258
Property and equipment, net.....	582,740	576,144
Goodwill.....	643,179	641,030
Intangible assets, net	296,012	312,332
Other assets	104,252	107,481
Total assets	\$ 7,250,894	\$ 6,412,245
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 324,391	\$ 356,428
Accrued liabilities and other	621,105	619,795
Total current liabilities.....	945,496	976,223
Long-term debt.....	1,356,375	—
Other long-term liabilities	475,125	589,321
Capital lease obligations, long-term.....	17,500	18,998
Commitments and contingencies - see Note 12	—	—
Stockholders' equity:		
Preferred stock, \$.001 par value; 2,000,000 shares authorized; none issued	—	—
Common stock, \$.001 par value; 2,000,000,000 shares authorized; 735,242,458 shares issued and 567,996,734 outstanding in 2014; 720,153,197 shares issued and 616,756,134 outstanding in 2013.....	732	720
Additional paid-in capital	3,483,342	3,193,623
Treasury stock, at cost (167,245,724 shares in 2014 and 103,397,063 shares in 2013).....	(2,537,295)	(1,622,709)
Accumulated other comprehensive income.....	4,877	9,981
Retained earnings.....	3,504,742	3,246,088
Total stockholders' equity.....	4,456,398	4,827,703
Total liabilities and stockholders' equity	\$ 7,250,894	\$ 6,412,245

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock Outstanding		Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balances, January 30, 2011	588,555,701	\$ 677	\$ 2,500,577	\$ (1,479,392)	\$ 10,272	\$ 2,149,328	\$ 3,181,462
Other comprehensive income ...	—	—	—	—	342	—	342
Net income.....	—	—	—	—	—	581,090	581,090
Issuance of common stock from stock plans	24,753,362	23	213,346	—	—	—	213,369
Tax withholding related to vesting of restricted stock units	(1,117,651)	—	—	(17,512)	—	—	(17,512)
Tax benefit from stock-based compensation	—	—	50,475	—	—	—	50,475
Stock-based compensation	—	—	136,498	—	—	—	136,498
Balances, January 29, 2012	<u>612,191,412</u>	<u>700</u>	<u>2,900,896</u>	<u>(1,496,904)</u>	<u>10,614</u>	<u>2,730,418</u>	<u>4,145,724</u>
Other comprehensive loss.....	—	—	—	—	(633)	—	(633)
Net income.....	—	—	—	—	—	562,536	562,536
Issuance of common stock from stock plans	14,800,959	20	90,721	—	—	—	90,741
Tax withholding related to vesting of restricted stock units	(1,836,097)	—	—	(25,805)	—	—	(25,805)
Stock repurchase.....	(8,400,140)	—	—	(100,000)	—	—	(100,000)
Cash dividends declared and paid (\$0.075 per common share)	—	—	—	—	—	(46,866)	(46,866)
Tax benefit from stock-based compensation	—	—	64,905	—	—	—	64,905
Stock-based compensation	—	—	137,101	—	—	—	137,101
Balances, January 27, 2013	<u>616,756,134</u>	<u>720</u>	<u>3,193,623</u>	<u>(1,622,709)</u>	<u>9,981</u>	<u>3,246,088</u>	<u>4,827,703</u>
Other comprehensive loss.....	—	—	—	—	(5,104)	—	(5,104)
Net income.....	—	—	—	—	—	439,990	439,990
Issuance of common stock from stock plans	15,088,872	12	97,442	—	—	—	97,454
Tax withholding related to vesting of restricted stock units	(1,944,391)	—	—	(27,282)	—	—	(27,282)
Stock repurchase.....	(61,903,881)	—	—	(887,304)	—	—	(887,304)
Discount on convertible notes ..	—	—	125,725	—	—	—	125,725
Purchase of convertible note hedges	—	—	(167,100)	—	—	—	(167,100)
Proceeds from the sale of common stock warrants.....	—	—	59,100	—	—	—	59,100
Deferred tax asset associated with convertible notes.....	—	—	14,481	—	—	—	14,481
Cash dividends declared and paid (\$0.310 per common share)	—	—	—	—	—	(181,336)	(181,336)
Tax benefit from stock-based compensation	—	—	23,827	—	—	—	23,827
Stock-based compensation	—	—	136,244	—	—	—	136,244
Balances, January 26, 2014	<u>567,996,734</u>	<u>\$ 732</u>	<u>\$ 3,483,342</u>	<u>\$ (2,537,295)</u>	<u>\$ 4,877</u>	<u>\$ 3,504,742</u>	<u>\$ 4,456,398</u>

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Cash flows from operating activities:			
Net income	\$ 439,990	\$ 562,536	\$ 581,090
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation expense	136,295	136,662	136,354
Depreciation and amortization	239,148	226,235	204,205
Amortization of debt discount	4,600	—	—
Gain on sale of long-lived assets and investments	(10,471)	—	—
Deferred income taxes	15,430	31,860	19,056
Tax benefit from stock-based compensation	(25,801)	(68,710)	(52,793)
Other	23,718	47,911	19,095
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	28,852	(118,940)	26,236
Inventories	24,651	(78,949)	18,884
Prepaid expenses and other current assets	6,729	(20,290)	(14,803)
Deposits and other assets	4,823	8,567	(70,694)
Accounts payable	(20,382)	10,885	35,708
Accrued liabilities and other long-term liabilities	(32,436)	86,405	6,818
Net cash provided by operating activities	835,146	824,172	909,156
Cash flows from investing activities:			
Purchases of marketable securities	(3,065,404)	(2,378,445)	(1,964,898)
Proceeds from sales of marketable securities	1,926,817	854,993	656,171
Proceeds from maturities of marketable securities	585,150	962,417	654,572
Purchases of property and equipment and intangible assets	(255,186)	(183,309)	(138,735)
Proceeds from sale of long-lived assets and investments	24,781	—	—
Acquisition of businesses, net of cash and cash equivalents	(17,145)	—	(348,884)
Other	(4,950)	352	(1,590)
Net cash used in investing activities	(805,937)	(743,992)	(1,143,364)
Cash flows from financing activities:			
Proceeds from issuance of convertible notes, net	1,477,500	—	—
Purchase of convertible note hedges	(167,100)	—	—
Proceeds from the sale of common stock warrants	59,100	—	—
Proceeds from issuance of common stock under employee stock plans	70,170	64,935	195,857
Payments related to repurchases of common stock	(887,304)	(100,000)	—
Dividends paid	(181,336)	(46,866)	—
Tax benefit from stock-based compensation	25,801	68,710	52,793
Payments under capital lease obligations	(2,239)	(2,049)	(1,608)
Other	(5,000)	—	(10,319)
Net cash (used in) provided by financing activities	389,592	(15,270)	236,723
Change in cash and cash equivalents	418,801	64,910	2,515
Cash and cash equivalents at beginning of period	732,786	667,876	665,361
Cash and cash equivalents at end of period	<u>\$ 1,151,587</u>	<u>\$ 732,786</u>	<u>\$ 667,876</u>

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
<i>Supplemental disclosures of cash flow information:</i>			
Cash (received) paid for income taxes, net.....	\$ 14,615	\$ (38,608)	\$ 58,328
Cash paid for interest on capital lease obligations.....	\$ 2,518	\$ 2,772	\$ 3,008
<i>Non-cash investing and financing activities:</i>			
Change in unrealized gains (losses) from marketable securities	\$ (5,104)	\$ (633)	\$ 342
Assets acquired by assuming related liabilities	\$ 3,327	\$ 45,195	\$ 15,913

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Organization and Summary of Significant Accounting Policies

Our Company

NVIDIA is a visual computing company. In a world increasingly filled with visual displays, our graphics technologies let our customers interact with the world of digital ideas, information and entertainment with an efficiency that no other communication medium can match. NVIDIA's research and development in visual computing has yielded approximately 7,000 patent assets, including inventions essential to modern computing.

Our businesses are based on two technologies with a consistent underlying graphics architecture: the GPU and the Tegra processor.

GPUs, each with billions of transistors, are the engines of visual computing and among the world's most complex processors. We have GPU product brands aimed at specific users and applications: GeForce for gamers; Quadro for designers; Tesla for researchers; and GRID for cloud-based graphics.

The Tegra processor is a SOC integrating an entire computer on a single chip. Tegra processors incorporate GPUs and multi-core CPUs together with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Our Tegra SOC conserves power while delivering state-of-the-art graphics and multimedia processing.

Headquartered in Santa Clara, California, we were incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

All references to "NVIDIA," "we," "us," "our" or the "Company" mean NVIDIA Corporation and its subsidiaries, except where it is made clear that the term means only the parent company.

Fiscal Year

We operate on a 52- or a 53-week year, ending on the last Sunday in January. Fiscal years 2014, 2013 and 2012 were 52-week years.

Reclassifications

Certain prior fiscal year balances have been reclassified to conform to the current fiscal year presentation.

Principles of Consolidation

Our consolidated financial statements include the accounts of NVIDIA Corporation and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States, or U.S.GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, cash equivalents and marketable securities, accounts receivable, inventories, income taxes, goodwill, stock-based compensation, warranty liabilities, litigation, investigation and settlement costs and other contingencies. These estimates are based on historical facts and various other assumptions that we believe are reasonable.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Revenue Recognition

Product Revenue

We recognize revenue from product sales when persuasive evidence of an arrangement exists, the product has been delivered, the price is fixed or determinable and collection of the related receivable is reasonably assured. For most sales, we use a binding purchase order and in certain cases we use a contractual agreement as evidence of an arrangement. We consider delivery to occur upon shipment provided title and risk of loss have passed to the customer. At the point of sale, we assess whether the arrangement fee is fixed or determinable and whether collection is reasonably assured. If we determine that collection of a fee is not reasonably assured, we defer the fee and recognize revenue at the time collection becomes reasonably assured, which is generally upon receipt of payment.

Our policy on sales to certain distributors with rights of return is to defer recognition of revenue and related cost of revenue until the distributors resell the product, as the level of returns cannot be reasonably estimated.

Our customer programs primarily involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets. We account for rebates as a reduction of revenue and accrue for 100% of the potential rebates and do not apply a breakage factor. While we have a long history of rebate arrangements with OEMs, we believe we are unable to apply our historical experience to reliably estimate the amount of rebates that will eventually be claimed by individual OEMs. The OEMs are not our direct customers and the quantity and mix of demand they place on CEM/ODMs may shift as we introduce new generations and iterations of products and as we experience changes in new competitor offerings. In addition, we typically find that approximately 95% of the rebates we accrue each year are eventually claimed, which is substantially close to 100%, and that this percentage varies by program and by customer. We recognize a liability for these rebates at the later of the date at which we record the related revenue or the date at which we offer the rebate. Rebates typically expire six months from the date of the original sale, unless we reasonably believe that the customer intends to claim the rebate. Unclaimed rebates are reversed to revenue, the amount of which typically represents approximately 0.5% of total revenue.

Our customer programs also include marketing development funds, or MDFs. MDFs represent monies paid to retailers, system builders, original equipment manufacturers, or OEMs, distributors and add-in card partners that are earmarked for market segment development and expansion and typically are designed to support our partners' activities while also promoting NVIDIA products. Depending on market conditions, we may take actions to increase amounts offered under customer programs, possibly resulting in an incremental reduction of revenue at the time such programs are offered. We account for MDFs as a reduction of revenue and apply a breakage factor to certain types of MDF program accruals for which we believe we can make a reasonable and reliable estimate of the amount that will ultimately be unclaimed. MDF amounts that have been previously recorded against revenue and subsequently expired unclaimed are reversed to revenue. Such amounts have not been significant.

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

License and Development Revenue

For license arrangements that require significant customization of our intellectual property components, we generally recognize the related revenue over the period that services are performed. For most license and service arrangements, we determine progress to completion based on actual direct labor hours incurred to date as a percentage of the estimated total direct labor hours required to complete the project. We periodically evaluate the actual status of each project to ensure that the estimates to complete each contract remain accurate. A provision for estimated losses on contracts is made in the period in which the loss becomes probable and can be reasonably estimated. Costs incurred in advance of revenue recognized are

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

recorded as deferred costs on uncompleted contracts. If the amount billed exceeds the amount of revenue recognized, the excess amount is recorded as deferred revenue. Revenue recognized in any period is dependent on our progress toward completion of projects in progress. Significant management judgment and discretion are used to estimate total direct labor hours. Any changes in or deviations from these estimates could have a material effect on the amount of revenue we recognize in any period.

For license arrangements that do not require significant customization but where we are obligated to provide further deliverables over the term of the license agreement, we record revenue over the life of the license term, with consideration received in advance of the performance period classified as deferred revenue.

Royalty revenue is recognized related to the distribution or sale of products that use our technologies under license agreements with third parties. We recognize royalty revenue upon receipt of a confirmation of earned royalties and when collectability is reasonably assured from the applicable licensee.

Advertising Expenses

We expense advertising costs in the period in which they are incurred. Advertising expenses for fiscal years 2014, 2013 and 2012 were \$13.1 million, \$9.2 million and \$8.4 million, respectively.

Rent Expense

We recognize rent expense on a straight-line basis over the lease period and accrue for rent expense incurred, but not paid.

Product Warranties

We generally offer limited warranty to end-users that ranges from one to three years for products in order to repair or replace products for any manufacturing defects or hardware component failures. Cost of revenue includes the estimated cost of product warranties that are calculated at the point of revenue recognition. Under limited circumstances, we may offer an extended limited warranty to customers for certain products. We also accrue for known warranty and indemnification issues if a loss is probable and can be reasonably estimated.

Stock-based Compensation

We measure stock-based compensation expense based on the estimated fair value of equity awards at the grant date, and recognize the expense using a straight-line attribution method over the requisite employee service period. We estimate the fair value of employee stock options on the date of grant using a binomial model. We use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of restricted stock units. The fair value of our employee stock purchase plan is calculated using the Black-Scholes model. Our stock-based compensation for employee stock purchase plan is expensed using an accelerated amortization model.

Litigation, Investigation and Settlement Costs

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

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Foreign Currency Remeasurement

We use the United States dollar as our functional currency for all of our subsidiaries. Foreign currency monetary assets and liabilities are remeasured into United States dollars at end-of-period exchange rates. Non-monetary assets and liabilities such as property and equipment, and equity are remeasured at historical exchange rates. Revenue and expenses are remeasured at average exchange rates in effect during each period, except for those expenses related to the previously noted balance sheet amounts, which are remeasured at historical exchange rates. Gains or losses from foreign currency remeasurement are included in "Other income (expense), net" in our Consolidated Statements of Income and to date have not been significant.

The impact of gain or loss from foreign currency remeasurement included in determining other income (expense), net for fiscal years 2014, 2013 and 2012 was \$4.7 million, \$(1.5) million and \$1.6 million, respectively.

Income Taxes

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

United States income tax has not been provided on a portion of earnings of our non-U.S. subsidiaries to the extent that such earnings are considered to be indefinitely reinvested.

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

As of January 26, 2014, we had a valuation allowance of \$244.5 million related to state and certain foreign deferred tax assets that management determined are not likely to be realized due, in part, to projections of future taxable income and potential utilization limitations of tax attributes acquired as a result of stock ownership changes. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

Our deferred tax assets do not include the excess tax benefit related to stock-based compensation that are a component of our federal and state net operating loss and research tax credit carryforwards in the amount of \$427.9 million as of January 26, 2014. Consistent with prior years, the excess tax benefit reflected in our net operating loss and research tax credit carryforwards will be accounted for as a credit to stockholders' equity, if and when realized. In determining if and when excess tax benefits have been realized, we have elected to utilize the with-and-without approach with respect to such excess tax benefits. We have also elected to ignore the indirect tax effects of stock-based compensation deductions for financial and accounting reporting purposes, and specifically to recognize the full effect of the research tax credit in income from operations.

We recognize the benefit from a tax position only if it is more-likely-than-not that the position would be sustained upon audit based solely on the technical merits of the tax position. Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense. Please refer to Note 13 of these Notes to the Consolidated Financial Statements for additional information.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) components include unrealized gains (losses) on available-for-sale securities, net of tax.

Net Income Per Share

Basic net income per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted average number of common and potentially dilutive shares outstanding during the period, using the treasury stock method. Under the treasury stock method, the effect of stock options outstanding is not included in the computation of diluted net income per share for periods when their effect is anti-dilutive. Additionally, we issued convertible notes with a net settlement feature that requires us, upon conversion, to settle the principal amount of debt for cash and the conversion premium for cash or shares of our common stock. Our convertible notes, note hedges, and related warrants contain various conversion features, which are further described in Note 11 of these Notes to the Consolidated Financial Statements. The potentially dilutive shares resulting from the convertible notes and warrants under the treasury stock method will be included in the calculation of diluted income per share when their inclusion is dilutive. However, unless actually exercised, the note hedges will not be included in the calculation of diluted net income per share, as their pre-exercised effect would be anti-dilutive under the treasury stock method.

Cash and Cash Equivalents

We consider all highly liquid investments that are readily convertible into cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. As of January 26, 2014 and January 27, 2013, our cash and cash equivalents were \$1,151.6 million and \$732.8 million, respectively, which include \$307.9 million and \$195.8 million invested in money market funds for fiscal year 2014 and fiscal year 2013, respectively.

Marketable Securities

Marketable securities consist primarily of highly liquid investments with maturities of greater than three months when purchased. We generally classify our marketable securities at the date of acquisition as available-for-sale. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of stockholders' equity, net of tax. Any unrealized losses which are considered to be other-than-temporary impairments are recorded in the other income and expense section of our consolidated statements of income. Realized gains and losses on the sale of marketable securities are determined using the specific-identification method and recorded in the other income and expense section of our consolidated statements of income.

All of our available-for-sale investments are subject to a periodic impairment review. We record a charge to earnings when a decline in fair value is significantly below cost basis and judged to be other-than-temporary, or have other indicators of impairments. If the fair value of an available-for-sale debt instrument is less than its amortized cost basis, an other-than-temporary impairment is triggered in circumstances where (1) we intend to sell the instrument, (2) it is more likely than not that we will be required to sell the instrument before recovery of its amortized cost basis, or (3) a credit loss exists where we do not expect to recover the entire amortized cost basis of the instrument. If we intend to sell or it is more likely than not that we will be required to sell the available-for-sale debt instrument before recovery of its amortized cost basis, we recognize an other-than-temporary impairment in earnings equal to the entire difference between the debt instruments' amortized cost basis and its fair value. For available-for-sale debt instruments that are considered other-than-temporarily impaired due to the existence of a credit loss, if we do not intend to sell and it is not more likely than not that we will be required to sell the instrument before recovery of its remaining amortized cost basis (amortized cost basis less any current-period credit loss), we separate the amount of the impairment into the amount that is credit related and the amount due to all other factors. The credit loss component is recognized in earnings while loss related to all other factors is recorded as other comprehensive income.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

We performed an impairment review of our investment portfolio as of January 26, 2014. Based on our impairment review and having considered the guidance of the relevant accounting literature, we did not record any other than temporary impairment charges during fiscal year 2014. We concluded that our investments were appropriately valued and that no other than temporary impairment charges were necessary on our portfolio of available for sale investments as of January 26, 2014.

Fair Value of Financial Instruments

The carrying value of cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their relatively short maturities as of January 26, 2014 and January 27, 2013. Marketable securities are comprised of available-for-sale securities that are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of stockholders' equity, net of tax. Fair value of the marketable securities is determined based on quoted market prices.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, marketable securities, accounts receivable and the note hedge. Our investment policy requires the purchase of high grade investment securities, the diversification of asset type and includes certain limits on our portfolio duration. All marketable securities are held in our name, managed by several investment managers and held by one major financial institution under a custodial arrangement. Accounts receivable from significant customers, those representing 10% or more of total accounts receivable aggregated approximately 23% of our accounts receivable balance from one customer at January 26, 2014 and approximately 40% of our accounts receivable balance from three customers at January 27, 2013. We perform ongoing credit evaluations of our customers' financial condition and maintain an allowance for potential credit losses. This allowance consists of an amount identified for specific customers and an amount based on overall estimated exposure. Our overall estimated exposure excludes amounts covered by credit insurance and letters of credit.

Accounts Receivable

We maintain an allowance for doubtful accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We determine this allowance, which consists of an amount identified for specific customer issues as well as an amount based on overall estimated exposure. Factors impacting the allowance include the level of gross receivables, the financial condition of our customers and the extent to which balances are covered by credit insurance or letters of credit.

Inventories

Inventory cost is computed on an adjusted standard basis, which approximates actual cost on an average or first-in, first-out basis. Inventory costs consist primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, and shipping costs, as well as the cost of purchased memory products and other component parts. We charge cost of sales for inventory provisions to write down our inventory to the lower of cost or estimated market value or to completely write off obsolete or excess inventory. Most of our inventory provisions relate to the write-off of excess quantities of products, based on our inventory levels and future product purchase commitments compared to assumptions about future demand and market conditions. Once inventory has been written-off or written-down, it creates a new cost basis for the inventory that is not subsequently written-up.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives of the assets, generally three to five years. The estimated useful lives of our buildings are up to twenty five years. Depreciation expense includes the amortization of assets recorded under capital leases. Leasehold improvements and assets recorded under capital leases are amortized over the shorter of the expected lease term or the estimated useful life of the asset.

Goodwill

Goodwill is subject to our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist. For the purposes of completing our impairment test, we perform either a qualitative or a quantitative analysis on a reporting unit basis.

For those reporting units where a significant change or event has occurred, where potential impairment indicators exist, or for which we have not performed a quantitative assessment recently, we utilize a two-step quantitative assessment to testing goodwill for impairment. The first step tests for possible impairment by applying a fair value-based test by weighing the results from the income approach and the market approach. The second step, if necessary, measures the amount of such impairment by applying fair value-based tests to individual assets and liabilities. Please refer to Note 5 of these Notes to the Consolidated Financial Statements for additional information.

Intangible Assets

Intangible assets primarily represent rights acquired under technology licenses, patents, acquired intellectual property, trademarks and customer relationships and are subject to an annual impairment test. We currently amortize our intangible assets with definitive lives over periods ranging from one to ten years using a method that reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up or, if that pattern cannot be reliably determined, using a straight-line amortization method.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset, or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset or asset group exceeds the estimated fair value of the asset or asset group. Fair value is determined based on the estimated discounted future cash flows expected to be generated by the asset or asset group. Assets and liabilities to be disposed of would be separately presented in the consolidated balance sheet and the assets would be reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated.

Accounting for Asset Retirement Obligations

We account for asset retirement obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The accounting guidance applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the assets and requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. As of January 26, 2014 and January 27, 2013, our asset retirement obligations to return the leasehold improvements at our headquarters facility in Santa Clara, California and

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certain laboratories at our Austin facility and international locations to their original condition upon lease termination were \$11.1 million and \$10.6 million, respectively.

Adoption of New and Recently Issued Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board, or FASB, issued guidance regarding the presentation of unrecognized tax benefits when a net operating loss carryforward, similar tax loss, or tax credit carryforward exists. The new guidance requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward when settlement in this manner is available under the tax law. This guidance is effective on a prospective basis for financial statements issued for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2013. Retrospective and early adoption is permitted. We expect to adopt this guidance in our interim and annual periods beginning January 27, 2014. We do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

In February 2013, the FASB issued updated guidance requiring entities to report the effect of significant reclassifications to accumulated other comprehensive income on the respective line items in net income. These reclassifications are reported only if U.S. GAAP requires the entire amount to be reclassified to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. We adopted this guidance in our interim period ended April 28, 2013. The adoption of this guidance did not impact our financial statements, as the guidance is related to disclosure only, and we have not had significant reclassifications out of accumulated other comprehensive income.

Note 2 - Stock-Based Compensation

We measure stock-based compensation expense based on the estimated fair value of equity awards at the grant date, and recognize the expense using a straight-line attribution method over the requisite employee service period. We estimate the fair value of employee stock options on the date of grant using a binomial model and we use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of RSUs. We estimate the fair value of shares to be issued our employee stock purchase plan using the Black-Scholes at the commencement of an offering period in March and September each year. Our stock-based compensation for employee stock purchase plan is expensed using an accelerated amortization model.

Our consolidated statements of income include stock-based compensation expense, net of amounts capitalized as inventory, as follows:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands)		
Cost of revenue	\$ 10,688	\$ 10,490	\$ 11,322
Research and development	82,940	82,157	80,502
Sales, general and administrative	42,667	44,015	44,530
Total	\$ 136,295	\$ 136,662	\$ 136,354

As of January 26, 2014 and January 27, 2013, the aggregate amount of unearned stock-based compensation expense related to our equity awards was \$241.3 million and \$208.7 million, respectively, adjusted for estimated forfeitures. As of January 26, 2014 and January 27, 2013, we expect to recognize the unearned stock-based compensation expense related to

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stock options over an estimated weighted average amortization period of 2.5 years and 2.7 years, respectively. As of both January 26, 2014 and January 27, 2013, we expect to recognize the unearned stock-based compensation expense related to RSUs over an estimated weighted average amortization period of 2.7 years.

Stock-based compensation capitalized in inventories resulted in a net charge of \$0.1 million, \$0.4 million and \$0.1 million in cost of revenue during the fiscal years ended January 26, 2014, January 27, 2013 and January 29, 2012, respectively.

During fiscal years 2014, 2013 and 2012, we granted approximately 6.1 million, 7.1 million and 6.4 million stock options, respectively, with estimated total grant-date fair values of \$21.3 million, \$38.3 million and \$52.4 million, respectively, and weighted average grant-date fair values of \$3.47, \$5.38 and \$8.16 per option, respectively. During fiscal years 2014, 2013 and 2012, we granted approximately 10.8 million, 8.1 million and 7.3 million RSUs, respectively, with estimated total grant-date fair values of \$144.8 million, \$112.8 million and \$119.7 million, respectively, and weighted average grant-date fair values of \$13.46, \$13.86 and \$16.31 per RSU, respectively.

Of the estimated total grant-date fair value, we estimated that the stock-based compensation expense related to the equity awards that are not expected to vest for fiscal years 2014, 2013 and 2012 was \$29.7 million, \$27.1 million and \$30.8 million, respectively.

Valuation Assumptions

We determine the fair value of stock option awards on the date of grant using an option-pricing model that is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, weighted average expected term, risk-free interest rate, expected stock price volatility, dividend yield, actual and projected employee stock option exercise behaviors, vesting schedules and death and disability probabilities. We segregate options into groups of employees with relatively homogeneous exercise behavior in order to calculate the best estimate of fair value using the binomial valuation model.

The expected life of employee stock options is a derived output of our valuation model and is impacted by the underlying assumptions of our company. The risk-free interest rate assumption is based upon observed interest rates on Treasury bills appropriate for the term of our employee stock options. Our management has determined that the use of implied volatility is expected to be more reflective of market conditions and, therefore, can reasonably be expected to be a better indicator of our expected volatility than historical volatility. Dividend yield is based on history and expectation of dividend payouts. Our RSU awards are not eligible for cash dividends prior to vesting; therefore, the fair value of RSUs is discounted by the dividend yield.

For awards granted on or subsequent to November 8, 2012, we use a dividend yield at grant date based on the per share dividends declared during the most recent quarter. Additionally, for employee stock option and RSU awards, we estimate forfeitures annually and revise the estimates of forfeiture in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience.

The fair value of stock options granted under our stock option plans and shares issued under our employee stock purchase plan have been estimated with the following assumptions:

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	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Stock Options	(Using a binomial model)		
Weighted average expected life (in years).....	2.4-3.5	3.1-4.9	3.0-5.4
Risk-free interest rate.....	1.8%-3.0%	1.5%-2.3%	1.9%-3.8%
Volatility	28%-37%	39%-49%	46%-65%
Dividend yield	1.9%-2.4%	2.4%	—
	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Employee Stock Purchase Plan	(Using the Black-Scholes model)		
Weighted average expected life (in years).....	0.5-2.0	0.5-2.0	0.5-2.0
Risk-free interest rate.....	0.1%-0.4%	0.1%-0.3%	0.1%-0.7%
Volatility	32%-37%	44%-47%	57%-61%
Dividend yield	2.0%-2.4%	—	—

Equity Incentive Program

We grant stock options, RSUs, and stock purchase rights under the following equity incentive plans.

Amended and Restated 2007 Equity Incentive Plan

At the Annual Meeting of Stockholders held on June 21, 2007, our stockholders approved the NVIDIA Corporation 2007 Equity Incentive Plan, or the 2007 Plan. At the Annual Meeting of Stockholders held on May 17, 2012, our stockholders approved an amendment and restatement of the 2007 Plan. At the Annual Meeting of Stockholders held on May 15, 2013, our stockholders re-approved the 2012 amendment and restatement of the 2007 Plan, or the Restated 2007 Plan.

The Restated 2007 Plan authorizes the issuance of incentive stock options, nonstatutory stock options, restricted stock, restricted stock unit, stock appreciation rights, performance stock awards, performance cash awards, and other stock-based awards to employees, directors and consultants. Only our employees may receive incentive stock options. With the amendment and restatement of the 2007 Plan, which increased the number of shares of common stock authorized for issuance under the 2007 Plan by 25,000,000 shares, up to 177,767,766 shares of our common stock may be issued pursuant to stock awards granted under the Restated 2007 Plan. Currently, we grant stock options and RSUs under our equity incentive plans. As of January 26, 2014, there were 24,722,435 shares available for future issuance under the Restated 2007 Plan.

Stock options granted to employees, subject to certain exceptions, vest over a four year period, subject to continued service, with 25% vesting on the anniversary of the hire date in the case of new hires or the anniversary of the date of grant in the case of grants to existing employees and 6.25% vesting at the end of each quarterly period thereafter. Options granted under the 2007 Plan generally expire ten years from the date of grant.

With respect to RSUs, subject to certain exceptions, RSUs granted to employees vest over a four year period, subject to continued service, with 25% vesting on a pre-determined date that is close to the anniversary of the date of grant and 12.5% vesting semi-annually thereafter until fully vested.

Unless terminated sooner, the Restated 2007 Plan is scheduled to terminate on March 21, 2022. Our Board may suspend or terminate the Restated 2007 Plan at any time. No awards may be granted under the Restated 2007 Plan while the Restated

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2007 Plan is suspended or after it is terminated. The Board may also amend the Restated 2007 Plan at any time. However, if legal, regulatory or listing requirements require stockholder approval, the amendment will not go into effect until the stockholders have approved the amendment.

PortalPlayer, Inc. 1999 Stock Option Plan

We assumed options issued under the PortalPlayer, Inc. 1999 Stock Option Plan, or the 1999 Plan, when we completed our acquisition of PortalPlayer on January 5, 2007. Options to purchase 920 shares of NVIDIA common stock remain outstanding under the 1999 Plan. We do not intend to grant future stock awards under the 1999 Plan.

1998 and 2012 Employee Stock Purchase Plans

In February 1998, our Board approved the 1998 Employee Stock Purchase Plan, or the 1998 Plan. At the Annual Meeting of Stockholders held on May 17, 2012, our stockholders approved the 2012 Employee Stock Purchase Plan, or the 2012 Plan, the successor to the 1998 Plan, and collectively with the 1998 Plan, the ESPP Plans.

Prior to the effective date of the 2012 Plan, we had authorized a total of 78,000,000 shares for issuance under the 1998 Plan, 54,567,667 shares of which had been issued, 15,000,000 shares of which were reserved for issuance pursuant to outstanding purchase rights and 8,432,333 shares of which were available for future issuance. Upon its approval by our stockholders, the maximum aggregate number of shares that could be issued under the 2012 Plan would not exceed 55,432,333 shares.

Effective upon the August 31, 2012 purchase date pursuant to the 1998 Plan, of the 15,000,000 shares which had been reserved for issuance pursuant to outstanding purchase rights, 2,687,698 shares were issued pursuant to outstanding purchase rights, 183,000 shares were available but reserved for future issuance, and the remaining 12,129,302 shares were moved into the share reserve of the 2012 Plan. Effective upon the February 28, 2013 purchase date pursuant to the 1998 Plan, 8,819 shares were issued pursuant to outstanding purchase rights, and the remaining 174,181 shares were moved into the share reserve of the 2012 Plan. At January 26, 2014, under the 2012 Plan, we had issued 6,115,403 shares and reserved 46,620,413 shares for future issuance.

Each of the ESPP Plans is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code. Under the current offerings adopted pursuant to the ESPP Plans, each offering period is 24 months, which is divided into four purchase periods of six months.

Employees are eligible to participate if they are employed by us or an affiliate of us as designated by the Board. Employees who participate in an offering may have up to 10% of their earnings withheld pursuant to the ESPP Plans up to certain limitations and applied on specified dates determined by the Board to the purchase of shares of common stock. The Board may increase this percentage at its discretion, up to 15%. The price of common stock purchased under the ESPP Plans will be equal to 85% of the lower of the fair market value of the common stock on the commencement date of each offering period and the purchase date of each offering period. During fiscal years 2014, 2013 and 2012, employees purchased approximately 6.1 million, 5.5 million, and 5.8 million shares, respectively, under the ESPP Plans with weighted-average prices of \$10.79, \$10.83, and \$8.18 per share, respectively, and weighted average grant-date fair values of \$5.60, \$5.16 and \$5.47 per share, respectively. Employees may end their participation in the ESPP Plans at any time during the offering period, and participation ends automatically on termination of employment with us and in each case their contributions are refunded.

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The following is a summary of our equity award transactions under our equity incentive plans:

	Total Stock Awards Available for Grant	Number of Shares	Options Outstanding			Restricted Stock Units Outstanding	
			Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (1)	Number of Shares	Weighted Average Grant-Date Fair Value
Balances, January 30, 2011.....	33,736,488	44,001,458	\$ 12.88			10,611,914	\$ 13.23
Authorized	—	—	—			—	—
Granted	(13,767,554)	6,430,778	\$ 16.18			7,336,776	\$ 16.31
Exercised.....	—	(15,515,053)	\$ 10.70			—	—
Vested restricted stock.....	—	—	—			(3,442,076)	\$ 12.02
Canceled and forfeited.....	2,457,018	(1,588,207)	\$ 14.78			(868,811)	\$ 14.72
Balances, January 29, 2012.....	<u>22,425,952</u>	<u>33,328,976</u>	\$ 14.44			<u>13,637,803</u>	\$ 15.10
Authorized (2).....	25,000,000	—	—			—	—
Granted	(15,254,977)	7,119,319	\$ 13.88			8,135,658	\$ 13.86
Exercised.....	—	(3,646,680)	\$ 8.66			—	—
Vested restricted stock.....	—	—	—			(5,691,623)	\$ 15.02
Canceled and forfeited.....	4,728,901	(3,806,290)	\$ 17.04			(922,611)	\$ 15.14
Balances, January 27, 2013.....	<u>36,899,876</u>	<u>32,995,325</u>	\$ 14.66			<u>15,159,227</u>	\$ 14.46
Authorized	—	—	—			—	—
Granted	(16,905,398)	6,148,672	\$ 14.30			10,756,726	\$ 13.46
Exercised.....	—	(3,058,530)	\$ 10.26			—	—
Vested restricted stock.....	—	—	—			(5,906,509)	\$ 14.79
Canceled and forfeited.....	4,738,712	(3,581,556)	\$ 21.85			(1,157,156)	\$ 13.86
Balances, January 26, 2014.....	<u>24,733,190</u>	<u>32,503,911</u>	\$ 14.22	5.5	\$ 67,868,413	<u>18,852,288</u>	\$ 13.82
Exercisable at January 26, 2014.....		19,866,375	\$ 14.09	3.7	\$ 49,516,264		
Vested and expected to vest after January 26, 2014.....		30,498,779	\$ 14.21	5.3	\$ 64,921,492	15,258,123	\$ 13.82

- (1) The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value for in-the-money options at January 26, 2014, based on the \$15.56 closing stock price of our common stock on the NASDAQ Global Select Market on January 24, 2014, the last trading day of fiscal year 2014, which would have been received by the option holders had all in-the-money option holders exercised their options as of that date. The total number of in-the-money options outstanding and exercisable as of January 26, 2014 was 39.9 million shares and 12.3 million shares, respectively.
- (2) Represents the shares that were approved at our 2012 Annual Meeting of Stockholders and re-approved at our 2013 Annual Meeting of Stockholders.

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The total intrinsic value of options exercised was \$14.4 million, \$21.1 million and \$105.3 million for fiscal years 2014, 2013 and 2012, respectively. Upon exercise of an option, we issue new shares of stock. The total fair value of options vested was \$34.6 million, \$40.3 million and \$49.5 million for fiscal years 2014, 2013 and 2012, respectively.

Note 3 - Net Income Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted net income per share computations for the periods presented:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands, except per share data)		
Numerator:			
Net income.....	\$ 439,990	\$ 562,536	\$ 581,090
Denominator:			
Denominator for basic net income per share, weighted average shares	587,893	619,324	603,646
Effect of dilutive securities:			
Stock awards outstanding	6,624	5,633	12,725
Denominator for diluted net income per share, weighted average shares	594,517	624,957	616,371
Net income per share:			
Basic net income per share	\$ 0.75	\$ 0.91	\$ 0.96
Diluted net income per share	\$ 0.74	\$ 0.90	\$ 0.94
Potentially dilutive securities excluded from income per diluted share because their effect would have been anti-dilutive.....	25,630	26,784	22,617

The denominator for diluted net income per share for fiscal year 2014 does not include any effect from the Notes. In accordance with ASC 260, *Earnings per Share*, commencing after the fiscal quarter ending on April 27, 2014, the Notes will not impact the denominator for diluted net income per share unless the average price of our common stock, as calculated under the terms of the Notes, exceeds the conversion price of \$20.16 per share. Likewise, the denominator for diluted net income per share will not include any effect from the warrants unless the average price of our common stock, as calculated under the terms of the warrants, exceeds \$27.14 per share.

The denominator for diluted net income per share for fiscal year 2014 also does not include any effect from the note hedges. In future periods, the denominator for diluted net income per share will exclude any effect of the note hedges, as their effect would be anti-dilutive. In the event an actual conversion of any or all of the Notes occurs, the shares that would be delivered to the Company under the note hedges are designed to neutralize the dilutive effect of the shares that the Company would issue under the Notes. Please refer to Note 11 of these Notes to the Consolidated Financial Statements for discussion regarding the Notes.

Note 4 - 3dfx

During fiscal year 2002, we completed the purchase of certain assets from 3dfx Interactive, Inc., or 3dfx, for an aggregate purchase price of approximately \$74.2 million. On December 15, 2000, NVIDIA Corporation and one of our indirect subsidiaries entered into an Asset Purchase Agreement, or the APA, which closed on April 18, 2001, to purchase certain graphics chip assets from 3dfx.

In October 2002, 3dfx filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Northern District of California. In March 2003, the Trustee appointed by the Bankruptcy Court to represent 3dfx's bankruptcy estate

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served his complaint on NVIDIA. The Trustee's complaint asserted claims for, among other things, successor liability and fraudulent transfer and sought additional payments from us. In early November 2005, NVIDIA and the Official Committee of Unsecured Creditors, or the Creditors' Committee, agreed to a Plan of Liquidation of 3dfx, which included a conditional settlement of the Trustee's claims against us. This conditional settlement was subject to a confirmation process through a vote of creditors and the review and approval of the Bankruptcy Court. The conditional settlement called for a payment by NVIDIA of approximately \$30.6 million to the 3dfx estate. Under the settlement, \$5.6 million related to various administrative expenses and Trustee fees, and \$25.0 million related to the satisfaction of debts and liabilities owed to the general unsecured creditors of 3dfx. Accordingly, during the three month period ended October 30, 2005, we recorded \$5.6 million as a charge to settlement costs and \$25.0 million as additional purchase price for 3dfx. The Trustee advised that he intended to object to the settlement.

The conditional settlement reached in November 2005 never progressed through the confirmation process and the Trustee's case still remains pending appeal. As such, we have not reversed the accrual of \$30.6 million - \$5.6 million as a charge to settlement costs and \$25.0 million as additional purchase price for 3dfx that we recorded during the three months ended October 30, 2005, pending resolution of the appeal of the Trustee's case.

The 3dfx asset purchase price of \$95.0 million and \$4.2 million of direct transaction costs were allocated based on fair values presented below. The final allocation of the purchase price of the 3dfx assets is contingent upon the outcome of all of the 3dfx litigation. Please refer to Note 12 of these Notes to the Consolidated Financial Statements for further discussion regarding this litigation.

	Fair Market Value	Straight-Line Amortization Period
	(In thousands)	(In years)
Property and equipment	\$ 2,433	1-2
Trademarks	11,310	5
Goodwill	85,418	—
Total	\$ 99,161	

Note 5 - Goodwill

The carrying amount of goodwill is as follows:

	January 26, 2014	January 27, 2013
	(In thousands)	
Icera	\$ 271,186	\$ 271,186
PortalPlayer	104,896	104,896
3dfx	75,326	75,326
Mental Images	59,252	59,252
MediaQ	35,167	35,167
ULi	31,115	31,115
Hybrid Graphics	27,906	27,906
Ageia	19,198	19,198
Portland Group Inc.	2,149	—
Other	16,984	16,984
Total goodwill	\$ 643,179	\$ 641,030

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The amount of goodwill allocated to our GPU and Tegra Processor segments as of January 26, 2014 was \$230.4 million and \$412.8 million, respectively, and as of January 27, 2013 was \$228.2 million and \$412.8 million, respectively. Please refer to Note 16 of these Notes to the Consolidated Financial Statements for further discussion regarding segments.

We allocate goodwill to our reporting units and perform our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist. For the purposes of completing our impairment test, we perform either a qualitative or a quantitative analysis on a reporting unit basis. We utilized a quantitative analysis to complete our most recent annual impairment test during the fourth quarter of fiscal year 2014 and concluded that there was no impairment, as the fair value of our reporting units exceeded their carrying values.

In a qualitative analysis, we evaluate factors including, but not limited to, macro-economic conditions, market and industry conditions, the competitive environment, the operational stability and the overall financial performance of the reporting units, including cost factors and actual revenue results. For reporting units in which the qualitative assessment concludes it is more likely than not that the fair value is more than its carrying value, no further goodwill impairment testing is required.

For those reporting units where a significant change or event has occurred, where potential impairment indicators exist, or for which we have not performed a quantitative assessment recently, we utilize a two-step quantitative assessment to testing goodwill for impairment. The first step tests for possible impairment by applying a fair value-based test by weighing the results from the income approach and the market approach. These valuation approaches consider a number of factors that include, but are not limited to, prospective financial information, growth rates, terminal or residual values, discount rates and comparable multiples from publicly traded companies in our industry and require us to make certain assumptions and estimates regarding industry economic factors and the future profitability of our business.

When performing an income approach valuation, we incorporate the use of projected financial information and a discount rate that are developed using market participant based assumptions to our discounted cash flow model. Our estimates of discounted cash flow were based upon, among other things, certain assumptions about our expected future operating performance, such as revenue growth rates, operating margins, risk-adjusted discount rates, and future economic and market conditions. The market method of determining the fair value of our reporting units requires us to use judgment in the selection of appropriate market comparables.

Note 6 - Amortizable Intangible Assets

The components of our amortizable intangible assets are as follows:

	January 26, 2014				January 27, 2013			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life
	(In thousands)			(In years)	(In thousands)			(In years)
Acquisition-related intangible assets.....	\$ 189,239	\$ (114,104)	\$ 75,135	6.5	\$ 172,039	\$ (96,389)	\$ 75,650	6.9
Patents and licensed technology	446,196	(225,319)	220,877	7.2	407,002	(170,320)	236,682	7.0
Total intangible assets.....	<u>\$ 635,435</u>	<u>\$ (339,423)</u>	<u>\$ 296,012</u>		<u>\$ 579,041</u>	<u>\$ (266,709)</u>	<u>\$ 312,332</u>	

Amortization expense associated with intangible assets for fiscal years 2014, 2013 and 2012 was \$72.7 million, \$68.4 million and \$59.0 million, respectively. Amortization expense increased compared to the prior year primarily due to the

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addition of licensed technology, patent portfolios and the acquisition of certain assets from a business combination during fiscal year 2014. Future amortization expense for the net carrying amount of intangible assets at January 26, 2014 is estimated to be \$79.4 million in fiscal year 2015, \$72.7 million in fiscal year 2016, \$59.4 million in fiscal year 2017, \$48.1 million in fiscal year 2018, \$19.9 million in fiscal year 2019 and \$16.5 million in fiscal years subsequent to fiscal year 2019 until fully amortized.

Note 7 - Marketable Securities

All of the cash equivalents and marketable securities are classified as “available-for-sale” securities. Investments in both fixed and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate debt securities may have their market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value of our publicly traded debt or equity investments is judged to be other-than-temporary. We may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because any debt securities we hold are classified as “available-for-sale,” no gains or losses are realized in our consolidated statement of income due to changes in interest rates unless such securities are sold prior to maturity or unless declines in market values are determined to be other-than-temporary. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of stockholders’ equity, net of tax.

The following is a summary of cash equivalents and marketable securities at January 26, 2014 and January 27, 2013:

	January 26, 2014			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
	(In thousands)			
Debt securities of United States government agencies	\$ 1,012,740	\$ 848	\$ (261)	\$ 1,013,327
Corporate debt securities.....	1,827,788	1,857	(1,065)	1,828,580
Mortgage backed securities issued by United States government-sponsored enterprises.....	185,594	3,837	(725)	188,706
Money market funds	307,865	—	—	307,865
Debt securities issued by United States Treasury	495,889	621	(57)	496,453
Asset-backed securities	258,017	15	(315)	257,717
Total.....	<u>\$ 4,087,893</u>	<u>\$ 7,178</u>	<u>\$ (2,423)</u>	<u>\$ 4,092,648</u>
Classified as:				
Cash equivalents				\$ 572,425
Marketable securities				3,520,223
Total.....				<u>\$ 4,092,648</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	January 27, 2013			
	<u>Amortized Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized Loss</u>	<u>Estimated Fair Value</u>
	(In thousands)			
Debt securities of United States government agencies	\$ 867,087	\$ 1,199	\$ (139)	\$ 868,147
Corporate debt securities.....	1,255,297	3,175	(542)	1,257,930
Mortgage backed securities issued by United States government-sponsored enterprises.....	183,034	6,194	(57)	189,171
Money market funds	195,790	—	—	195,790
Debt securities issued by United States Treasury	785,228	1,102	(105)	786,225
Total.....	<u>\$ 3,286,436</u>	<u>\$ 11,670</u>	<u>\$ (843)</u>	<u>\$ 3,297,263</u>
Classified as:				
Cash equivalents				\$ 302,166
Marketable securities				2,995,097
Total.....				<u>\$ 3,297,263</u>

The following table provides the breakdown of the investments with unrealized losses at January 26, 2014:

	<u>Less than 12 months</u>		<u>12 months or greater</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
	(In thousands)					
Corporate debt securities.....	\$ 789,095	\$ (87)	\$ 1,039,485	\$ (978)	\$ 1,828,580	\$ (1,065)
Mortgage backed securities issued by United States government-sponsored enterprises	999	—	187,707	(725)	188,706	(725)
Debt securities of United States Treasury	88,984	(9)	407,469	(48)	496,453	(57)
Debt securities issued by United States government agencies	576,920	(100)	436,407	(161)	1,013,327	(261)
Asset-backed securities.....	119,889	(119)	137,828	(196)	257,717	(315)
Total	<u>\$ 1,575,887</u>	<u>\$ (315)</u>	<u>\$ 2,208,896</u>	<u>\$ (2,108)</u>	<u>\$ 3,784,783</u>	<u>\$ (2,423)</u>

We performed an impairment review of our investment portfolio as of January 26, 2014. Factors considered included general market conditions, the duration and extent to which fair value is below cost, and our intent and ability to hold an investment for a sufficient period of time to allow for recovery in value. We also consider specific adverse conditions related to the financial health of and business outlook for an investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and changes in an investee's credit rating. Investments that we identify as having an indicator of impairment are subject to further analysis to determine if the investment was other than temporarily impaired. Based on our quarterly impairment review and having considered the guidance in the relevant accounting literature, we did not record any other-than-temporary impairment charges during fiscal year 2014. We concluded that our investments were appropriately valued and that no other than temporary impairment charges were necessary on our portfolio of available for sale investments as of January 26, 2014.

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(Continued)

As of January 26, 2014, we had eight investments that were in an unrealized loss position with total unrealized losses amounting to \$0.3 million and with a duration of less than one year. The gross unrealized losses related to fixed income securities were due to changes in interest rates. We have determined that the gross unrealized losses on investment securities at January 26, 2014 are temporary in nature. Currently, we have the intent and ability to hold our investments with impairment indicators until maturity.

Net realized gains were \$2.4 million, \$0.5 million and \$0.4 million for fiscal years 2014, 2013, and 2012, respectively. As of January 26, 2014, we had a net unrealized gain of \$4.8 million, which was comprised of gross unrealized gains of \$7.2 million, offset by \$2.4 million of gross unrealized losses. As of January 27, 2013, we had a net unrealized gain of \$10.9 million, which was comprised of gross unrealized gains of \$11.7 million, offset by \$0.8 million of gross unrealized losses.

The amortized cost and estimated fair value of cash equivalents and marketable securities which are primarily debt instruments are classified as available-for-sale at January 26, 2014 and January 27, 2013 and are shown below by contractual maturity.

	January 26, 2014		January 27, 2013	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(In thousands)			
Less than one year	\$ 1,883,132	\$ 1,883,753	\$ 1,397,350	\$ 1,399,304
Due in 1 - 5 years	2,114,289	2,117,387	1,777,785	1,783,103
Mortgage-backed securities issued by government-sponsored enterprises not due at a single maturity date....	90,472	91,508	111,301	114,856
Total.....	\$ 4,087,893	\$ 4,092,648	\$ 3,286,436	\$ 3,297,263

Note 8 - Fair Value of Cash Equivalents and Marketable Securities

We measure our cash equivalents and marketable securities at fair value. The fair values of our financial assets and liabilities are determined using quoted market prices of identical assets or quoted market prices of similar assets from active markets. Our Level 1 assets consist of our money market funds. We classify securities within Level 1 assets when the fair value is obtained from real time quotes for transactions in active exchange markets involving identical assets. Our available-for-sale securities are classified as having Level 2 inputs. Our Level 2 assets are valued utilizing a market approach where the market prices of similar assets are provided by a variety of independent industry standard data providers to our investment custodian. There were no significant transfers between Levels 1 and 2 assets for the year ended January 26, 2014. Level 3 assets are based on unobservable inputs to the valuation methodology and include our own data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

NVIDIA CORPORATION AND SUBSIDIARIES
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Financial assets and liabilities measured at fair value are summarized below:

	January 26, 2014	Fair Value Measurement at Reporting Date Using	
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
		(Level 1)	(Level 2)
		(In thousands)	
Debt securities of United States government agencies (1)	\$ 1,013,327	\$ —	\$ 1,013,327
Corporate debt securities (2)	1,828,580	—	1,828,580
Mortgage backed securities issued by United States government-sponsored enterprises (3)	188,706	—	188,706
Money market funds (4)	307,865	307,865	—
Debt securities issued by United States Treasury (3)	496,453	—	496,453
Asset-backed securities (3)	257,717	—	257,717
Total assets	<u>\$ 4,092,648</u>	<u>\$ 307,865</u>	<u>\$ 3,784,783</u>

- (1) Includes \$30.0 million in Cash Equivalents and \$983.3 million in Marketable Securities on the Consolidated Balance Sheet.
(2) Includes \$234.6 million in Cash Equivalents and \$1,594.0 million in Marketable Securities on the Consolidated Balance Sheet.
(3) Included in Marketable Securities on the Consolidated Balance Sheet.
(4) Included in Cash Equivalents on the Consolidated Balance Sheet.

Note 9 - Balance Sheet Components

Certain balance sheet components are as follows:

	January 26, 2014	January 27, 2013
	(In thousands)	
Inventories:		
Raw materials	\$ 126,896	\$ 157,989
Work in-process	94,844	67,352
Finished goods	166,025	187,126
Total inventories	<u>\$ 387,765</u>	<u>\$ 412,467</u>

NVIDIA CORPORATION AND SUBSIDIARIES
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	<u>January 26, 2014</u>	<u>January 27, 2013</u>	<u>Estimated Useful Life</u>
	(In thousands)		(In years)
Property and Equipment:			
Land	\$ 218,496	\$ 218,496	(A)
Building	19,268	30,869	5-25
Test equipment.....	412,862	349,530	3-5
Software and licenses	120,435	245,734	3-5
Leasehold improvements.....	178,884	159,413	(B)
Computer equipment	204,344	174,712	3
Office furniture and equipment.....	58,874	58,712	5
Capital leases	28,481	27,231	(B)
Construction in process.....	41,176	24,085	(C)
Total property and equipment, gross	<u>1,282,820</u>	<u>1,288,782</u>	
Accumulated depreciation and amortization	<u>(700,080)</u>	<u>(712,638)</u>	
Total property and equipment, net	<u>\$ 582,740</u>	<u>\$ 576,144</u>	

(A) Land is a non-depreciable asset.

(B) Leasehold improvements and capital leases are amortized based on the lesser of either the asset's estimated useful life or the remaining expected lease term.

(C) Construction in process represents assets that are not in service as of the balance sheet date.

Depreciation expense for fiscal years 2014, 2013 and 2012 was \$164.0 million, \$157.6 million and \$145.2 million, respectively.

	<u>January 26, 2014</u>	<u>January 27, 2013</u>
	(In thousands)	
Accrued Liabilities:		
Deferred revenue	\$ 273,108	\$ 273,605
Accrued customer programs (1).....	157,840	163,406
Customer advances.....	9,297	9,090
Warranty accrual (2).....	7,571	14,874
Accrued payroll and related expenses.....	109,721	98,977
Accrued legal settlement (3)	30,600	30,600
Taxes payable, short- term.....	2,378	3,173
Other	30,590	26,070
Total accrued liabilities and other.....	<u>\$ 621,105</u>	<u>\$ 619,795</u>

(1) Please refer to Note 1 of these Notes to the Consolidated Financial Statements for discussion regarding the nature of accrued customer programs and their accounting treatment related to our revenue recognition policies and estimates.

(2) Please refer to Note 10 of these Notes to the Consolidated Financial Statements for discussion regarding the warranty accrual.

(3) Please refer to Note 12 of these Notes to the Consolidated Financial Statements for discussion regarding the 3dfx litigation.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	January 26, 2014	January 27, 2013
Other Long Term Liabilities:		
	(In thousands)	
Deferred income tax liability.....	\$ 157,953	\$ 192,950
Income tax payable.....	119,977	115,267
Asset retirement obligations.....	11,056	10,165
Deferred revenue.....	172,199	236,152
Other.....	13,940	34,787
Total other long-term liabilities.....	<u>\$ 475,125</u>	<u>\$ 589,321</u>

Note 10 - Guarantees

U.S. GAAP requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. In addition, U.S. GAAP requires disclosures about the guarantees that an entity has issued, including a tabular reconciliation of the changes of the entity's product warranty liabilities.

Accrual for estimated product returns and product warranty liabilities

We record a reduction to revenue for estimated product returns at the time revenue is recognized primarily based on historical return rates. Cost of revenue includes the estimated cost of product warranties that are calculated at the point of revenue recognition. Under limited circumstances, we may offer an extended limited warranty to customers for certain products. Additionally, we accrue for known warranty and indemnification issues if a loss is probable and can be reasonably estimated. During periods prior to fiscal year 2012, we recorded a cumulative net charge of \$475.9 million, most of which was charged against cost of revenue, to cover customer warranty, repair, return, replacement and other costs arising from a weak die/package material set in certain versions of our previous generation MCP and GPU products used in notebook configurations. During fiscal year 2014, we released the remaining \$7.8 million unclaimed balance of that warranty accrual.

The estimated product returns and estimated product warranty liabilities for fiscal years 2014, 2013 and 2012 are as follows:

	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands)		
Balance at beginning of period (1).....	\$ 14,874	\$ 18,406	\$ 107,896
Additions.....	6,786	5,738	7,329
Deductions (2).....	(14,089)	(9,270)	(96,819)
Balance at end of period.....	<u>\$ 7,571</u>	<u>\$ 14,874</u>	<u>\$ 18,406</u>

(1) Includes a balance of \$9.6 million, \$13.2 million and \$103.7 million for fiscal years 2014, 2013 and 2012, respectively, for the remaining amount of the warranty accrual associated with incremental repair and replacement costs from a weak die/package material set, which we recorded prior to fiscal year 2012.

(2) Includes \$1.8 million, \$3.0 million and \$73.3 million for fiscal years 2014, 2013 and 2012, respectively, in payments related to weak die/package set warranty accrual recorded prior to fiscal year 2012, and \$7.8 million related to the release of the final unclaimed portion of that accrual during fiscal year 2014.

In connection with certain agreements that we have executed in the past, we have at times provided indemnities to cover the indemnified party for matters such as tax, product and employee liabilities. We have also on occasion included intellectual property indemnification provisions in our technology related agreements with third parties. Maximum potential

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

future payments cannot be estimated because many of these agreements do not have a maximum stated liability. As such, we have not recorded any liability in our Consolidated Financial Statements for such indemnifications.

Note 11 - Long-Term Debt

1.00 % Convertible Senior Notes Due 2018

On December 2, 2013, we issued \$1.5 billion of 1.00% convertible senior notes due 2018, or the Notes. The Notes are unsecured, unsubordinated obligations of the Company, which pay interest in cash semi-annually at a rate of 1.00% per annum. The Notes will mature on December 1, 2018 unless earlier repurchased or converted in accordance with their terms prior to such date. The Notes may be converted, under the conditions specified below, based on an initial conversion rate of approximately 49.60 shares of common stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$20.16 per share of common stock), subject to adjustment as described in the indenture governing the Notes.

Holders may convert their notes at their option at any time prior to August 1, 2018 only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on April 27, 2014 (and only during such fiscal quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the measurement period) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after August 1, 2018 to the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes regardless of the foregoing conditions. Upon conversion, we will pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted.

As of January 26, 2014, none of the conditions allowing holders of the Notes to convert had been met. The determination of whether or not the Notes are convertible must be performed quarterly. If the Notes become convertible at the option of the holder, the difference between the principal amount and the carrying value of the Notes would be reflected as convertible debt in the mezzanine equity section on our Consolidated Balance Sheets.

In accordance with ASC 470-20 *Debt with Conversion and Other Options*, all cash-settled convertible debt should be separated into debt and equity components at issuance and be assigned a fair value. The value assigned to the debt component is the estimated fair value, as of the issuance date, of a similar debt without the conversion feature. The difference between the net cash proceeds and this estimated fair value, represents the value assigned to the equity component and is recorded as a debt discount. The debt discount is amortized using the effective interest method from the origination date through its stated contractual maturity date.

The initial debt component of the Notes was valued at \$1,351.8 million based on the contractual cash flows discounted at an appropriate market rate for a non-convertible debt at the date of issuance, which was determined to be 3.15%. The carrying value of the permanent equity component reported in additional paid-in-capital was valued at \$125.7 million and recorded as a debt discount. This amount, together with the \$22.5 million purchaser's discount to the par value of the Notes represents the total unamortized debt discount of \$148.2 million we recorded at the time of issuance of the Notes. The aggregate debt discount is amortized as interest expense over the contractual term of the Notes using the effective interest method using an interest rate of 3.15%.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The following table presents the carrying amounts of the liability and equity components:

	January 26, 2014
	(In thousands)
Amount of the equity component.....	\$ 125,725
1.00% convertible senior notes due 2018	\$ 1,500,000
Unamortized debt discount (1).....	(143,625)
Net carrying amount.....	\$ 1,356,375

(1) As of January 26, 2014, the remaining period over which the unamortized debt discount will be amortized is 4.83 years.

The following table presents the interest expense for the contractual interest and the accretion of debt discount:

	Year Ended January 26, 2014
	(In thousands)
Contractual coupon interest expense.....	\$ 2,500
Amortization of debt discount.....	4,600
Amortization of debt issuance costs.....	34
Total interest expense related to Notes.....	\$ 7,134

As of January 26, 2014, the fair value of the Notes was approximately \$1,528.4 million. The 2018 Notes are classified within Level 2 as they are not actively traded in markets.

Note Hedges and Warrants

The net proceeds from the Notes were approximately \$1,477.5 million after payment of the initial purchaser's discount. Concurrently with the offering of the Notes, we entered into a convertible note hedge transaction, or the Note Hedges, with a strike price equal to the initial conversion price of the Notes, or approximately \$20.16 per share. The Note Hedges allow us to receive shares of our common stock and/or cash related to the excess conversion value that we would pay to the holders of the Notes upon conversion. We paid \$167.1 million for the Note Hedges.

In addition, concurrent with the offering of the Notes and the purchase of the Note Hedges, we entered into a separate warrant transaction, or the Warrants, with a strike price to the holders of the Warrants of approximately \$27.14 per share. The Warrants are net share settled and cover, subject to customary antidilution adjustments, approximately 74.4 million shares of our common stock. We received \$59.1 million for the Warrants transaction.

The \$108.0 million net cost of the Note Hedges offset by the proceeds from the Warrants is included as a net reduction to additional paid-in capital in the stockholders' equity section of our consolidated balance sheets, in accordance with the guidance in ASC 815-40 *Derivatives and Hedging-Contracts in Entity's Own Equity*.

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Note 12 - Commitments and Contingencies

Inventory Purchase Obligations

At January 26, 2014 and January 27, 2013, we had outstanding inventory purchase obligations totaling \$397.7 million and \$470.3 million, respectively.

Capital Purchase Obligations

At January 26, 2014 and January 27, 2013, we had outstanding capital purchase obligations totaling \$41.3 million and \$44.8 million, respectively.

Lease Obligations

Our headquarters complex is located in Santa Clara, California and includes eight buildings that are leased properties. The lease agreements for three of the eight leased properties expire in fiscal year 2020 and include two five-year renewals at our option; one leased building expires in fiscal year 2019 that also has two five-year renewal options; one lease property expires in fiscal year 2018; one lease property expires in fiscal year 2017 with a five-year renewal at our option; and two leased buildings expire in fiscal year 2015, one with a seven-year renewal at our option. Future minimum lease payments related to headquarters operating leases total \$81.0 million over the remaining terms of the leases, including predetermined rent escalations, and are included in the future minimum lease payment schedule below.

In addition to the commitment of our headquarters, we have other domestic and international office facilities under operating leases expiring through fiscal year 2025. We also include non-cancelable obligations under certain software licensing arrangements as operating leases.

Future minimum lease payments under our non-cancelable operating leases as of January 26, 2014, are as follows:

	Future Minimum Lease Obligations
	(In thousands)
Fiscal Year:	
2015	\$ 74,007
2016	70,800
2017	60,884
2018	29,262
2019	22,202
2020 and thereafter	34,693
Total	\$ 291,848

Rent expense for the years ended January 26, 2014, January 27, 2013 and January 29, 2012 was \$43.8 million, \$38.4 million and \$37.9 million, respectively.

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Capital lease obligations include building and office equipment lease obligations. The building lease relates to our data center in Santa Clara, California. Future minimum lease payments under the building capital lease total \$25.8 million over the remaining lease term, including predetermined rent escalations, and are included in the future minimum lease payment schedule below:

	Future Capital Lease Obligations
	(In thousands)
Fiscal Year:	
2015.....	\$ 5,168
2016.....	5,303
2017.....	5,453
2018.....	5,607
2019.....	5,767
2020 and thereafter.....	26
Total.....	\$ 27,324
Present value of minimum lease payments.....	\$ 20,417
Current portion.....	\$ 2,917
Long-term portion.....	\$ 17,500

Litigation

3dfx

On December 15, 2000, NVIDIA and one of our indirect subsidiaries entered into an Asset Purchase Agreement, or APA, to purchase certain graphics chip assets from 3dfx. The transaction closed on April 18, 2001. That acquisition, and 3dfx's October 2002 bankruptcy filing, led to four lawsuits against NVIDIA: two brought by 3dfx's former landlords, one by 3dfx's bankruptcy trustee and the fourth by a committee of 3dfx's equity security holders in the bankruptcy estate. The two landlord cases have been settled with payments from the landlords to NVIDIA, and the equity security holders' lawsuit was dismissed with prejudice and no appeal was filed. Accordingly, only the bankruptcy trustee suit remains outstanding as more fully explained below.

In March 2003, the Trustee appointed by the Bankruptcy Court to represent 3dfx's bankruptcy estate served a complaint on NVIDIA asserting claims for, among other things, successor liability and fraudulent transfer and seeking additional payments from us. The Trustee's fraudulent transfer theory alleged that NVIDIA had failed to pay reasonably equivalent value for 3dfx's assets, and sought recovery of the difference between the \$70.0 million paid and the alleged fair value, which difference the Trustee estimated to exceed \$50.0 million. The Trustee's successor liability theory alleged NVIDIA was effectively 3dfx's legal successor and therefore was responsible for all of 3dfx's unpaid liabilities.

On October 13, 2005, the Bankruptcy Court heard the Trustee's motion for summary adjudication, and on December 23, 2005, denied that motion in all material respects and held that NVIDIA may not dispute that the value of the 3dfx transaction was less than \$108.0 million. The Bankruptcy Court denied the Trustee's request to find that the value of the 3dfx assets conveyed to NVIDIA was at least \$108.0 million.

In early November 2005, after several months of mediation, NVIDIA and the Official Committee of Unsecured Creditors, or the Creditors' Committee, agreed to a Plan of Liquidation of 3dfx, which included a conditional settlement of the Trustee's claims against us. This conditional settlement was subject to a confirmation process through a vote of creditors and the review and approval of the Bankruptcy Court. The conditional settlement called for a payment by NVIDIA of approximately

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\$30.6 million to the 3dfx estate. Under the settlement, \$5.6 million related to various administrative expenses and Trustee fees, and \$25.0 million related to the satisfaction of debts and liabilities owed to the general unsecured creditors of 3dfx. Accordingly, during the three month period ended October 30, 2005, we recorded \$5.6 million as a charge to settlement costs and \$25.0 million as additional purchase price for 3dfx. The Trustee advised that he intended to object to the settlement. The conditional settlement never progressed substantially through the confirmation process.

On December 21, 2006, the Bankruptcy Court scheduled a trial for one portion of the Trustee's case against NVIDIA. On January 2, 2007, NVIDIA terminated the settlement agreement on grounds that the Bankruptcy Court had failed to proceed toward confirmation of the Creditors' Committee's plan. A non-jury trial began on March 21, 2007 on valuation issues in the Trustee's constructive fraudulent transfer claims against NVIDIA. Specifically, the Bankruptcy Court tried four questions: (1) what did 3dfx transfer to NVIDIA in the APA; (2) of what was transferred, what qualifies as "property" subject to the Bankruptcy Court's avoidance powers under the Uniform Fraudulent Transfer Act and relevant bankruptcy code provisions; (3) what is the fair market value of the "property" identified in answer to question (2); and (4) was the \$70.0 million that NVIDIA paid "reasonably equivalent" to the fair market value of that property. The parties completed post-trial briefing on May 25, 2007.

On April 30, 2008, the Bankruptcy Court issued its Memorandum Decision After Trial, in which it provided a detailed summary of the trial proceedings and the parties' contentions and evidence and concluded that "the creditors of 3dfx were not injured by the Transaction." This decision did not entirely dispose of the Trustee's action, however, as the Trustee's claims for successor liability and intentional fraudulent conveyance were still pending. On June 19, 2008, NVIDIA filed a motion for summary judgment to convert the Memorandum Decision After Trial to a final judgment. That motion was granted in its entirety and judgment was entered in NVIDIA's favor on September 11, 2008. The Trustee filed a Notice of Appeal from that judgment on September 22, 2008, and on September 25, 2008, NVIDIA exercised its election to have the appeal heard by the United States District Court.

The District Court's hearing on the Trustee's appeal was held on June 10, 2009. On December 20, 2010, the District Court issued an Order affirming the Bankruptcy Court's entry of summary judgment in NVIDIA's favor. On January 19, 2011, the Trustee filed a Notice of Appeal to the United States Court of Appeals for the Ninth Circuit. The appeal is currently pending.

While the conditional settlement reached in November 2005 never progressed through the confirmation process, the Trustee's case still remains pending on appeal. Accordingly, we have not reversed the accrual of \$30.6 million - \$5.6 million as a charge to settlement costs and \$25.0 million as additional purchase price for 3dfx - that we recorded during the three months ended October 30, 2005, pending resolution of the appeal of the Trustee's case.

Securities Cases

In September 2008, three putative securities class actions, or the Actions, were filed in the United States District Court for the Northern District of California arising out of our announcements on July 2, 2008, that we would take a charge against cost of revenue to cover anticipated costs and expenses arising from a weak die/package material set in certain versions of our previous generation MCP and GPU products and that we were revising financial guidance for our second quarter of fiscal year 2009. The Actions purport to be brought on behalf of purchasers of NVIDIA stock and assert claims for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act. On October 30, 2008, the Actions were consolidated under the caption *In re NVIDIA Corporation Securities Litigation*, Civil Action No. 08-CV-04260-JW (HRL). Lead Plaintiffs and Lead Plaintiffs' Counsel were appointed on December 23, 2008. On February 6, 2009, co-Lead Plaintiff filed a Writ of Mandamus with the Ninth Circuit Court of Appeals challenging the designation of co-Lead Plaintiffs' Counsel. On February 19, 2009, co-Lead Plaintiff filed with the District Court, a motion to stay the District Court proceedings pending resolution of the Writ of Mandamus by the Ninth Circuit. On February 24, 2009, Judge Ware granted the stay. On November 5, 2009, the Court of Appeals issued an opinion reversing the District Court's appointment of one of the lead plaintiffs' counsel, and remanding the matter for further proceedings. On December 8, 2009, the District Court appointed Milberg LLP and Kahn Swick & Foti, LLC as co-lead counsel.

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On January 22, 2010, Plaintiffs filed a Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws, asserting claims for violations of Section 10(b), Rule 10b-5, and Section 20(a) of the Securities Exchange Act. The consolidated complaint sought unspecified compensatory damages. We filed a motion to dismiss the consolidated complaint in March 2010 and a hearing was held on June 24, 2010 before Judge Seeborg. On October 19, 2010, Judge Seeborg granted our motion to dismiss with leave to amend. On December 2, 2010, co-Lead Plaintiffs filed a Second Consolidated Amended Complaint. We moved to dismiss the Second Consolidated Amended Complaint on February 14, 2011. Following oral argument, on October 12, 2011, Judge Seeborg granted our motion to dismiss without leave to amend, and on November 8, 2011, Plaintiffs filed a Notice of Appeal to the Ninth Circuit. The appeal was heard on January 14, 2014 and is currently under submission.

Accounting for Loss Contingencies

While there can be no assurance of favorable outcomes, we believe the claims made by other parties in the above ongoing matters are without merit and we intend to vigorously defend the actions. With the exception of the 3dfx case, we have not recorded any accrual for contingent liabilities associated with the legal proceedings described above based on our belief that liabilities, while possible, are not probable. Further, any possible range of loss in these matters cannot be reasonably estimated at this time. We are engaged in other legal actions not described above arising in the ordinary course of its business and, while there can be no assurance of favorable outcomes, we believe that the ultimate outcome of these actions will not have a material adverse effect on our operating results, liquidity or financial position.

Note 13 - Income Taxes

The income tax expense applicable to income before income taxes consists of the following:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands)		
Current income taxes:			
Federal.....	\$ 7,896	\$ 7,506	\$ 7,099
State.....	1,234	1,016	789
Foreign.....	18,513	16,766	7,630
Total current.....	<u>27,643</u>	<u>25,288</u>	<u>15,518</u>
Deferred taxes:			
Federal.....	17,070	28,143	25,111
State.....	—	—	—
Foreign.....	(1,640)	3,717	(6,055)
Total deferred.....	<u>15,430</u>	<u>31,860</u>	<u>19,056</u>
Charge in lieu of taxes attributable to employer stock option plans.....	27,191	42,355	47,732
Income tax expense.....	<u>\$ 70,264</u>	<u>\$ 99,503</u>	<u>\$ 82,306</u>

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Income before income taxes consists of the following:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands)		
Domestic	\$ 79,136	\$ 99,422	\$ 120,768
Foreign	431,118	562,617	542,628
Income before income tax	<u>\$ 510,254</u>	<u>\$ 662,039</u>	<u>\$ 663,396</u>

The income tax expense (benefit) differs from the amount computed by applying the federal statutory income tax rate of 35% to income (loss) before income taxes as follows:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands)		
Tax expense computed at federal statutory rate	\$ 178,589	\$ 231,714	\$ 232,189
State income taxes, net of federal tax effect	1,608	1,048	2,302
Foreign tax rate differential	(93,831)	(123,626)	(142,071)
U.S. federal R&D tax credit	(30,155)	(29,294)	(24,270)
Stock-based compensation	8,900	11,876	10,983
Tax expense related to intercompany transaction	9,785	9,785	1,533
Other	(4,632)	(2,000)	1,640
Income tax expense	<u>\$ 70,264</u>	<u>\$ 99,503</u>	<u>\$ 82,306</u>

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The tax effect of temporary differences that gives rise to significant portions of the deferred tax assets and liabilities are presented below:

	January 26, 2014	January 27, 2013
(In thousands)		
Deferred tax assets:		
Net operating loss carryforwards.....	\$ 81,629	\$ 84,156
Accruals and reserves, not currently deductible for tax purposes	131,932	121,644
Property, equipment and intangible assets.....	48,358	54,636
Research and other tax credit carryforwards	306,975	271,933
Stock-based compensation.....	33,135	34,187
Convertible debt.....	14,885	—
Gross deferred tax assets	616,914	566,556
Less: valuation allowance.....	(244,487)	(224,774)
Total deferred tax assets.....	\$ 372,427	\$ 341,782
Deferred tax liabilities:		
Acquired intangibles.....	\$ (33,244)	\$ (43,878)
Unremitted earnings of foreign subsidiaries.....	(425,401)	(383,591)
Gross deferred tax liabilities.....	\$ (458,645)	\$ (427,469)
Net deferred tax liability	\$ (86,218)	\$ (85,687)

We recognized income tax expense of \$70.3 million, \$99.5 million, and \$82.3 million during fiscal years 2014, 2013 and 2012, respectively. Income tax expense as a percentage of income before taxes, or our annual effective tax rate, was 13.8% in fiscal year 2014, 15.0% in fiscal year 2013 and 12.4% in fiscal year 2012.

Our effective tax rate on income or loss before tax for the fiscal years was lower than the United States federal statutory rate of 35% due to income or loss earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate is lower than the United States federal statutory tax rate of 35%, favorable recognition in these fiscal years of the U.S. federal R&D tax credit and release of tax reserves as a result of the expiration of statutes of limitations in certain non-U.S. jurisdictions for which we had not previously recognized related tax benefits. As of January 26, 2014 and January 27, 2013 we had a valuation allowance of \$244.5 million and \$224.8 million, respectively, related to state and certain foreign deferred tax assets that management determined not likely to be realized due, in part, to projections of future taxable income. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

Our deferred tax assets do not include the excess tax benefit related to stock-based compensation that are a component of our federal and state net operating loss and research tax credit carryforwards in the amount of \$427.9 million as of January 26, 2014. Consistent with prior years, the excess tax benefit reflected in our net operating loss and research tax credit carryforwards will be accounted for as a credit to stockholders' equity, if and when realized. In determining if and when excess tax benefits have been realized, we have elected to utilize the with-and-without approach with respect to such excess tax benefits. We have also elected to ignore the indirect tax effects of stock-based compensation deductions for financial and accounting reporting purposes, and specifically to recognize the full effect of the research tax credit in income from operations.

As of January 26, 2014, we had a federal net operating loss carryforward of \$601.8 million, combined state net operating loss carryforwards of \$716.0 million, and combined foreign net operating loss carryforwards of \$366.9 million. The federal net operating loss carryforwards will expire beginning in fiscal year 2022 and the state net operating loss carryforwards will begin to expire in fiscal year 2015 in accordance with the rules of each particular state. The total foreign net operating

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loss carryforwards of \$366.9 million, include \$91.4 million attributable to Germany, \$250.4 million attributable to UK, both of which may be carried forward indefinitely, \$21.0 million attributable to Canada and the remainder to other foreign jurisdictions that begin to expire in fiscal year 2015. As of January 26, 2014, we had federal research tax credit carryforwards of \$387.7 million that will begin to expire in fiscal year 2018. We have other federal tax credit carryforwards of \$1.5 million that will begin to expire in fiscal year 2015. The research tax credit carryforwards attributable to states is in the amount of \$369.2 million, of which \$358.2 million is attributable to the State of California and may be carried over indefinitely, and \$11.0 million is attributable to various other states and will expire beginning in fiscal year 2015 according to the rules of each particular state. We have other state tax credit carryforwards of \$3.0 million that will expire in fiscal year 2026 and other foreign tax credit carryforwards of \$15.7 million, of which \$4.7 million may be refunded in fiscal year 2016, \$4.8 million may be refunded in fiscal year 2017 and \$6.2 million may be refunded in fiscal year 2018 if not utilized. Our tax attributes, net operating loss and tax credit carryforwards, remain subject to audit and may be adjusted for changes or modification in tax laws, other authoritative interpretations thereof, or other facts and circumstances. Utilization of federal, state, and foreign net operating losses and tax credit carryforwards may also be subject to limitations due to ownership changes and other limitations provided by the Internal Revenue Code and similar state and foreign tax provisions. If any such limitations apply, the federal, states, or foreign net operating loss and tax credit carryforwards, as applicable, may expire or be denied before utilization.

As of January 26, 2014, U.S. federal and state income taxes have not been provided on approximately \$1.96 billion of undistributed earnings of non-United States subsidiaries as such earnings are considered to be indefinitely reinvested. We have not provided the amount of unrecognized deferred tax liabilities for temporary differences related to investments in our foreign subsidiaries as the determination of such amount is not practicable.

As of January 26, 2014, we had \$237.7 million of gross unrecognized tax benefits, of which \$215.4 million would affect our effective tax rate if recognized. However, included in the unrecognized tax benefits that would affect our effective tax rate if recognized of \$215.4 million is \$40.3 million and \$0.2 million related to state and foreign income tax, respectively, that, if recognized, would be in the form of a carryforward deferred tax asset that would likely attract a full valuation allowance. The \$215.4 million of unrecognized tax benefits as of January 26, 2014 consisted of \$107.1 million recorded in non-current income taxes payable and \$108.3 million reflected as a reduction to the related deferred tax assets.

A reconciliation of gross unrecognized tax benefits is as follows:

	January 26, 2014	January 27, 2013	January 29, 2012
		(In thousands)	
Balance at beginning of period	\$ 220,543	\$ 138,262	\$ 121,034
Increases in tax positions for prior years	—	18,800	385
Decreases in tax positions for prior years	(714)	(304)	(293)
Increases in tax positions for current year	22,787	67,764	22,181
Settlements	—	—	—
Lapse in statute of limitations	(4,878)	(3,979)	(5,045)
Balance at end of period	<u>\$ 237,738</u>	<u>\$ 220,543</u>	<u>\$ 138,262</u>

We classify an unrecognized tax benefit as a current liability, or as a reduction of the amount of a net operating loss carry-forward or amount refundable, to the extent that we anticipate payment or receipt of cash for income taxes within one year. Likewise, the amount is classified as a long-term liability if we anticipate payment or receipt of cash for income taxes during a period beyond a year.

Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense. As of January 26, 2014, January 27, 2013, and January 29, 2012, we had accrued \$12.9 million, \$11.3 million, and \$9.5 million, respectively, for the payment of interest and penalties related to unrecognized tax benefits, which is not included as a component of our unrecognized tax benefits. As of January 26, 2014, non-current income taxes payable of

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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\$120.0 million consisted of unrecognized tax benefits of \$107.1 million, reduced by the associated federal deduction for state taxes, and the related interest and penalties of \$12.9 million.

While we believe that we have adequately provided for all tax positions, amounts asserted by tax authorities could be greater or less than our accrued position. Accordingly, our provisions on federal, state and foreign tax-related matters to be recorded in the future may change as revised estimates are made or the underlying matters are settled or otherwise resolved. As of January 26, 2014, we do not believe that our estimates, as otherwise provided for, on such tax positions will significantly increase or decrease within the next twelve months.

We are subject to taxation by a number of taxing authorities both in the United States and throughout the world. As of January 26, 2014, the material tax jurisdictions that may be subject to examination include the United States, Taiwan, Canada, China, Germany, Hong Kong, France, Japan, and India for fiscal years 2003 through 2013. As of January 26, 2014, the material tax jurisdictions for which we are currently under examination include India and Germany for fiscal years 2003 through 2012.

Note 14 - Stockholders' Equity

Stock Repurchase Program

Beginning August 2004, our Board of Directors authorized us, subject to certain specifications, to repurchase shares of our common stock. Most recently, in November 2013, the Board extended the previously authorized repurchase program through January 2016 and authorized an additional \$1.0 billion for an aggregate of \$3.7 billion under the repurchase program. Through January 26, 2014, we have repurchased an aggregate of 161.2 million shares under our stock repurchase program for a total cost of \$2.45 billion. As of January 26, 2014, we are authorized, subject to certain specifications, to repurchase shares of our common stock up to \$1.25 billion through January 2016.

In November 2013, we announced the intention to return \$1.0 billion to shareholders in fiscal year 2015 in the form of share repurchases and cash dividends. During February 2014, as part of our stock repurchase program, we entered into an accelerated share repurchase agreement, or ASR, with an investment bank, under which we prepaid \$500.0 million to purchase shares of our common stock and received 20.6 million shares. Upon final settlement of the ASR, we may either (1) receive additional shares of our common stock, or (2) be required to deliver shares of our common stock or elect to make a cash payment to the investment bank, based on the terms and conditions under the ASR. The shares we receive results in a reduction, on the delivery date, of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share.

The repurchases will be made from time to time in the open market, in privately negotiated transactions, or in structured stock repurchase programs, and may 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. As part of our share repurchase program, we have entered into, and we may continue to enter into, structured share repurchase transactions with financial institutions. These agreements generally require that we make an up-front payment in exchange for the right to receive a fixed number of shares of our common stock upon execution of the agreement, and a potential incremental number of shares of our common stock, within a pre-determined range, at the end of the term of the agreement.

In addition to our Board authorized stock repurchases, we withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of restricted stock unit, or RSU, awards under our equity incentive program. During fiscal year 2014, we withheld approximately 1.9 million shares at a total cost of 27.3 million through net share settlements. Please refer to Note 2 of these Notes to the Consolidated Financial Statements for further information regarding stock-based compensation related to equity awards granted under our equity incentive programs.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Convertible Preferred Stock

As of January 26, 2014 and January 27, 2013, there were no shares of preferred stock outstanding.

Note 15 - Employee Retirement Plans

We have a 401(k) Retirement Plan covering substantially all of our United States employees. Under the plan, participating employees may defer up to 100% of their pre-tax earnings, subject to the Internal Revenue Service annual contribution limits. Effective January 2013, we began matching a portion of the employee contributions. Our contribution expense in fiscal year 2014 was \$5.1 million and it was not material in fiscal year 2013. Some of our non-U.S. subsidiaries have defined benefit and defined contribution plans as required by local statutory requirements. Our costs under these plans have not been material.

Note 16 - Segment Information

Our Chief Executive Officer, who is considered to be our chief operating decision maker, or CODM, reviews financial information presented on an operating segment basis for purposes of making operating decisions and assessing financial performance. Our operating segments are equivalent to our reportable segments. We report our business in two primary reporting segments - the GPU business and the Tegra Processor business.

Our GPU business leverages our GPU technology across multiple end markets. It comprises four primary product lines: GeForce for consumer desktop and notebook PCs; Quadro for professional workstations; Tesla for high-performance computing; and NVIDIA GRID to provide the power of NVIDIA graphics through the cloud. It also includes other related products, licenses and revenue supporting the GPU business, such as memory products.

Our Tegra Processor business comprises primarily product lines based on our Tegra SOC and modem processor technologies, including Tegra for tablets, smartphones and gaming devices; Icera baseband processors and RF transceivers; automotive computers, including infotainment and navigation systems; and gaming devices, such as SHIELD. It also includes embedded products and license and other revenue associated with game consoles.

During the fourth quarter of fiscal year 2014, our CODM completed a refinement of the methodology utilized to assign expenses to the GPU and Tegra Processor businesses to align to the Company's product architecture and roadmap. With the announcement of our Tegra K1 processor, we now have a single unifying architecture for our GPU and Tegra Processors. This architecture unification prompted a methodology change that leverages our visual computing expertise by charging the operating expenses of certain core engineering functions to the GPU business, while charging the Tegra Processor business for the incremental cost of the teams working directly for that business. In instances where the operating expenses of certain functions benefit both reporting segments, our CODM assigns 100% of those expenses to the reporting segment that benefits the most. The revenue and cost of revenue of the reporting segments was not affected, and comparative periods presented below reflect the impact of this change.

The "All Other" category presented below represents the revenue and expenses that our CODM does not assign to either the GPU business or the Tegra Processor business for purposes of making operating decisions or assessing financial performance. The revenue includes primarily patent licensing revenue and the expenses include corporate infrastructure and support costs, stock-based compensation costs, amortization of acquisition-related intangible assets, other acquisition-related costs, and other non-recurring charges and benefits that our CODM deems to be enterprise in nature.

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Our CODM does not review any information regarding total assets on a reporting segment basis. Reporting segments do not record intersegment revenue, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for NVIDIA as a whole. The table below presents details of our reportable segments and the "All Other" category.

	GPU	Tegra Processor	All Other	Consolidated
	(In thousands)			
Year Ended January 26, 2014:				
Revenue	\$ 3,468,144	\$ 398,018	\$ 264,000	\$ 4,130,162
Depreciation and amortization expense.....	\$ 146,571	\$ 49,839	\$ 42,738	\$ 239,148
Operating income (loss).....	\$ 834,763	\$ (268,068)	\$ (70,468)	\$ 496,227
Year Ended January 27, 2013:				
Revenue	\$ 3,251,712	\$ 764,447	\$ 264,000	\$ 4,280,159
Depreciation and amortization expense.....	\$ 143,262	\$ 40,793	\$ 42,180	\$ 226,235
Operating income (loss).....	\$ 694,338	\$ 40,508	\$ (86,607)	\$ 648,239
Year Ended January 29, 2012:				
Revenue	\$ 3,186,764	\$ 591,166	\$ 220,000	\$ 3,997,930
Depreciation and amortization expense.....	\$ 129,307	\$ 35,431	\$ 39,467	\$ 204,205
Operating income (loss).....	\$ 721,957	\$ 43,736	\$ (117,394)	\$ 648,299

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
	(In thousands)		
<u>Reconciling items included in "All Other" category :</u>			
Revenue not allocated to reporting segments.....	\$ 264,000	\$ 264,000	\$ 220,000
Unallocated corporate operating expenses and other expenses	(166,483)	(157,680)	(156,268)
Stock-based compensation	(136,295)	(136,662)	(136,354)
Acquisition-related costs, net	(31,652)	(36,138)	(37,472)
Other non-recurring expenses and benefits	(38)	(20,127)	(7,300)
Total.....	<u>\$ (70,468)</u>	<u>\$ (86,607)</u>	<u>\$ (117,394)</u>

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Revenue by geographic region is allocated to individual countries based on the location to which the products are initially billed even if our customers' revenue is attributable to end customers that are located in a different location. The following tables summarize information pertaining to our revenue from customers based on invoicing address in different geographic regions:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Revenue:	(In thousands)		
China	\$ 793,790	\$ 780,493	\$ 941,811
Taiwan.....	1,321,503	1,356,838	1,137,175
Other Asia Pacific	675,339	783,573	730,975
Europe.....	295,160	263,488	296,591
United States	726,830	799,430	596,264
Other Americas	317,540	296,337	295,114
Total revenue	<u>\$ 4,130,162</u>	<u>\$ 4,280,159</u>	<u>\$ 3,997,930</u>

The following table presents summarized information for long-lived assets by geographic region. Long-lived assets consist of property and equipment and deposits and other assets, and exclude goodwill and intangible assets.

	January 26, 2014	January 27, 2013
	Long-lived assets:	(In thousands)
United States.....	\$ 522,461	\$ 542,669
Taiwan	51,993	45,868
China.....	29,313	34,644
India.....	31,456	31,312
Europe.....	50,677	28,190
Other Asia Pacific.....	1,092	941
Total long-lived assets	<u>\$ 686,992</u>	<u>\$ 683,624</u>

Revenue from significant customers, those representing 10% or more of total revenue for the respective dates, is summarized as follows:

	Year Ended		
	January 26, 2014	January 27, 2013	January 29, 2012
Revenue:			
Customer A	11%	13%	11%
Customer B	10%	9%	7%

Revenue from customer A was attributable to both the GPU and Tegra Processor businesses, while revenue from customer B was attributable to the GPU business.

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Accounts receivable from significant customers, those representing 10% or more of total accounts receivable for the respective periods, is summarized as follows:

	<u>January 26, 2014</u>	<u>January 27, 2013</u>
Accounts Receivable:		
Customer A.....	23%	20%
Customer B.....	5%	10%
Customer C.....	9%	10%

Note 17 - Quarterly Summary (Unaudited)

The following table sets forth our unaudited consolidated financial results, for the last eight fiscal quarters:

	Fiscal Year 2014 Quarters Ended			
	<u>January 26, 2014</u>	<u>October 27, 2013</u>	<u>July 28, 2013</u>	<u>April 28, 2013</u>
	(In thousands, except per share data)			
Statement of Income Data:				
Revenue.....	\$ 1,144,218	\$ 1,053,967	\$ 977,238	\$ 954,739
Cost of revenue	\$ 524,976	\$ 469,552	\$ 431,700	\$ 436,171
Gross profit	\$ 619,242	\$ 584,415	\$ 545,538	\$ 518,568
Net income	\$ 146,917	\$ 118,734	\$ 96,448	\$ 77,891
Basic net income per share.....	\$ 0.26	\$ 0.20	\$ 0.16	\$ 0.13
Diluted net income per share	\$ 0.25	\$ 0.20	\$ 0.16	\$ 0.13

	Fiscal Year 2013 Quarters Ended			
	<u>January 27, 2013</u>	<u>October 28, 2012</u>	<u>July 29, 2012 (A)</u>	<u>April 29, 2012</u>
	(In thousands, except per share data)			
Statement of Income Data:				
Revenue.....	\$ 1,106,902	\$ 1,204,110	\$ 1,044,270	\$ 924,877
Cost of revenue	\$ 521,300	\$ 567,452	\$ 503,551	\$ 461,513
Gross profit	\$ 585,602	\$ 636,658	\$ 540,719	\$ 463,364
Net income	\$ 173,973	\$ 209,080	\$ 119,046	\$ 60,437
Basic net income per share.....	\$ 0.28	\$ 0.34	\$ 0.19	\$ 0.10
Diluted net income per share	\$ 0.28	\$ 0.33	\$ 0.19	\$ 0.10

(A) Includes net present value of a \$25 million charitable contribution pledged in fiscal year 2013 to Stanford Hospital and Clinic, payable over a ten year period.

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Note 18 - Subsequent Event

During February 2014, as part of our stock repurchase program, we entered into an accelerated share repurchase agreement, or ASR, with an investment bank, under which we prepaid \$500.0 million to purchase shares of our common stock and received 20.6 million shares. Upon final settlement of the ASR, we may either (1) receive additional shares of our common stock, or (2) be required to deliver shares of our common stock or elect to make a cash payment to the investment bank, based on the terms and conditions under the ASR. The shares we receive results in a reduction, on the delivery date, of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share.

NVIDIA CORPORATION AND SUBSIDIARIES
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

Description	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Period</u>
	(In thousands)			
Year ended January 26, 2014				
Allowance for doubtful accounts	\$ 1,804	\$ 319 (1)	\$ (1,275) (1)	\$ 848
Sales return allowance	<u>\$ 14,790</u>	<u>\$ 20,703 (2)</u>	<u>\$ (21,382) (4)</u>	<u>\$ 14,111</u>
Deferred tax valuation allowance	<u>\$ 224,774</u>	<u>\$ 19,713 (3)</u>	<u>\$ —</u>	<u>\$ 244,487</u>
Year ended January 27, 2013				
Allowance for doubtful accounts	\$ 973	\$ 1,216 (1)	\$ (385) (1)	\$ 1,804
Sales return allowance	<u>\$ 13,881</u>	<u>\$ 17,627 (2)</u>	<u>\$ (16,718) (4)</u>	<u>\$ 14,790</u>
Deferred tax valuation allowance	<u>\$ 212,285</u>	<u>\$ 12,489 (3)</u>	<u>\$ —</u>	<u>\$ 224,774</u>
Year ended January 29, 2012				
Allowance for doubtful accounts	\$ 789	\$ 449 (1)	\$ (265) (1)	\$ 973
Sales return allowance	<u>\$ 15,049</u>	<u>\$ 25,331 (2)</u>	<u>\$ (26,499) (4)</u>	<u>\$ 13,881</u>
Deferred tax valuation allowance	<u>\$ 148,016</u>	<u>\$ 64,269 (3)</u>	<u>\$ —</u>	<u>\$ 212,285</u>

- (1) Additions represent allowance for doubtful accounts charged to expense and deductions represent amounts recorded as reduction to expense upon reassessment of allowance for doubtful accounts at period end.
- (2) Represents allowance for sales returns estimated at the time revenue is recognized primarily based on historical return rates and is charged as a reduction to revenue.
- (3) Represents change in valuation allowance primarily related to state and certain foreign deferred tax assets that management has determined not likely to be realized due, in part, to projections of future taxable income of the respective jurisdictions.
- (4) Represents allowance for sales returns written off.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			
		Schedule /Form	File Number	Exhibit	Filing Date
2.1	Agreement and Plan of Merger by and among NVIDIA Corporation, Partridge Acquisition, Inc. and PortalPlayer, Inc. dated 11/6/06	8-K	0-23985	2.1	11/9/2006
3.1	Amended and Restated Certificate of Incorporation	S-8	333-74905	4.1	3/23/1999
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	0-23985	3.1	8/21/2008
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation	8-K	0-23985	3.1	5/24/2011
3.4	Bylaws of NVIDIA Corporation, Amended and Restated as of November 11, 2013	8-K	0-23985	3.1	11/14/2013
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4				
4.2	Specimen Stock Certificate	S-1/A	333-47495	4.2	4/24/1998
4.3	Indenture (including the form of Notes) dated December 2, 2013 between NVIDIA Corporation and Wells Fargo Bank, National Association	8-K	0-23985	4.1	12/2/2013
4.4	Form of 1.00% Convertible Senior Note due 2018 (included in Exhibit 4.3)	8-K	0-23985	4.2	12/2/2013
10.1	Form of Indemnity Agreement between NVIDIA Corporation and each of its directors and officers	8-K	0-23985	10.1	3/7/2006
10.2+	1998 Equity Incentive Plan, as amended	8-K	0-23985	10.2	3/13/2006
10.3+	1998 Equity Incentive Plan ISO, as amended	10-Q	0-23985	10.5	11/22/2004
10.4+	1998 Equity Incentive Plan NSO, as amended	10-Q	0-23985	10.6	11/22/2004
10.5+	Certificate of Stock Option Grant	10-Q	0-23985	10.7	11/22/2004
10.6+	1998 Employee Stock Purchase Plan, as amended and restated	10-Q	0-23985	10.2	5/22/2008
10.7+	2000 Nonstatutory Equity Incentive Plan, as amended	SC TO-1	005-56649	99(d)(1)(A)	11/29/2006
10.8+	2000 Nonstatutory Equity Incentive Plan NSO	SC TO-1	005-56649	99.1(d)(1)(B)	11/29/2006
10.9+	PortalPlayer, Inc. 1999 Stock Option Plan and Form of Agreements thereunder	S-8	333-140021	99.1	1/16/2007
10.10+	PortalPlayer, Inc. Amended and Restated 2004 Stock Incentive Plan	S-8	333-140021	99.2	1/16/2007
10.11+	Amended and Restated 2007 Equity Incentive Plan	DEF 14A	0-23985	Appendix A	4/3/2013
10.12+	2007 Equity Incentive Plan - Non Statutory Stock Option (Annual Grant - Board Service (2007))	10-Q	0-23985	10.2	8/22/2007

10.13+	2007 Equity Incentive Plan - Non Statutory Stock Option (Annual Grant - Committee Service (2007))	10-Q	0-23985	10.3	8/22/2007
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10.15+	2007 Equity Incentive Plan - Non-Statutory Stock Option (Annual Grant - Board Service (2009))	10-Q	0-23985	10.1	8/20/2009
10.16+	2007 Equity Incentive Plan - Non-Statutory Stock Option (Annual Grant - Board Service (2011))	10-Q	0-23985	10.41	5/27/2011
10.17+	2007 Equity Incentive Plan - Non-Statutory Stock Option (Initial Grant - Board Service (2011))	8-K	0-23985	10.1	12/14/2011
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10.19+	2007 Equity Incentive Plan - Non Statutory Stock Option	8-K	0-23985	10.2	9/13/2010
10.20+	2007 Equity Incentive Plan - Incentive Stock Option	8-K	0-23985	10.21	9/13/2010
10.21+	Amended and Restated 2007 Equity Incentive Plan - Non Statutory Stock Option	10-Q	0-23985	10.1	8/22/2012
10.22+	Amended and Restated 2007 Equity Incentive Plan - Incentive Stock Option	10-Q	0-23985	10.2	8/22/2012
10.23+	2007 Equity Incentive Plan - Restricted Stock Unit Grant Notice and Restricted Stock Unit Purchase Agreement	10-Q	0-23985	10.22	12/7/2010
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10.30+	Fiscal Year 2013 Variable Compensation Plan	8-K	0-23985	10.1	3/28/2012
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10.32	Lease dated April 4, 2000 between NVIDIA Corporation and Sobrato Interests III for Building A	S-3/A	333-33560	10.1	4/20/2000
10.33	Lease dated April 4, 2000 between NVIDIA Corporation and Sobrato Interests III for Building B	S-3/A	333-33560	10.2	4/20/2000
10.34	Lease dated April 4, 2000 between NVIDIA Corporation and Sobrato Interests III for Building C	S-3/A	333-33560	10.3	4/20/2000
10.35	Lease dated April 4, 2000 between NVIDIA Corporation and Sobrato Interests III for Building D	S-3/A	333-33560	10.4	4/20/2000
10.36	Memory Controller Patent License Agreement Between Rambus Inc. and NVIDIA Corporation, dated August 12, 2010	10-Q	0-23985	10.32	12/7/2010
10.37	Second Amendment to Lease, dated August 18, 2010 between NVIDIA Corporation and Sobrato Interests III for Building A	10-Q	0-23985	10.33	12/7/2010
10.38	Third Amendment to Lease, dated August 18, 2010, between NVIDIA Corporation and Sobrato Interests III for Building B	10-Q	0-23985	10.34	12/7/2010
10.39	Third Amendment to Lease, dated August 18, 2010, between NVIDIA Corporation and Sobrato Interests III for Building C	10-Q	0-23985	10.35	12/7/2010
10.40	Second Amendment to Lease, dated August 18, 2010, between NVIDIA Corporation and Sobrato Interests III for Building D	10-Q	0-23985	10.36	12/7/2010
10.41	Patent Cross License Agreement dated as of January 10, 2011, between NVIDIA Corporation and Intel Corporation	8-K	0-23985	10.1	1/10/2011
10.42	Master Confirmation and Supplemental Confirmation between NVIDIA Corporation and Goldman, Sachs & Co., dated May 14, 2013	10-Q	0-23985	10.3	5/22/2013
10.43	Base Convertible Note Hedge Transaction Confirmation	8-K	0-23985	99.1	12/2/2013
10.44	Base Warrant Transaction Confirmation	8-K	0-23985	99.2	12/2/2013
10.45	Additional Convertible Note Hedge Transaction Confirmation	8-K	0-23985	99.3	12/2/2013
10.46	Additional Warrant Transaction Confirmation	8-K	0-23985	99.4	12/2/2013
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* Filed herewith.

+ Management contract or compensatory plan or arrangement.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Copies of above exhibits not contained herein are available to any stockholder upon written request to:
Investor Relations: NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, CA 95050

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 12, 2014.

NVIDIA Corporation
/s/ Jen-Hsun Huang

By: _____
Jen-Hsun Huang
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jen-Hsun Huang and Colette M. Kress, and each or any one of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including posting effective amendments) to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-facts and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ JEN-HSUN HUANG</u> Jen-Hsun Huang	President, Chief Executive Officer and Director (Principal Executive Officer)	March 12, 2014
<u>/s/ COLETTE M. KRESS</u> Colette M. Kress	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 12, 2014
<u>/s/ MICHAEL J. BYRON</u> Michael J. Byron	Vice President of Finance and Chief Accounting Officer (Principal Accounting Officer)	March 12, 2014
<u>/s/ TENCH COXE</u> Tench Coxe	Director	March 12, 2014

/s/ MARK STEVENS Director **March 12, 2014**

Mark Stevens

/s/ JAMES C. GAITHER Director **March 12, 2014**

James C. Gaither

/s/ HARVEY C. JONES Director **March 12, 2014**

Harvey C. Jones

/s/ MARK L. PERRY Director **March 12, 2014**

Mark L. Perry

/s/ WILLIAM J. MILLER Director **March 12, 2014**

William J. Miller

/s/ A. BROOKE SEAWELL Director **March 12, 2014**

A. Brooke Seawell

/s/ ROBERT BURGESS Director **March 12, 2014**

Robert Burgess

/s/ DAWN HUDSON Director **March 12, 2014**

Dawn Hudson

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filing Date
		Schedule /Form	File Number	Exhibit	
2.1	Agreement and Plan of Merger by and among NVIDIA Corporation, Partridge Acquisition, Inc. and PortalPlayer, Inc. dated 11/6/06	8-K	0-23985	2.1	11/9/2006
3.1	Amended and Restated Certificate of Incorporation	S-8	333-74905	4.1	3/23/1999
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	0-23985	3.1	8/21/2008
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation	8-K	0-23985	3.1	5/24/2011
3.4	Bylaws of NVIDIA Corporation, Amended and Restated as of November 11, 2013	8-K	0-23985	3.1	11/14/2013
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4				
4.2	Specimen Stock Certificate	S-1/A	333-47495	4.2	4/24/1998
4.3	Indenture (including the form of Notes) dated December 2, 2013 between NVIDIA Corporation and Wells Fargo Bank, National Association	8-K	0-23985	4.1	12/2/2013
4.4	Form of 1.00% Convertible Senior Note due 2018 (included in Exhibit 4.3)	8-K	0-23985	4.2	12/2/2013
10.1	Form of Indemnity Agreement between NVIDIA Corporation and each of its directors and officers	8-K	0-23985	10.1	3/7/2006
10.2+	1998 Equity Incentive Plan, as amended	8-K	0-23985	10.2	3/13/2006
10.3+	1998 Equity Incentive Plan ISO, as amended	10-Q	0-23985	10.5	11/22/2004
10.4+	1998 Equity Incentive Plan NSO, as amended	10-Q	0-23985	10.6	11/22/2004
10.5+	Certificate of Stock Option Grant	10-Q	0-23985	10.7	11/22/2004
10.6+	1998 Employee Stock Purchase Plan, as amended and restated	10-Q	0-23985	10.2	5/22/2008
10.7+	2000 Nonstatutory Equity Incentive Plan, as amended	SC TO-1	005-56649	99(d)(1)(A)	11/29/2006
10.8+	2000 Nonstatutory Equity Incentive Plan NSO	SC TO-1	005-56649	99.1(d)(1)(B)	11/29/2006
10.9+	PortalPlayer, Inc. 1999 Stock Option Plan and Form of Agreements thereunder	S-8	333-140021	99.1	1/16/2007
10.10+	PortalPlayer, Inc. Amended and Restated 2004 Stock Incentive Plan	S-8	333-140021	99.2	1/16/2007
10.11+	Amended and Restated 2007 Equity Incentive Plan	DEF 14A	0-23985	Appendix A	4/3/2013

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Jen-Hsun Huang
Co-Founder, President and
Chief Executive Officer
NVIDIA Corporation

Robert K. Burgess
Independent Consultant

Tench Coxe
Managing Director, Sutter Hill Ventures

James C. Gaither
Managing Director, Sutter Hill Ventures

Dawn Hudson
Vice Chairman, The Parthenon Group

Harvey C. Jones
Managing Partner, Square Wave
Ventures

William J. Miller (Lead Director)
Independent Director and Consultant

Mark L. Perry
Advisor, Third Rock Ventures

Brooke Seawell
Venture Partner,
New Enterprise Associates

Mark A. Stevens
Managing Partner, S-Cubed Capital

EXECUTIVE OFFICERS

Jen-Hsun Huang
Co-Founder, President and
Chief Executive Officer

Colette M. Kress
Executive Vice President and
Chief Financial Officer

Jay Puri
Executive Vice President,
Worldwide Sales

David M. Shannon
Executive Vice President,
Chief Administrative Officer
and Secretary

Debora Shoquist
Executive Vice President,
Operations

OTHER MEMBERS OF THE EXECUTIVE TEAM

Chris A. Malachowsky
Co-Founder, Senior Vice President
and NVIDIA Fellow

Jonah M. Alben
Senior Vice President,
GPU Engineering

Michael J. Byron
Vice President, Finance, and
Chief Accounting Officer

Brian Cabrera
Senior Vice President and
General Counsel

Robert Csongor
Vice President and General Manager,
Automotive

Bill Dally
Chief Scientist
and Senior Vice President,
Research

Ujesh Desai
Vice President, Marketing

Dwight Diercks
Senior Vice President,
Software Engineering

Ed Ellett
Senior Vice President,
Professional Solutions Group

Jeff Fisher
Senior Vice President,
GeForce Business Unit

Frank Fox
Senior Vice President,
Consumer Electronics Engineering

Joseph D. Greco
Senior Vice President,
Advanced Technology Group

Jeffrey Herbst
Vice President,
Business Development

Gary Hicok
Senior Vice President,
Mobile Business Unit

Brian M. Kelleher
Senior Vice President,
GPU Engineering

David B. Kirk
NVIDIA Fellow

Tommy Lee
Senior Vice President,
Systems and Application Engineering

Deepu Talla
Vice President and General Manager,
Mobile Business Unit

Tony Tamasi
Senior Vice President,
Content and Technology

Bob Worrall
Senior Vice President and
Chief Information Officer

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
488 Almaden Boulevard, Suite 1800
San Jose, California 95110

GENERAL LEGAL COUNSEL

Cooley LLP
3175 Hanover Street
Palo Alto, California 94304

TRANSFER AGENT AND REGISTRAR

Computershare
P.O. Box 30170
College Station, Texas 77842-3170
www.computershare.com/investor

ANNUAL MEETING

May 23, 2014, at 10:30 a.m.
NVIDIA Corporation
2800 Scott Boulevard
Santa Clara, California 95050

FORM 10-K

A copy of NVIDIA's Form 10-K filed
with the SEC will be made available
to all shareholders at no charge.
The Form 10-K also can be accessed
through the SEC website (www.sec.gov)
or through NVIDIA's Investor Relations
website (www.nvidia.com/investor).
To receive a copy by mail please contact:

Investor Relations
NVIDIA Corporation
2701 San Tomas Expressway
Santa Clara, California 95050
Email: ir@nvidia.com



NVIDIA.

NVIDIA CORPORATION

2701 San Tomas Expressway
Santa Clara, California 95050

WWW.NVIDIA.COM

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