



NVIDIA CORPORATION

2021 ANNUAL MEETING OF STOCKHOLDERS QUESTIONS & ANSWERS

Below are the questions we received prior to and during the NVIDIA Corporation 2021 Annual Meeting of Stockholders held on June 3, 2021, including those we were not able to cover during the Q&A session due to time. As previously indicated, we have consolidated multiple questions on the same or similar topic and provided a summary response, and we have limited each stockholder to one question. We have also made minor edits for clarity, corrected typos, and removed questions that were not broadly related to our business.

All responses, including any forward-looking statements, reflect management's views as of June 3, 2021, unless otherwise noted. We do not undertake, and expressly disclaim any duty, to update any such statement whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law. Forward-looking statements are subject to many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements, as discussed in NVIDIA's SEC filings, including our most recent reports on Forms 10-K and 10-Q on the SEC's website at www.sec.gov.

Thank you for your questions and comments and for your ongoing support of NVIDIA Corporation.

Q: Why is it taking so long to get 30 series RTX GPUs in stock? How will you deal with the chip shortage while simultaneously ensuring that you can take full advantage of the crypto and gaming boom? Does the chip shortage give you pricing power, or is it more likely to harm the top line?

A: Demand for our GPUs is strong and continues to exceed supply. We expect this to be the case for most of this year. We continue to work with our supply chain partners to increase supply.

We have deployed a strategy to help steer our GeForce GPUs to gamers with our Low Hash Rate (LHR) cards while creating a separate product, called CMP for crypto mining processors, to address the demand from miners. These cards were made available in our fiscal quarter ended April 2021. Simultaneously, we have limited the crypto mining hash rate on new GeForce GPUs, which means they're less effective for mining. We believe these efforts will provide a greater amount of GeForce GPUs available to gamers and still serve miners with a specific CMP product.

The supply shortage has had little impact on how we price our products. We believe supply constraints have had some impact on top line growth though it is hard to quantify.

Q: What is the status of the Arm acquisition? When is the deadline for the merger with Arm?

A: As we stated in our Q2 earnings call, we are working through the regulatory process. Although some Arm licensees have expressed concerns or objected to the transaction, and discussions with regulators are taking longer than initially thought, we are confident in the deal rationale and the benefits of the acquisition to Arm, its licensees, and the industry. The deadline for completing the acquisition is September 2022.

Q: Why are you increasing authorized shares of common stock from 2 billion to 4 billion? Will my shares be worth 1/2 as much as they are now? Will there be a stock split?

A: We increased our authorized shares of common stock from 2 billion to 4 billion to give us enough shares to effect a 4-for-1 stock split in the form of a stock dividend, to make stock ownership more accessible to investors and employees. Each NVIDIA stockholder of record at the close of business on June 21, 2021 received a dividend of three additional shares of common stock for each share held on that record date, which was distributed on July 19, 2021. The stock

split did not dilute the value of your shares. Each stockholder had the same proportionate interest in NVIDIA before and after the stock split. See [these FAQs](#) for additional information.

Q: What will the dividend be after the split? Is the board considering an increase in the dividend in the near future? Is there a plan for direct reinvestment of dividends?

A: The per share amount of the cash dividend for Q2 after the stock split was \$0.04 per share, which was one-fourth of its level prior to the stock split. We are a growth company and will continue to invest to support long term growth and the significant opportunity that lies ahead. We have not announced any changes to our dividend.

Q: What are NVIDIA's plans to increase the number of women on their Board and in senior management positions? Recognizing significant experience is required to serve as a director, what is the plan to gradually bring in younger persons to serve as an NVIDIA director?

A: Diversity is vital across the company – in our board room, in our management, and in our leadership. Each of our directors has been nominated because of their competencies, professional experience, and backgrounds, and ability to contribute diverse viewpoints and perspectives to our discussions. That includes diversity of gender, racial background, ethnic background, and age.

We have three exceptional women on our Board: Dawn Hudson joined in 2013, Persis Drell joined in 2015, and Aarti Shah joined in 2020. We also have three Board members who identify as ethnically or racially diverse: Aarti and Jensen Huang (our CEO) both identify as Asian, and John Dabiri identifies as Black.

Regarding age diversity, three of our directors are in their 40s or 50s, including Aarti and John who joined last year. We continually refresh our Board so that there is a blend of new perspectives and ideas along with experience and institutional knowledge.

Beyond the Board, two of our five executive officers are women: Colette Kress, our EVP and Chief Financial Officer, and Debora Shoquist, our EVP of Operations. We have amazing women leaders throughout our company.

Still, we have more work to do. We are launching a Women Leadership Development Program to invest in our future women leaders and provide the key experiences to prepare them for the next step in their careers.

We also participated in a series of women-focused college events aimed at outreach and recruiting. We strengthened our partnership with Rewriting the Code, which gave us an increased pipeline of women of color intern and new college graduate talent. And, in India, we launched a program to help identify a pipeline of female interns.

Q: Why are there so many directors? Why are there not more contemporary STEM related executives on the board? I am concerned when I see some Board members already on more than one other Board, and I feel management should limit their recommendations to being on the Board by limiting their outside boards to one only.

A: The Board strives to maintain an appropriate balance of tenure, diversity, professional experience and backgrounds, skills, and education across its members. Our two newest directors both possess STEM-related backgrounds: John Dabiri, a professor of aeronautics and mechanical engineering at the California Institute of Technology; and Aarti Shah, an IT, digital health, cybersecurity, and advanced analytics & data sciences leader and former executive at Eli Lilly and Company.

Our [Corporate Governance Policies](#) provide that directors should have sufficient time to devote to Board and committee duties and to understanding our business, and our Nominating and Corporate Governance Committee reviews each director's outside commitments annually when it recommends Board members for nomination and/or re-election.

Q: How much are the directors paid? How does NVIDIA ensure that director stock ownership guidelines do not preclude potential directors from supporting NVIDIA's board diversity efforts?

A: Last year, non-employee directors received a mix of cash and equity worth a total of approximately \$300,000, which was slightly below the peer median. We do not pay additional fees for serving as a lead independent director, chairperson or member of Board committees or

for meeting attendance. Jensen, our sole director who is also an employee, does not receive compensation for service on the Board.

Our non-employee directors are required to hold shares of our common stock with a total value equal to six times their annual cash retainer, within five years after their Board appointment. Based on the \$75,000 annual cash retainer for service ending with the 2021 Annual Meeting, a non-employee director would need to hold at least \$450,000 worth of our stock.

Each director currently meets or exceeds the stock ownership requirements, with the exception of Drs. Dabiri and Shah, who have until 2025 to reach the ownership threshold.

Q: What is your executive compensation (including bonuses, stock options, and other perks)? We request that NVIDIA adopt and publicly support an equitable wage ratio of not more than 100:1 between the highest paid executive and the lowest paid employee.

A: CEO compensation is comprised of base salary, a variable cash incentive, multi-year performance stock units (PSUs), and single-year PSUs. Other executive officer compensation is comprised of the same elements, as well as time-based restricted stock units. We also offer medical benefits, insurance, time off and paid holidays, as well as participation in an employee stock purchase plan and 401(k) plan on the same basis as our other employees. Variable cash is based on annual revenue goals, single-year PSUs are earned based on annual operating income goals, and multi-year PSUs are earned based on three-year relative total shareholder return. NVIDIA executives and employees do not receive stock options.

We evaluate compensation for all employees based on multiple factors, including talent peer practices and living wages. The ratio of CEO pay to our median employee pay last year was 89:1. A core compensation philosophy of ours is to take care of our employees like family. We want everyone, at all levels, to benefit from the growth of the company, so all our employees are eligible to receive equity, and enjoy the upside. We also believe it is important for our employees to maintain a quality of living standard and have the appropriate cash income to do so. We do things such as providing salary adjustments and cash bonuses to address inflation, and allocating a higher percent of annual merit budget to lower levels, shifting budget from the more senior levels.

Q: Are you exploring new applications for which your chips can be modified to serve a new need that has yet to sprout? What is in the pipeline to make my investment worthwhile? What is the revenue stream for the next 2-3 years? What are the 3 top reasons why NVIDIA is where we should keep our investments? How do you do market research?

A: Innovation is the lifeblood of our company. Thousands of NVIDIA employees are dedicated to the advancement and discovery of new technology and applications, and we are constantly working on our next generation of products as well as new technologies and use cases. We have a large market opportunity, an attractive business model, and a long track record of strong execution. We have large and durable revenue growth opportunities across our market platforms. Our accelerated computing platform provides a path forward now that Moore's Law has ended. We stand to benefit as the world's largest industries adopt AI and accelerated computing and as the popularity of gaming continues to grow.

We approach market research in a thorough, systematic way. We analyze factors such as market size, growth rates, competition, and technology trends.

Q: There is a chip shortage in the car industry. Is this a business opportunity for NVIDIA?

A: Our Automotive exposure skews more to the high end, an area that has been less impacted by the chip shortage. Longer-term, our Automotive revenue will be driven by AI and autonomous vehicles.

Q: What other partnerships can be pursued to further NVIDIA's goals? Is there perhaps a sports partnership in the future?

A: We do not comment on partnerships prior to their announcement. In general, NVIDIA fosters a large ecosystem of partners across all markets in which we participate, including gaming, data center, professional visualization, and automotive.

Q: What is the long-term plan if other chip makers decide to pursue NVIDIA's primary market? What is the number 1 reason you can beat the competition?

A: The chip industry is -- and has always been -- rich with excellent companies. NVIDIA specializes in accelerated computing, an approach we pioneered and which we have dedicated our entire company to perfect. We apply our architecture to tackle the challenges that can make a great impact – like computer graphics, scientific computing like weather simulation, genomics and molecular biology, AI and robotics. NVIDIA is not just a company that makes the most complex chips; NVIDIA is really a computing platform company. Our computing platform includes chips, systems, and software. This full-stack expertise is critical when it comes to processing workloads like AI. And, a computing platform has developers. NVIDIA has a large and rapidly growing ecosystem of over 2-and-a-half million developers, researchers in all fields of science, and thousands of companies innovating on our platform, doing incredible work that spans a range of fields from gene sequencing, climate simulation, natural language understanding, to self-driving cars.

Q: What is NVIDIA's strategy to address competition from Intel?

A: NVIDIA offers a full stack approach - optimizing across silicon, systems, and software. We also have a large and rapidly growing developer ecosystem innovating on our platform. In graphics we continue to lead the industry in performance and features as seen with our RTX GPUs. The inherent processing power advantages of the GPU make it the preferred platform for AI, cloud computing, graphics, and other high-performance computing applications. Our rapid revenue growth over the years reflects this.

Q: Apple has developed internally its own CPU -- the M1 -- to power its Mac desktop PCs and perhaps other computing devices. Prior to this, Apple purchased CPUs from Intel to install in the Mac computers; so, Intel is now losing big revenue from a huge, long-time client. Please address this potential for a similar risk to the Nvidia business (and the GPU industry in general) should Apple decide to design and manufacture its own GPUs. Does NVIDIA have a contingency plan for such an industry development? As a chip maker, will NVIDIA go into the integrated CPU/GPU market as Apple is doing?

A: Apple does not use NVIDIA GPUs in its MAC products. We continue to lead the industry in features and performance making GeForce GPUs the go-to choice for PC gamers.

We currently do not offer an integrated CPU/GPU.

Q: Why do we refuse to compete with AMD by refusing to invest in either releasing open-source GPU drivers, or supporting the Nouveau project? Why turn down a wide-open opportunity to generate demand and benefit from some completely free labour?

Why doesn't NVIDIA provide any support for Linux? Can we move toward open-source drivers now that Linux is a primary target for our GPU compute?

A: We have found we can support the Linux community best by investing in highest performance, highest quality drivers in-house.

Q: Are there any developments in advanced physics for games using ray-tracing? Do you plan to support more free/open source 3D and 2D engines? Do you plan to work on AI for generating game assets like textures, 3D models, sounds?

A: Enabling physically-based rendering is foundational to our ray-tracing technology. Ray-tracing is a capability and has a long runway for innovation and feature set advancement. NVIDIA is an open company. Our platform supports a variety of technologies and business models across our ecosystem. Our AI technologies are already enabling many of these capabilities today with DLSS. AI is the most powerful technology force of our time. We are just scratching the surface of what's possible.

Q: What are your plans for the Quantum Computing sector?

A: Quantum computing has great potential to simulate algorithms that take exponentially longer as the problem size grows – like simulating molecule iterations. The technology is still in its infancy and likely decades away from commercial applications. NVIDIA can contribute a great deal to the creation of quantum computing. We're helping to move the industry forward. Selene, our in-house AI supercomputer, is used to run leading-edge quantum simulations. And at GTC in April 2021, we announced NVIDIA cuQuantum, an SDK used to speed quantum circuit simulations running on GPUs - delivering orders of magnitude speedups. cuQuantum will help QC designers simulate their quantum circuits, help architects begin to build systems where the quantum and

GPU systems work together to solve full problems. We believe cuQuantum on NVIDIA DGX is the best quantum simulator today.

Q: What is your 1-year, 3-year and 5-year projection of growth in the electric vehicle field?

A: While we only provide outlook one quarter at a time, we feel we are well positioned to benefit from this rapidly growing market including with the new energy vehicle makers.

Q: Does the board or management have a view when GeForce Now will move to mass service?

A: GeForce NOW came out of beta in September 2020 and has great momentum – over 12 million registered members as of October 2021 and nearly 1,000 games from over 300 publishers, more than any other cloud gaming service. We are in 70 countries from 25 data centers. Members and onboarded games both continue to scale rapidly. We feel very good about our competitive position.

Q: What issues do you see as being probable difficulties in the coming year and how do you plan on addressing them?

A: A key issue for NVIDIA in the coming year is procuring sufficient supply to support strong demand across our markets. We are actively engaged with our supply chain partners to help support our growth objectives.

Q: What is NVIDIA's strategy to weather the new administration's aggressive view on regulations, super-sizing green energy, and taxes/taxes/taxes?

A: We comply with all regulations, tax laws and practices. NVIDIA is committed to building a great company through people, innovation, and energy efficient technology. This means not only doing what's good for business but also what's good for our employees, our business partners, society at large, and the environment. In supporting the commercial needs of NVIDIA's businesses within the existing tax framework, we seek to operate in a tax efficient manner, continuously monitoring and considering the tax laws, including available incentives and reliefs, in the countries in which we operate.

Q: With NVIDIA chips being in such high demand, has the company considered diversifying into its own foundries and fabrication plants? What is NVIDIA's supply chain contingency plan in place in the event of military action by China against Taiwan?

A: From a supply standpoint, we employ a dual foundry strategy which has helped in market environments such as the current one. We believe this approach has superior economics compared to alternatives, such as operating a foundry. Our supply chain partners are located throughout the world, and we believe our supply chain will likely become more geographically diverse over time.

Q: To what extent does NVIDIA do business with the People's Republic of China and with Taiwan?

A: As disclosed in our 10K for fiscal year 2021, based on where our products are billed, Taiwan was 27% of fiscal year 2021 revenue and China (including Hong Kong) was 23%. We also work with supply chain partners in China and Taiwan.

Q: What precautions does NVIDIA take to prevent its technology from being stolen by malicious actors from other nations?

A: We take intellectual property and data security very seriously. We continuously monitor our network and endpoints for security threats, and our teams are required to operate within industry-standard security controls. We also have active insider-threat and threat intelligence programs that proactively monitor our network environment for potential issues. Like many global companies, we face a constantly evolving and sophisticated threat environment, and we continue to update our security measures to meet this challenge.

Q: CMP specialty cards will result in tons of ewaste once they are unprofitable and reach end of life, unlike standard video cards that can be reused for budget computers for years to come. What are you going to do to discourage the excessive energy consumption that is poised to result in significant detriment to the planet?

A: We share your concern about the environment. CMP uses recovered silicon that does not meet the requirements of a graphics card. These cards also use less components (like plastic fans), are optimized to reduce power consumption when mining, and have a similar life cycle as graphics cards.

Q: What are the actions taken by NVIDIA to improve sustainability and work against climate change effects?

A: The hallmark of NVIDIA's accelerated computing is energy-efficiency. One indicator is that NVIDIA powers 25 of the world's top 30 green supercomputers. Another is how a single NVIDIA DGX system replaces hundreds of CPU servers when running AI.

Within our operations, we set sustainability goals. Our latest is committing to source 65% of our global electricity use from renewable sources like solar by 2025. We have solar installed on our Santa Clara HQ buildings, and plan to bring more online in the next 8 months. The architecture of our new buildings maximizes natural light while minimizing the need to cool with AC.

Last year, we sourced 100% renewable energy for 17 offices and data centers.

We've also made great strides in our product packaging -- 80% of our packaging is made from recycled materials and we aim to increase this each year.

To continue our progress, we're working to understand the carbon footprint of all stages of our product lifecycle and how we can take full responsibility for it.

Q: Exactly how much of corporate funds did you spend on diversity and equity social engineering this year?

A: NVIDIA does not disclose internal DEI spend figures.

Q: What was your biggest mistake and biggest success during a challenging pandemic year? When will employees go back to office to work?

A: We're most proud of our employees around the world, who navigated extraordinary challenges to make NVIDIA the company it is today. We'll continue to support our employees during a challenging time and enable them to stay healthy and productive. Our return to the

office is determined by the conditions in each region where we have an office. We have established a framework for re-opening that all sites follow, including reviewing vaccination rates, rate and trend of new cases, employee sentiment, and local jurisdiction regulations to determine when we target a site re-opening.

Q: The April product announcements on CPUs, AI, HPC, Cloud, Edge, 5G, Industrial and Automotive were breathtaking. How has the culture at NVIDIA allowed you to maintain such an entrepreneurial environment?

A: We strive to create an environment where great people want to come to do their life's work - where they feel inspired and safe to create. Our work attracts world-class experts. Our culture encourages us to do work with impact. Our company architecture and methods optimize our probability of success. The combination of all that, and the love and care of our people, to make our company better, is what makes NVIDIA special.

Q: Did NVIDIA make political donations for the 2020 election? Have the Company and its PAC made any policy changes or taken other actions (a) in response to the January 6, 2021 Capitol insurrection or (b) to address reputational risk associated with past and future, direct and indirect, political contributions? Please stay out of the political / cultural / social mess. Just do what you do best and don't get involved with anything else.

A: We did not make contributions for the 2020 election. Our policy remains the same as before – we do not donate to political campaigns or make political contributions. Our focus is on creating and delivering AI capabilities that will transform industries and benefit society. We take social responsibility seriously and believe that the best way we can carry this out is by being an inclusive workplace -- where we support the human rights of our worker; where we refuse to tolerate discrimination based on race, gender, religion, or political affiliation; and where we welcome diverse employee opinions.

We avoid taking political stands as a company but we encourage our employees to engage in political activities as their conscience and desires dictate, outside working hours.

Q: Can you change voting to include "Vote as the Board Recommends" or the option to vote for all directors as a group as well as individually?

A: If a stockholder returns a proxy card with no vote option selected for a proposal, it will be counted as a vote in favor of the Board's recommendation. Similarly, if a stockholder attempts to submit a proxy card by internet without choosing any vote options, any unvoted proposals will be counted as voting with the Board recommendation. There is an option to vote with all Board recommendations if a stockholder chooses to vote by phone.

Q: What are the benefits of attending these meetings? Is there a set agenda to be discussed? Who makes up the board and guides their recommendations?

A: The annual stockholder meeting provides an opportunity for stockholders to cast their votes on proposals that are important to NVIDIA, and to ask questions of management and our Board of Directors. The agenda for the annual meeting, a description of each of our Board nominees, and the rationale for their recommendations on each proposal are described in the definitive proxy statement we filed with the Securities and Exchange Commission on April 23, 2021.