

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHED.

18 Can any resulting loss be recognized? ▶ SEE ATTACHED.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 10/4/2017

Print your name ▶ KAREN BURNS Title ▶ VP OF FINANCE

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

NVIDIA Corporation
Attachment to Form 8937
CUSIP number: 67066GAC8
Date of Organizational Action: 8/22/2017

Part II Box 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

The indenture of the 1.00% Convertible Senior Notes (CUSIP [67066GAC8]), dated 12/2/2013, (the "Convertible Notes") provides for a conversion privilege based on a specified conversion rate that is subject to adjustment by NVIDIA Corporation if any of the events described in Section 14.04 of the indenture occur. As defined under Internal Revenue Code Section 305 and the Treasury Regulations thereunder, certain conversion rate adjustments may result in deemed distributions of stock and stock rights that are treated as distributions of property to which Section 301 applies.

On 8/10/2017, the Board of Directors of NVIDIA Corporation declared a quarterly common stock dividend of \$0.14 per share payable on 9/18/2017 to stockholders of record as of 8/24/2017. As a result, the conversion rate was adjusted based on the cash dividend adjustment formula in the indenture. Such adjustment was effective on 8/22/2017 pursuant to Section 14.04(d) of the indenture. The distribution made on 8/22/2017 is expected to be in excess of the current and accumulated earnings and profits of NVIDIA Corporation.

Part II Box 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis

NVIDIA Corporation expects the conversion rate adjustment to be treated for U.S. federal income tax purposes as a Section 305(c) deemed distribution in an amount equal to the fair market value of the incremental stock rights attributable to the adjustment to the conversion rate. The amount of the deemed distribution was calculated to be \$2.7765 per \$1,000 of notional as shown below in Part II Box 16.

NVIDIA Corporation has a deficit in both current and accumulated earnings and profits. The distributions paid on 8/22/2017 are expected to be in excess of current earnings and profits, based on reasonable assumptions currently available. Of the total distributions paid on 8/22/2017, 100 percent of the distribution is expected to be a return of capital. As a result, \$2.77 per \$1,000 notional is expected to be a return of capital. A holder's tax basis in the Convertible Note should increase by the amount of the dividend and decrease by the amount of the return of capital.

Since NVIDIA Corporation has a deficit in both current and accumulated earnings and profits, 100 percent of the distributions paid on 2/22/17 and 5/19/17 are now also expected to be a return of capital.

For those holders that gave notice to early redeem the Convertible Notes during the period 6/22/2017 to 8/22/2017, please refer to Table 1. Table 1 contains a detailed breakdown by notice date as to the amount of the deemed distribution per \$1000 notional, of which 100 percent is expected to be a return of capital.

Conversion Notice Date	Deemed Distribution (per \$1000)
6/22/2017	-
6/23/2017	0.0694
6/26/2017	0.1388
6/27/2017	0.2082
6/28/2017	0.2776
6/29/2017	0.3471
6/30/2017	0.4165
7/3/2017	0.4859
7/5/2017	0.5553
7/6/2017	0.6247
7/7/2017	0.6941
7/10/2017	0.7635
7/11/2017	0.8329
7/12/2017	0.9024
7/13/2017	0.9718
7/14/2017	1.0412
7/17/2017	1.1106
7/18/2017	1.1800
7/19/2017	1.2494
7/20/2017	1.3188
7/21/2017	1.3882
7/24/2017	1.4577
7/25/2017	1.5271
7/26/2017	1.5965
7/27/2017	1.6659
7/28/2017	1.7353
7/31/2017	1.8047
8/1/2017	1.8741
8/2/2017	1.9435
8/3/2017	2.0129
8/4/2017	2.0824
8/7/2017	2.1518
8/8/2017	2.2212
8/9/2017	2.2906
8/10/2017	2.3600
8/11/2017	2.4294
8/14/2017	2.4988
8/15/2017	2.5682
8/16/2017	2.6377
8/17/2017	2.7071
8/18/2017	2.7765
8/21/2017	2.7765
8/22/2017	2.7765

Table 1: Deemed distribution per \$1000 notional

Part II Box 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

Consistent with Prop. Reg. § 1.305-7(c)(4)(i)(A)-(B), 81 FR 21795-01, 21803 (4/13/2016), the amount of the deemed distribution is the excess of (i) the fair market value of the right to acquire stock immediately after the applicable adjustment over (ii) the fair market value of the right to acquire stock without the applicable adjustment. We estimated the fair market value of the deemed distribution as the difference between the value of the Convertible Notes “with” the applicable Conversion Ratio Adjustment (CRA) and “without” the applicable CRA, as of the effective date of such adjustment, 8/22/2017 (the “Effective Date”).

In the “with” scenario, we estimated the fair market value of the Convertible Notes including the applicable CRA based on their “as-converted” value, or the conversion ratio including applicable CRA multiplied by the opening share price of our common stock as of the Effective Date. The conversion ratio in the “with” scenario is 49.8977 shares per \$1,000 of notional.

In the “without” scenario, we estimated the fair market value of the Convertible Notes excluding the applicable CRA based on their “as-converted” value, or the conversion ratio excluding the applicable CRA multiplied by the opening share price of our common stock as of the Effective Date. The conversion ratio in the “without” scenario is 49.8804 shares per \$1,000 of notional.

The fair market value of the deemed distribution is the difference of the value of the Convertible Notes in the “with” and “without” scenarios.

Note that the Convertible Notes appear to trade close to their “as-converted” value over the third quarter leading up to the Effective Date. As detailed in the table below, the “as-converted” value of the Convertible Notes closely aligns to the opening traded prices observed on the Convertible Notes.

Trade Date	Conversion Ratio	Opening Stock Price	As Converted Value (% of par) ¹	Opening Traded Price	Difference (as % of Traded Price)
8/22/2017	49.8977	\$160.49	800.81%	794.96%	0.74%
8/15/2017	49.8804	\$168.61	841.03%	838.04%	0.36%
8/8/2017	49.8804	\$173.89	867.37%	857.27%	1.18%
8/1/2017	49.8804	\$162.13	808.69%	808.03%	0.08%
7/25/2017	49.8804	\$165.22	824.12%	826.18%	-0.25%
7/18/2017	49.8804	\$161.78	806.97%	816.71%	-1.19%
7/11/2017	49.8804	\$153.85	767.41%	765.17%	0.29%
7/5/2017	49.8804	\$141.90	707.80%	692.96%	2.14%
Average difference:					0.42%

Further, we’ve depicted the delta sensitivity on a call option with a strike price equal to the conversion price of the Convertible Notes with the applicable CRA, and a remaining term to expiration that matches the remain term to maturity on the Convertible Notes, below. Delta represents the change in the value of an option per unit change in the underlying common stock price. As can be seen below, regardless of the volatility selected, the delta of the option is nearly 0.99 – 1.00, meaning that there is a 1:1 ratio in the change in value of the option to change in value of the underlying – in other words, the option will behave as equity.

¹ Based on conversion ratio multiplied by the opening stock price as of each trade date. Per notional of \$1,000.

Volatility	Option Delta ²
20.00%	1.000
30.00%	1.000
40.00%	1.000
50.00%	1.000
60.00%	1.000
70.00%	0.9998

For the reasons stated above, we estimated the fair market value of the deemed distribution using the “as-converted” values of the Convertible Notes “with” the applicable CRA and “without” the applicable CRA as of the opening of the Effective Date.

Please note that if a CRA occurs during the observation period associated with notice of early conversion, such holder’s deemed distribution will be the deemed distribution using the “with” and “without” approach described previously, scaled by the number of days remaining in the observation period post CRA divided by the total number of days in the observation period.

Part II Box 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

Section 305(c) of the Internal Revenue Code of 1986, as amended.

Distributions to shareholders to the extent of the corporation’s earnings and profits are reported as taxable dividends in accordance with Section 316. In the event a distribution to shareholders exceeds corporate current and accumulated earnings and profits under Section 312, shareholders must apply the rules of Section 301(c) to determine if the distributions are a non-taxable return of basis under Section 301(c)(2) or if the distribution is reported as a capital gain under Section 301(c)(3).

The issuer is currently expected to have a deficit in both current and accumulated earnings and profits, where earnings and profits was computed in accordance with Section 312.

Part II Box 18: can any resulting loss be recognized?

No loss can be recognized on the 305(c) deemed distribution.

Part II Box 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year

The conversion rate adjustments were effective immediately after the open of business on the ex-dividend date for such dividend distribution, the Effective Date. Consequently, the reportable taxable year for the deemed distribution to holders of the Convertible Notes is 2017.

² As estimated using Bloomberg OVME function