



# CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

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## PURPOSE

The Audit Committee (the "*Audit Committee*") is appointed by the Board of Directors (the "*Board*") of NVIDIA Corporation, a Delaware corporation (the "*Company*"), to act on behalf of the Company's Board in fulfilling the Board's oversight responsibilities with respect to the Company's corporate accounting and reporting practices and the quality and integrity of the Company's financial statements and reports, as well as the qualifications, independence and performance of the certified public accountants engaged as the Company's independent registered public accounting firm for the purposes of preparing or issuing an audit report or performing audit services (the "*Auditors*").

The policy of the Audit Committee in discharging these obligations shall be to maintain and foster an open avenue of communication between the Audit Committee, the Vice President of Internal Audit or other members of the Company's Internal Audit department (the "*Internal Auditors*"), the Auditors, and the Company's financial management. The Audit Committee shall also provide oversight in connection with legal, regulatory and ethical compliance programs as established by financial management and the Board. The operation of the Audit Committee shall be subject to the Bylaws of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law.

## COMPOSITION AND MEETINGS

**A. Composition.** Audit Committee members shall meet the independence and experience requirements of The NASDAQ Stock Market LLC ("*NASDAQ*") applicable to audit committee members as in effect from time to time, when and as required by NASDAQ as well as the rules and regulations of the Securities and Exchange Commission and applicable provisions of the Sarbanes-Oxley Act of 2002.

The Audit Committee shall be comprised of at least three directors as determined by the Board, none of whom shall be an employee and each of whom shall be free from any relationship that would interfere with the exercise of his or her independent judgment, as determined by the Board, in accordance with applicable NASDAQ requirements. All members of the Audit Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. The Chairman of the Audit Committee shall have accounting or related financial management expertise, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. To the extent mandated by the requirements of NASDAQ, at least one member of the Audit Committee shall satisfy the applicable NASDAQ financial sophistication requirements as in effect from time to time. Audit Committee members shall be appointed by the Board.

**B. Meetings.** The Audit Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. The Audit Committee should meet privately in executive session at least annually with management, the Auditors, the Internal Auditors, and as a committee to discuss any matters that the Audit Committee or each of these groups believe should be discussed. In addition, the Audit Committee should communicate with management and the Auditors quarterly to review the Company's financial statements and significant findings based upon the Auditors' limited review procedures.

**C. Minutes and Reports.** Minutes of each meeting of the Audit Committee shall be kept and distributed to each member of the Audit Committee and the Secretary of the Company. The Chairperson of the Audit Committee shall report to the Board from time to time, or whenever so requested by the Board.

#### **AUTHORITY**

The Audit Committee shall have authority to appoint, determine compensation for, at the expense of the Company, and retain and oversee the Auditors as set forth in Section 10A(m)(2) of the Securities Exchange Act of 1934 and the rules thereunder and otherwise to fulfill its responsibilities under this Charter. The Audit Committee shall have authority to retain and determine compensation for, at the Company's expense, special legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties. The Audit Committee shall also have authority to pay, at the expense of the Company, ordinary administrative expenses that, as determined by the Audit Committee, are necessary or appropriate in carrying out its duties. The Audit Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Audit Committee to discharge his or her responsibilities hereunder. The Audit Committee shall have authority to require that any of the Company's personnel, counsel, Auditors or Internal Auditors or investment bankers, or any other consultant or advisor to the Company attend any meeting of the Audit Committee or meet with any member of the Audit Committee or any of its special legal, accounting or other advisors and consultants. The approval of this Charter by the Board shall be construed as a delegation of authority to the Audit Committee with respect to the responsibilities set forth herein.

#### **RESPONSIBILITIES AND DUTIES**

The Audit Committee shall oversee the Company's financial reporting process (including direct oversight of the Auditors) on behalf of the Board, shall have direct responsibility for the appointment, compensation, retention and oversight of the work of the Auditors and any other registered public accounting firm engaged for the purpose of performing other review or attest services for the Company. The Auditors and each such other registered public accounting firm shall report directly and be accountable to the Audit Committee. The Audit Committee's functions and procedures should remain flexible to address changing circumstances most effectively. To implement the Audit Committee's purpose and policy, the Audit Committee shall be charged with the following functions and processes, with the understanding, however, that the Audit Committee may supplement or (except as otherwise required by law or the applicable rules) deviate from these activities as appropriate under the circumstances:

##### *Review Procedures*

1. Review and assess the adequacy of this Charter in accordance with NASDAQ rules and regulations. Submit the Charter or any recommendations of proposed changes to the Board for approval.

2. Review, upon completion of the annual audit, the financial statements to be included in the Company's Annual Report on Form 10-K and any internal controls report, as well as other portions of such Annual Report such as "Risk Factors" as appropriate. Review should include oversight of the Auditors' assessment of the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and estimates (including material changes in estimates), the nature of significant risks and exposures, any audit adjustments noted or proposed by the Auditors (whether "passed" or implemented in the financial statements), the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Audit Committee by the Auditors.

3. In consultation with the management, the Internal Auditors and the Auditors, review Company's guidelines and policies with respect to risk assessment, risk management and internal financial and disclosure controls.

4. Review with management, the Internal Auditors and the Auditors the effect of regulatory and

accounting initiatives as well as any off-balance sheet structures on the Company's financial statements.

5. Discuss with management and the Auditors the results of the Auditors' review of the Company's quarterly financial statements, prior to public disclosure of quarterly financial information, if practicable, or filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q, and any other matters required to be communicated to the Audit Committee by the Auditors under applicable standards.

6. To review with management and the Auditors, as appropriate, earnings press releases, as well as the substance of financial information and earnings guidance provided to analysts and ratings agencies, which discussions may be general discussions of the type of information to be disclosed or the type of presentation to be made. The Chair of the Audit Committee may represent the entire Audit Committee for purposes of this discussion.

7. Review periodically, either individually or as a committee and discuss with management and the Auditors, as appropriate, the Company's disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its periodic reports to be filed with the Securities and Exchange Commission.

8. Review with management, the Internal Auditors and the Auditors significant issues that arise regarding accounting principles and financial statement presentation, including the adoption of new, or material changes to existing, critical accounting policies or to the application of those policies, the potential effect of alternative accounting policies available under GAAP, the potential impact of regulatory and accounting initiatives, any off-balance sheet structures and any other significant reporting issues and judgments.

9. Review and discuss with management the capital return program, when appropriate, make recommendations to the Board regarding the Company's capital return program for both dividends and stock repurchases.

#### *Independent and Internal Auditors*

10. The Auditors are ultimately accountable to the Audit Committee and Board as representatives of the Company's stockholders. The Audit Committee shall review the independence and performance of the Auditors and annually select the Auditors or approve any discharge of Auditors when circumstances warrant.

11. Review and determine the engagement of the Auditors, including the scope of and plans for the audit, the adequacy of staffing and the compensation to be paid to the Auditors.

12. Review and approve the retention of Auditors to perform any proposed permissible non-audit services, including the compensation to be paid therefor, authority for which may be delegated to one or more Audit Committee members, provided that to the extent provided by law all approvals of non-audit services pursuant to this delegated authority be presented to the full Audit Committee at its next meeting.

13. Monitor the rotation of the partners of the Auditors on the Company's audit engagement team as required by applicable law and to consider periodically and, if deemed appropriate, adopt a policy regarding rotation of auditing firms.

14. On an annual basis, consistent with Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence*, of the Public Company Accounting Oversight Board (United States), receive and review written disclosures from the Auditors delineating all relationships between the Auditors, or their affiliates, and the Company, or persons in financial oversight roles at the Company, that may reasonably be thought to bear on independence and a letter from the Auditors affirming their independence, to consider and discuss with the Auditors any potential effects of any such relationships on the independence of the Auditors as well as any compensation or services that could affect the Auditors' objectivity and independence, and to assess and otherwise take appropriate action to oversee the independence of the Auditors.

15. At least annually, to discuss with the Auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, vol. 12. AU section 380), as adopted by the PCAOB in Rule 3200T (including any successor rule adopted by the PCAOB), including any fraud or illegal acts.

16. Review the audit plans of the Internal Auditors, discuss scope, staffing, compensation, locations, reliance upon management and general audit approach and any significant reports prepared by the internal auditing department as well as management's responses, approve the hiring and dismissal of the Vice President of Internal Audit, approve and review periodically the Internal Audit Department's Charter to ensure that the function has guidelines that allow it to operate effectively, and ensure that the Vice President of Internal Audit (and those reporting to the Vice President of Internal Audit on internal audit matters) has access to the Company's records as necessary to permit the function to operate effectively.

17. Consider the Auditors' judgments about the quality and appropriateness of the Company's staffing and accounting principles as applied in its financial reporting.

18. Review with the Auditors any management or internal control letter issued or, to the extent practicable, proposed to be issued by the Auditors and management's response, if any, to such letter.

19. Consider and review with management, the Internal Auditors and Auditors, outside counsel, as appropriate, and, in the judgment of the Audit Committee, such special counsel, separate accounting firm and other consultants and advisors as the Audit Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

20. Review with the Auditors and management, and ultimately resolve, any conflicts or disagreements between management and the Auditors regarding financial reporting, accounting practices or policies.

21. Confer with the senior management of the Company regarding any deficiencies of internal accounting and financial reporting and disclosure controls.

22. Meet periodically in separate sessions with the Auditors and senior management to discuss any matters that the Audit Committee, the Auditors or senior management believe should be discussed privately with the Audit Committee; periodically, either the Committee or the Chair of the Committee shall meet privately with the Vice President of Internal Audit.

### *Legal Compliance*

23. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters as required by applicable law and as deemed appropriate.

24. Investigate any matter brought to the attention of the Audit Committee within the scope of its duties if, in the judgment of the Audit Committee, such investigation is necessary or appropriate. The Chair of the Audit Committee may represent the entire Audit Committee in making such determination.

25. In conjunction with the Nominating and Corporate Governance Committee, review on at least an annual basis with senior management any proposed revisions to, and compliance with, the Company's World Wide Code of Ethics and Financial Code of Ethics.

### *Other Responsibilities*

26. Annually prepare a report to stockholders as required by the Securities and Exchange Commission. The report is to be included in the Company's proxy statement.

27. Perform any other activities consistent with this Charter, the Company's Bylaws, and governing law, as the Audit Committee or the Board deems necessary or appropriate.

28. Report to the Board with respect to material issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or such other matters as the Audit Committee deems appropriate from time to time or whenever it shall be called upon to do so.

29. Maintain minutes of meetings and periodically report to the Board on significant results of the foregoing activities.

30. Perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.

31. The Audit Committee shall review, discuss and assess its own performance as well as the Audit Committee's role and responsibilities as outlined in this Charter. The Audit Committee shall submit any suggested changes to the Board for its consideration.

#### **MANAGEMENT RESPONSIBILITIES**

It shall be the responsibility of management to prepare the Company's financial statements and periodic reports and the responsibility of the Auditors to audit those financial statements. These functions shall neither be the responsibility of the Audit Committee, nor shall it be the Audit Committee's responsibility to ensure that the financial statements or periodic reports are complete and accurate, conform to generally accepted accounting principles or otherwise comply with applicable laws.