

NVIDIA 2021 Stock Split

Frequently Asked Questions – Investor

What did NVIDIA announce?

We announced a four-for-one stock split in the form of a stock dividend, making NVIDIA stock ownership more accessible to all.

Did the stockholders approve the increase in authorized shares?

Yes, stockholders approved the increase in authorized shares during the June 3, 2021, annual meeting.

What is a four-for-one stock split in the form of a stock dividend?

A stock dividend is a common way to implement a stock split. On the distribution date, holders of the company's common stock will receive three shares for each share they hold as of the record date. The result will be a stock split where what was once one share is now four shares, and the trading price will be divided by four.

Example:

	Pre-Split	Post-Split	As of July 20, 2021
Shares held	100 shares	400 shares	Shares are multiplied by 4
Share price	\$600 per share	\$150 per share	Share price is divided by 4
\$\$ value	\$60,000	\$60,000	Total value remains equal

Why is NVIDIA doing a stock split?

The stock split is intended to make stock ownership more accessible to investors and employees, thus increasing liquidity in the stock. The trading price of the company's common stock has appreciated significantly in recent years.

In addition, the company grants equity awards to attract, retain and motivate the company's new and existing employees. The company believes that the stock price appreciation and the associated reduction in the number of shares of stock provided in equity grants has reduced the perceived attractiveness of employee equity awards, as well as limited an employee's ability to hold and retain equity on a post-tax basis.

How does this make NVIDIA shares more affordable?

As the trading price of the company's shares will be divided by four, the company's investors and employees can purchase and hold the company's common stock at more affordable levels.

How did NVIDIA determine the four-for-one split ratio?

We believe the four-for-one split ratio puts the stock at a trading price that is more affordable, while balancing the shares available for issuance under the company's certificate of incorporation.

Does the stock split dilute the value of my NVIDIA stock by increasing the number of shares?

No, the stock split will not dilute the value of the company's common stock. Each stockholder will have the same proportionate interest of the company's shares before and after the stock split.

What are the important dates related to the stock split?

June 21, 2021	Record Date	The date on which all NVIDIA stockholders are identified to determine who will receive the stock dividend, as of the close of market on June 21, 2021. This means that if you hold shares as of the close of market on June 21, 2021, you will be entitled to receive the stock dividend shares.
July 19, 2021	Distribution Date	The date on which the additional shares will be distributed to stockholders of record as of June 21, 2021.
July 20, 2021	Ex-Dividend Date	The date NVIDIA stock is expected to begin trading at the lower, split-adjusted price.

Will the stock split change the value of my shares?

No. The stock split will not change the total value of your shares. The post-split value will be equal to the pre-split value.

How many additional shares from the stock dividend will I receive?

You'll receive a stock dividend of three additional shares for every share held after trading closes on July 19.

Will the stock split change the value of my shares?

No. The stock split will not change the total value of your shares. The post-split value will be equal to the pre-split value.

How many additional shares from the stock dividend will I receive?

You'll receive a stock dividend of three additional shares for every share held after trading closes on July 19.

Why does the quarterly cash dividend declared on May 26, 2021 apply to pre-split shares only?

The cash dividend of \$0.16 per share declared on May 26, 2021 is being paid prior to the distribution of the dividend shares.

Will future declared quarterly cash dividends apply to my new shares?

Yes, the quarterly cash dividend will apply to all outstanding common stock. The per share amount of the cash dividend, though, is expected to be one-fourth of its current level at \$0.04 per share, assuming the company maintains the current level of cash dividends.

What happens to fractional shares?

Investors who trade in fractional shares should consult their brokerage firms. NVIDIA will not issue any fractional shares in connection with the stock split.

Will the par value change?

No. The par value will remain at \$0.001 per share for both the old (pre-split) and new (post-split) shares.

Will I have tax consequences as a result of the stock split?

NVIDIA cannot provide tax advice. Stockholders should consult with their tax advisor regarding specifics. Below is some general information.

For U.S. taxpayers, a stock split in the form of a stock dividend is generally not taxed by the IRS but may be taxable in your state. If you pay taxes in a country other than the U.S., the total value of your shares won't change due to the split, but you're encouraged to confirm with your tax advisor regarding any tax implications.

For those subject to tax in Canada, Poland and Switzerland, further information is at the end of this FAQ.

What happens if I sell or transfer shares before June 21?

If you sell or transfer any shares before the June 21 record date, you will not receive the additional stock dividend shares regardless of the sale settlement date.

What happens if I sell or transfer between June 21 and July 19?

If you sell or transfer NVIDIA shares on or between June 21, the record date, and July 19, the distribution date, the additional stock dividend shares will go to the new owner and/or be distributed into the new account.

What happens if I buy shares between June 21 and July 19?

If you buy NVIDIA shares on or between June 21 and July 19, you'll receive the additional stock dividend shares following a "due bill" process after the July 19 distribution date.

What will happen to my open trading orders entered prior to July 20, 2021?

For any open buy or sell orders please check with your broker to see if they will automatically update the share quantity and price. You may need to change/cancel your open order as you deem necessary.

Where will I receive my new shares?

If your shares are held in a brokerage account, the additional shares will be deposited into that account. Please contact your broker with any questions.

If your shares are certificated, in book entry with our transfer agent (Computershare), or a combination of both, the additional shares that you are entitled to receive in connection with the stock dividend will be deposited book entry into your Computershare account.

What do I do with my existing NVIDIA stock certificate?

Existing stock certificates are still valid.

Do I need to take any action to receive the additional stock dividend shares?

No action is required by you.

When will I receive the additional stock dividend shares?

The additional stock dividend shares will be distributed after trading closes on July 19.

When can I trade my additional stock dividend shares?

Visibility and trading of your additional stock dividend shares is scheduled to begin on July 20.

Appendix for Stockholders in Canada

If you are an individual stockholder subject to tax in Canada, the stock split in the form of a stock dividend and capitalization of additional paid in capital may result in a taxable event.

The amount of the dividend subject to taxation would generally be the amount by which the paid up capital is increased as a result of the payment of the dividend. To that end, the broker (or potentially NVIDIA US) may be required to report the stock dividend on a Form T5.

Here is an example:

Prior to the stock split, a stockholder owned 100 shares of the company's common stock. Each share of common stock has a par value of \$0.001. Immediately after the split, the stockholder will own 400 shares at a par value of \$0.001 per share. The stockholder's total par value (share capital) in the company goes up from a total of \$0.10 (100 x \$0.001) to \$0.40 (400 x \$0.001). The share capital "gain" of \$0.30 would generally be treated as taxable for Canadian resident individual stockholders.

NVIDIA is not able to provide you with tax advice. You should consult with your own personal tax advisor to determine whether any taxes are due in connection with the stock split.

Appendix for Stockholders in Poland

If you are an individual stockholder subject to tax in Poland, the stock split in the form of a stock dividend may result in a taxable event.

There is a risk that the tax authorities may both (1) view the stock dividend as taxable when it is issued to effect the stock split and (2) disregard the economic neutrality of the stock split, such that the original cost basis of the shares cannot be allocated on a pro rata basis.

NVIDIA is not able to provide you with tax advice. You should consult with your own personal tax advisor to determine whether any taxes are due in connection with the stock split and the impact of the stock split on the cost basis of your shares.

Appendix for Stockholders in Switzerland

If you are an individual stockholder subject to tax in Switzerland, the stock split in the form of a stock dividend may result in a taxable event.

Swiss individual income tax rules follow the so-called modified par value-principle. As a result, the stock dividend shares par value may be treated as taxable dividend income when received. In this case, stockholders who receive three additional shares for each share they hold, at a par value of \$0.001 per share, may recognize taxable income in the amount of the par value of the new post-split shares.

Here is an example:

Prior to the stock split, a stockholder owned 100 shares of the company's common stock. Each share of common stock has a par value of \$0.001. Immediately after the split, the stockholder will own 400 shares at a par value of \$0.001 per share. The stockholder's total par value (share capital) in the company goes up from a total of \$0.10 (100 x \$0.001) to \$0.40 (400 x \$0.001). The share capital "gain" of \$0.30 would generally be treated as taxable income for Swiss resident stockholders (provided they hold the shares as private asset and do not qualify as a so-called professional securities dealer).

NVIDIA is not able to provide you with tax advice. You should consult with your own personal tax advisor to determine whether any taxes are due in connection with the stock split.