

# NVIDIA GOVERNANCE SNAPSHOT AND BEST PRACTICES

## DIRECTOR SKILLS

- › NVIDIA has an experienced and diverse Board of Directors.
- › Directors have a wide range of competencies, backgrounds, and professional experience, enabling them to contribute diverse perspectives to support and oversee NVIDIA's complex business.

## DIRECTOR COMPETENCIES

**8**  
Senior Management and Operations

**4**  
Industry and Technical

**10**  
Financial / Financial Community

**9**  
Public Company Board

**7**  
Emerging Technologies and Business Models

**2**  
Marketing and Brand Management

**3**  
Legal

## INDEPENDENCE

- › 11 of 12 Directors are independent.

## INDEPENDENT COMMITTEES

- › 3 standing Committees:
  - Audit Committee
  - Compensation Committee
  - Nominating and Corporate Governance Committee
- › Each Committee is 100% independent.
- › Each Committee's membership is determined by Directors' backgrounds and expertise.
- › Three of the four Audit Committee members are financial experts.
- › The Board regularly rotates its Committee memberships and Chairs.

## DIRECTOR ENGAGEMENT

- › Board members are highly engaged with NVIDIA and have strong attendance at our Board, Committee and annual stockholder meetings.

## DIRECTOR EDUCATION

- › NVIDIA provides regular education at and outside of Board and Committee meetings.
- › NVIDIA pays for or reimburses attendance at qualifying academic or other independent programs.

## EXECUTIVE SESSIONS

- › The Board holds regular executive sessions of independent Directors

## STOCKHOLDER COMMUNICATIONS

- › NVIDIA engages in a robust dialogue with investors, including annual discussions between larger stockholders and our management and Directors.

## LEAD DIRECTOR

- › NVIDIA has an independent Lead Director.

## RISK MANAGEMENT

- › NVIDIA's Board and Committees oversee our risk management.

## BOARD REFRESHMENT

- › The Board strives to maintain an appropriate blend of experience, new perspectives, and diversity.
- › Over the past four years, our Board has appointed three new independent Directors.
- › The Board has a balance of new and longer serving Directors who have experience with our history and businesses.

### STOCK OWNERSHIP GUIDELINES

- › NVIDIA has rigorous Stock Ownership Guidelines which all applicable Directors and executive officers currently meet:
  - Non-employee Directors: 6X annual cash retainer (6 x \$75K = \$450K).
  - CEO: 6X base salary (6 x \$1M = \$6M).
  - All other executive officers: 1X base salary.

### SELF-EVALUATIONS

- › The Board conducts quarterly self-evaluations in executive sessions.
- › An annual self-evaluation of the Board is conducted by outside counsel.

### STOCKHOLDER RIGHTS

- › NVIDIA holds an annual election of Directors.
- › The Board has voluntarily adopted proxy access.
- › NVIDIA has a single class of Common Stock outstanding, with no priority voting rights.
- › NVIDIA has a majority voting provision in its bylaws (other than contested elections).

### NON-EMPLOYEE DIRECTOR COMPENSATION

- › An independent compensation consultant conducts periodic reviews of non-employee Director compensation at our peer companies.
- › Non-employee Directors are compensated through a mix of cash and equity awards with an approximate annual value of \$300,000, allocated as follows:
  - Cash: \$75,000 annually, paid quarterly
  - NSUs: \$225,000 annually
- › Non-employee Director compensation value is slightly below the median total annual compensation paid by our peer companies.

### EXECUTIVE PAY PRACTICES

- › The Compensation Committee engages an independent compensation consultant.
- › NVIDIA has an annual say-on-pay vote that has passed with over 96% shareholder support in each of the past seven years.
- › Executive pay is heavily weighted toward "at-risk" performance-based pay.
  - Variable cash compensation and certain equity are earned only if certain corporate financial metrics are achieved.
  - Equity is a significant component of total compensation of our executives.
  - NVIDIA limits the maximum incentive payouts or shares eligible to vest.

- › Executive compensation is consistently evaluated by our Compensation Committee in response to stockholder feedback and to maintain the strong link between corporate performance and NEO pay.
- › NVIDIA leverages industry peer data when evaluating executive pay.
  - Our peer companies are those that:
    1. we compete with for executive talent,
    2. have an established business, market presence, and complexity similar to ours, and
    3. are similar to us as measured by revenue and/or market cap at roughly .5 – 3.5X NVIDIA
- › NVIDIA does not provide multi-year guaranteed bonuses, income tax gross-ups, or change in control agreements.
- › NVIDIA has a claw-back policy.
- › NVIDIA has an anti-hedging and anti-pledging policy.

### DIVERSITY

- › 2 of 12 Board members are female.
- › 2 of 5 of our executive officers are female.