

NVIDIA CORP
Form PRE 14A
April 25, 2008
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

NVIDIA CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NVIDIA CORPORATION
Headquarters
2701 SAN TOMAS EXPRESSWAY
SANTA CLARA, CALIFORNIA 95050

Meeting Location
2800 SCOTT BOULEVARD
SANTA CLARA, CALIFORNIA 95050

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 19, 2008

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of NVIDIA Corporation which will take place on Thursday, June 19, 2008 at 10:00 a.m. local time in Building E of our headquarters, which is located at 2800 Scott Boulevard, Santa Clara, California, 95050 for the following purposes:

1. To elect three directors nominated by the Board of Directors to hold office until our 2011 Annual Meeting of Stockholders described in the attached proxy statement.
2. To approve an amendment to our certificate of incorporation to increase the number of authorized shares of common stock from 1,000,000,000 to 2,000,000,000 shares.
3. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending January 25, 2009.
4. To conduct any other business properly brought before the Annual Meeting.

These items of business are more fully described in the proxy statement accompanying this notice.

The Board of Directors recommends a vote For Proposals 1, 2 and 3.

Only stockholders who owned our stock at the close of business on April 21, 2008 may vote at the Annual Meeting or any adjournments, continuations or postponements of the meeting. A list of stockholders entitled to vote at the Annual Meeting will be available at our headquarters, 2701 San Tomas Expressway, Santa Clara, California for 10 days prior to the Annual Meeting. If you would like to view the stockholder list, please call our Stock Administration Department at (408) 486-2000 to schedule an appointment.

Your vote is important. Whether or not you plan to attend the Annual Meeting, **PLEASE VOTE YOUR SHARES**. If you plan to vote by mail, please do so as promptly as possible in order to ensure that we receive your vote. A postage pre-paid envelope is enclosed for your convenience.

Please see the map at the back of this proxy statement for directions to Building E of our headquarters. We look forward to seeing you at our Annual Meeting.

By Order of the Board of Directors

David M. Shannon

Secretary

Santa Clara, California

May , 2008

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting to Be Held on June 19, 2008.

This Proxy Statement and Our Annual Report to Stockholders can be accessed electronically at

www. .com

PLEASE CONFIRM YOUR PREFERENCE FOR ELECTRONIC DELIVERY OF FUTURE ANNUAL MEETING MATERIALS.

You can expedite delivery of your Annual Meeting materials and avoid costly printing and mailing of these documents by signing up to receive them electronically. For further information on how to take advantage of this environment and cost-saving service, please see page 5 of the proxy statement.

Table of Contents

TABLE OF CONTENTS

	Page
<u>Questions and Answers about these Proxy Materials and Voting</u>	1
<u>Information about the Board of Directors and Corporate Governance</u>	6
<u>Proposal 1 Election of Directors</u>	6
<u>Compensation Committee Interlocks and Insider Participation</u>	12
<u>Director Compensation</u>	12
<u>Proposal 2 Approval of Increase in Number of Authorized Shares of Common Stock</u>	16
<u>Proposal 3 Ratification of Selection of Independent Registered Public Accounting Firm for Fiscal 2009</u>	17
<u>Audit Committee and Independent Auditor Information</u>	18
<u>Security Ownership of Certain Beneficial Owners and Management</u>	20
<u>Executive Compensation</u>	22
<i>Compensation Discussion and Analysis</i>	22
<i>Summary Compensation Table for Fiscal Years 2008 and 2007</i>	31
<i>Grants of Plan-Based Awards Table for Fiscal 2008</i>	32
<i>Outstanding Equity Awards at January 27, 2008 Table</i>	34
<i>Option Exercises and Stock Vested in Fiscal Year 2008 Table</i>	35
<i>Employment, Severance and Change-in-Control Agreements</i>	36
<i>Potential Payments Upon Termination or Change-in-Control</i>	36
<u>Compensation Committee Report</u>	37
<u>Equity Compensation Plan Information</u>	37
<u>Additional Information</u>	38
<i>Transactions with Related Persons</i>	38
<i>Review of Transactions with Related Persons</i>	38
<i>Section 16(a) Beneficial Ownership Reporting Compliance</i>	39
<i>Other Matters</i>	39

Please note that the contents of our website are not incorporated into this proxy statement.

Table of Contents

NVIDIA CORPORATION

2701 SAN TOMAS EXPRESSWAY

SANTA CLARA, CALIFORNIA 95050

PROXY STATEMENT

FOR THE 2008 ANNUAL MEETING OF STOCKHOLDERS

JUNE 19, 2008

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Where is the annual meeting going to be?

Our 2008 Annual Meeting of Stockholders will take place in Building E of our headquarters at 2800 Scott Boulevard, Santa Clara, California. Please see the map at the end of this proxy statement for directions.

Why am I receiving these materials?

You received this proxy statement and the enclosed proxy card because the Board of Directors of NVIDIA Corporation, or the Board, is soliciting your proxy to vote at the annual meeting. You are invited to attend the annual meeting. You do not need to attend the annual meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy by telephone or over the Internet.

We are distributing this proxy statement and the accompanying proxy card on or about May , 2008.

Who can vote at the annual meeting?

Stockholders of record at the close of business on April 21, 2008 will be entitled to vote at the annual meeting. On the record date, there were 556,115,886 shares of common stock outstanding and entitled to vote.

Are the numbers in this proxy statement adjusted for the last year's three-for-two stock split?

All shares and prices reported in this proxy statement have been adjusted to reflect the three-for-two stock split that was effected on September 10, 2007.

What is the difference between a stockholder of record and a beneficial owner?

Stockholder of Record. You are a stockholder of record if at the close of business on April 21, 2008 your shares were registered directly in your name with our transfer agent BNY Mellon Shareowner Services.

Beneficial Owner. You are a beneficial owner if your shares were held through a broker or other nominee and not in your name at the close of business on April 21, 2008. Being a beneficial owner means that, like most of our stockholders, your shares are held in street name and your

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broker sends these proxy materials to you. As a beneficial owner, your broker or other nominee is the stockholder of record of your shares. You have the right to direct your broker on how to vote the shares in your account. However, because you are not the stockholder of record, if you would like to vote your shares in person at the annual meeting you must obtain a legally valid proxy from your broker prior to the annual meeting.

Table of Contents

What am I voting on?

There are three matters scheduled for a vote:

the election of three directors nominated by our Board and named in the proxy statement;

the approval of an amendment to our certificate of incorporation; and

the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending January 25, 2009.

In addition, you are entitled to vote on any other matters that are properly brought before the annual meeting.

May I vote by proxy card, by telephone or over the Internet?

Stockholder of Record. If you are a stockholder of record, there are four ways for you to vote your shares.

In Person. You may vote in person by coming to the annual meeting. Even if you plan to attend the annual meeting, we urge you to vote by proxy prior to the annual meeting to ensure your vote is counted.

By Proxy. To vote by proxy, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.

By Telephone. To vote by telephone, dial toll-free 1-866-540-5760 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the Control Number from the enclosed proxy card. Your vote must be received by 11:59 p.m., Eastern Daylight Savings Time on June 18, 2008 to be counted.

On the Internet. To vote on the Internet, go to www.proxyvoting.com/nvda to complete an electronic proxy card. You will be asked to provide the Control Number from the enclosed proxy card. Your vote must be received by 11:59 p.m., Eastern Daylight Savings Time on June 18, 2008 to be counted.

Beneficial Owner. If you are a beneficial owner, you received a proxy card or Voting Instruction Form with these proxy materials from your broker. You should follow the Voting Instruction Form in order to instruct your broker on how to vote your shares. The broker holding your shares may allow you to deliver your voting instructions by telephone or over the Internet. If your Voting Instruction Form does not include telephone or Internet instructions, please complete and return your Voting Instruction Form promptly by mail. To vote in person at the annual meeting, you must obtain a valid proxy from your broker.

Will the annual meeting be webcast?

An audio webcast of the annual meeting will be available on the Investor Relations page of our website at www.nvidia.com at 10:00 a.m. local time on June 19, 2008. The webcast will allow investors to listen to the annual meeting, but stockholders accessing the annual meeting through the webcast will not be considered present at the annual meeting and will not be able to vote through the webcast or to ask questions. An archived copy of the webcast will be available on our web site through June 30, 2008. Registration to listen to the webcast will be required.

What is a broker non-vote?

Brokers that hold shares of our common stock for a beneficial owner typically have the authority to vote on routine proposals when they have not received instructions from the beneficial owner at least ten days prior to the annual meeting. The election of directors and the ratification of the selection of our independent registered public accounting firm are considered to be routine matters. Brokers may not vote their customers shares on matters that are considered to be non-routine such as the proposal to approve the amendment to our certificate of incorporation. The shares that are not voted on non-routine matters are called broker non-votes.

Table of Contents

How are votes counted?

Votes will be counted by the inspector of election appointed for the annual meeting, who will separately count **FOR** votes, **AGAINST** votes, abstentions and broker non-votes. With regard to Proposal 1, the election of three members to our Board named in this proxy statement, you may withhold your vote for a particular nominee. The number of **WITHHOLD** votes will also be counted by the inspector of election. You may also choose to abstain. Shares not present at the meeting, shares voting **ABSTAIN** and broker non-votes will have no effect on the election of directors.

If you are a stockholder of record and you returned a signed and dated proxy card without marking any voting selections, your shares will be voted **FOR** proposal numbers one and three. If any other matter is properly presented at the annual meeting, either Jen-Hsun Huang or David M. Shannon as your proxy will vote your shares using his best judgment.

May I change my vote after submitting my proxy?

Yes. If you are a stockholder of record, you may revoke your proxy at any time before the final vote at the annual meeting in any one of the following four ways:

you may submit another properly completed proxy card with a later date;

you may send a written notice that you are revoking your proxy to NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050, attention: General Counsel/Secretary;

you may attend the annual meeting and vote in person; or

you may submit another proxy by telephone or Internet after you have already provided an earlier proxy.

What is the quorum requirement?

We need a quorum of stockholders to hold our annual meeting. A quorum exists when at least a majority of the outstanding shares entitled to vote at the close of business on April 21, 2008 are represented at the annual meeting either in person or by proxy. On the record date, there were 556,115,886 shares of common stock outstanding and entitled to vote meaning that 278,057,944 shares must be represented in person or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the annual meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is not a quorum, a majority of the votes present at the annual meeting may adjourn the annual meeting to another date.

How many votes are needed to elect directors (Proposal 1)?

We have adopted Bylaw provisions providing for a majority vote standard in non-contested elections. As the number of nominees properly nominated for the annual meeting is the same as the number of directors to be elected, the annual meeting is a non-contested election. Pursuant to our Bylaws, if the number of votes **WITHHELD** with respect to a nominee exceeds the number of votes **FOR**, then the nominee is required to submit their resignation for consideration by our Board and our Nominating and Corporate Governance Committee.

How many votes are needed to approve the proposed amendment to our certificate of incorporation (Proposal 2)?

The affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote is required to approve the proposed amendment to our certificate of incorporation. If you do not vote or **ABSTAIN** from voting, it will have the same effect as an **AGAINST** vote. Brokers may not vote on Proposal 2 without receiving instructions from the beneficial owners of the shares. Broker non-votes will have the same effect as an **AGAINST** vote.

Table of Contents

How many votes are needed to ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal 3)?

The affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote is required for the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm. If you **ABSTAIN** from voting, it will have the same effect as an **AGAINST** vote. If you do not vote, it will have no effect.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in our quarterly report on Form 10-Q for our second quarter ending July 27, 2008, which will be filed with the Securities and Exchange Commission, or SEC, by September 5, 2008.

Who is paying for this proxy solicitation?

We will pay the entire cost of soliciting proxies. Our directors and employees may also solicit proxies in person, by telephone, by mail, by Internet or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you received more than one proxy card, your shares are registered in more than one name or are held in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted. If you would like to modify your instructions so that you receive one proxy card for each account or name, please contact your broker.

What does it mean if multiple members of my household are stockholders but we only received one set of proxy materials?

In accordance with a prior notice sent to certain brokers, banks, dealers or other agents, we are sending only one annual report and proxy statement to those addresses with multiple stockholders unless we received contrary instructions from any stockholder at that address. This practice, known as householding, allows us to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single copy of these documents. Householding helps to reduce our printing and postage costs, reduces the amount of mail you receive and helps to preserve the environment.

If you currently receive multiple copies of our proxy statement and annual report at your address and would like to request householding of your communications, please contact your broker. Once you have elected householding of your communications, householding will continue until you are notified otherwise or until you revoke your consent. If any stockholder residing at such an address wishes to receive a separate set of documents, they may telephone our Stock Administration Department at (408) 486-2000 or write to our Stock Administration Department at 2701 San Tomas Expressway, Santa Clara, California 95050.

When are stockholder proposals due for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by January 1, 2009 to NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, CA 95050, Attention: General Counsel/Secretary and must comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. If you wish to submit a proposal that is not to be included in next year's proxy materials, but that may be considered at the 2009 annual meeting, you must do so in writing

Table of Contents

following the above instructions by January , 2009. We also advise you to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations, including the different notice submission date requirements in the event that we do not hold our 2009 annual meeting between May 20, 2009 and July 19, 2009.

Can I view these proxy materials over the Internet?

Yes. This proxy statement is posted on our Investor Relations website at www.nvidia.com. You also can use this website to view our other filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended January 27, 2008. The contents of our website are not a part of this proxy statement.

Can I view materials for future annual meetings over the Internet?

Yes. We are encouraging all of our stockholders to receive future communications from us by email. Opting to receive proxy materials electronically will assist in our efforts to protect the environment and will save us the cost of printing and mailing these documents to you. You can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. If you make this election, you will receive an e-mail message shortly after the proxy statement is released containing the Internet link to access our proxy statement and annual report. The e-mail also will include instructions for voting on the Internet.

In order to receive these materials electronically, you must follow the applicable procedure below:

Holders of record If you are a holder of record you can choose to receive our future proxy materials electronically by following the instructions to vote on the Internet at www.proxyvote.com and when prompted, indicate that you agree to access stockholder communications electronically in future years.

Street name holders If your shares are held in street name, you can choose to receive our future proxy materials electronically by visiting www.icsdelivery.com/nvda.

Your choice to receive proxy materials electronically will remain in effect until you contact our Investor Relations Department and tell us otherwise. You may visit the Investor Relations section of our website at www.nvidia.com, send an electronic mail message to Finance-IR@nvidia.com or contact our Investor Relations Department by mail at 2701 San Tomas Expressway, Santa Clara, CA 95050.

The SEC has enacted rules that permit us to make available to stockholders electronic versions of the proxy materials even if the stockholder has not previously elected to receive the materials in this manner. Although we have not chosen this option in connection with this year's annual meeting, it is possible that we may do so next year. To the extent we elect this option, and you have not previously elected to receive electronic materials, you will receive by mail, a notice of Internet availability of proxy materials instructing you how to access the materials on the Internet and how to vote your shares.

Table of Contents**INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE****PROPOSAL 1****ELECTION OF DIRECTORS**

Our Board is divided into three classes serving staggered three year terms. At the annual meeting, our stockholders will elect three directors to serve as directors until our 2011 annual meeting of stockholders. Messrs. Jones and Miller and Dr. Chu are currently directors and were previously elected by our stockholders. Our Nominating and Corporate Governance Committee reviewed the qualifications of each of the nominees for election and unanimously recommended that each nominee be submitted for election to the Board. Our Board approved the recommendation at its meeting on February 7, 2008. If elected at the annual meeting, each of the nominees will serve until the 2011 annual meeting and until a successor is elected or appointed.

The Board expects the nominees will be available for election. If a nominee declines or is unable to act as a director, your proxy may be voted for any substitute nominee proposed by the Board or the size of the Board may be reduced. In accordance with our Bylaws, directors are elected if they receive more **FOR** votes than **WITHHOLD** votes. Unless you instruct otherwise, your proxy will be voted **FOR** the election of these nominees.

The following is information for each of the members of our Board as of the date of this proxy statement.

Name	Position with NVIDIA	Age	Director Since	Expiration of Term
Steven Chu, Ph.D.	Director	60	July 2004	2008
Harvey C. Jones	Director	55	November 1993	2008
William J. Miller	Director	62	November 1994	2008
Tench Coxe	Director	50	June 1993	2009
Mark L. Perry	Director	52	May 2005	2009
Jen-Hsun Huang	Chief Executive Officer, President and Director	45	April 1993	2010
James C. Gaither	Lead Director	70	December 1998	2010
A. Brooke Seawell	Director	60	December 1997	2010

Nominees for Election for a Three-year Term Expiring at Our 2011 Annual Meeting

Dr. Steven Chu became the Director of the Lawrence Berkeley National Laboratory, a research laboratory of the Department of Energy managed by the University of California, in August 2004. From 1987 to August 2004, Dr. Chu served as a Professor of Physics and Applied Physics at Stanford University. At Stanford, Dr. Chu served as Chair of the Physics Department from 1990 through 1993 and from 1999 through 2001. From 1983 to 1987, Dr. Chu served as the head of the Quantum Electronics Research Department at AT&T Bell Laboratories, the research division of AT&T Corp., a telecommunications company. In 1997, Dr. Chu, with two colleagues at National Institute of Standards and Technology and College de France, was awarded the Nobel Prize in physics for the development of methods to cool and trap atoms with laser light. Dr. Chu serves on the Board of Trustees of the University of Rochester and on the board of directors of The William and Flora Hewlett Foundation. Dr. Chu holds an A.B. degree in Mathematics and a B.S. degree in Physics from the University of Rochester and a Ph.D. in Physics from the University of California at Berkeley.

Harvey C. Jones is the Chairman of the board of directors of Tensilica Inc., a privately-held company he co-founded in 1997. Tensilica designs and licenses application-specific microprocessors for use in high-volume embedded systems. From December 1987 through February 1998, Mr. Jones held various positions at Synopsys, Inc., an electronic design automation software company, where he served as Chief Executive Officer through January 1994 and as Executive Chairman of the board of directors until February 1998. Prior to Synopsys, Mr. Jones served as President and Chief Executive Officer of Daisy Systems Corporation, a computer-aided engineering company that he co-founded in 1981. Mr. Jones currently serves on the board of directors of Wind

Table of Contents

River Systems, Inc., an embedded software and services provider, and several privately-held companies. Mr. Jones holds a B.S. degree in Mathematics and Computer Sciences from Georgetown University and an M.S. degree in Management from the Massachusetts Institute of Technology.

William J. Miller has served as an independent board member for several companies and has been an occasional consultant to several technology companies since October 1999. From April 1996 through October 1999, Mr. Miller was Chief Executive Officer and Chairman of the board of directors of Avid Technology, Inc., a provider of digital tools for multimedia. Mr. Miller also served as President of Avid Technology from September 1996 through October 1999. From March 1992 to October 1995, Mr. Miller served as Chief Executive Officer of Quantum Corporation, a mass storage company. He was a member of the board of directors of Quantum, and Chairman thereof, from May 1992 and September 1993, respectively, to August 1995. From 1981 to March 1992, he served in various positions at Control Data Corporation, a supplier of computer hardware, software and services, most recently as Executive Vice President and President, Information Services. Mr. Miller serves on the board of directors of Waters Corporation, a scientific instrument manufacturing company, Digimarc Corporation, a developer and supplier of secure identification products and digital watermarking technology, Overland Storage, Inc., a supplier of data storage products, and Glu Mobile, Inc., a publisher of mobile games. Mr. Miller holds B.A. and J.D. degrees from the University of Minnesota.

THE BOARD RECOMMENDS A VOTE IN FAVOR OF THE ELECTION

TO THE BOARD OF EACH NAMED NOMINEE.

Directors Continuing in Office until Our 2009 Annual Meeting

Tench Coxe is a managing director of the general partner of Sutter Hill Ventures, a venture capital investment firm. Prior to joining Sutter Hill Ventures in 1987, Mr. Coxe was Director of Marketing and MIS at Digital Communication Associates. Mr. Coxe also serves on the board of directors of eLoyalty Corporation, a customer loyalty software firm, and several privately-held companies. Mr. Coxe holds a B.A. degree in Economics from Dartmouth College and an M.B.A. degree from Harvard Business School.

Mark L. Perry currently serves as the President and Chief Executive Officer of Aerovance, Inc., a biopharmaceutical company. Prior to joining Aerovance in February 2007, Mr. Perry served as the senior business advisor for Gilead Sciences, Inc., a biopharmaceutical company. Mr. Perry was an executive officer of Gilead from July 1994 to April 2004, serving in a variety of capacities, including General Counsel, Chief Financial Officer and most recently, Executive Vice President of Operations, responsible for worldwide sales and marketing, legal, manufacturing and facilities. From September 1981 to June 1994, Mr. Perry was with the law firm Cooley Godward Kronish LLP in San Francisco and Palo Alto, California, serving as a partner of the firm from 1987 until 1994. Mr. Perry also serves as a member of the board of directors of Nuvelo, Inc., a biopharmaceutical company, and Aerovance. Mr. Perry holds a B.A. degree in History from the University of California, Berkeley and a J.D. degree from the University of California, Davis.

Directors Continuing in Office until Our 2010 Annual Meeting

James C. Gaither is a managing director of Sutter Hill Ventures, a venture capital investment firm. He is a retired partner of the law firm of Cooley Godward Kronish LLP and was a partner of the firm from 1971 until July 2000 and senior counsel to the firm from July 2000 to 2003. Prior to beginning his law practice with the firm in 1969, Mr. Gaither served as a law clerk to The Honorable Earl Warren, Chief Justice of the United States Supreme Court, Special Assistant to the Assistant Attorney General in the United States Department of Justice and Staff Assistant to the President of the United States, Lyndon Johnson. Mr. Gaither is a former president of the Board of Trustees at Stanford University and is Vice Chairman of the Board of Directors of The William and Flora Hewlett Foundation and Chairman of the Board of Trustees of The Carnegie Endowment for International Peace. Mr. Gaither holds a B.A. in Economics from Princeton University and a J.D. degree from Stanford University Law School.

Table of Contents

Jen-Hsun Huang co-founded NVIDIA in April 1993 and has served as our President and Chief Executive Officer since that time. From 1985 to 1993, Mr. Huang was employed at LSI Logic Corporation, a computer chip manufacturer, where he held a variety of positions, most recently as Director of Coreware, the business unit responsible for LSI's system-on-a-chip strategy. From 1984 to 1985, Mr. Huang was a microprocessor designer for Advanced Micro Devices, Inc., a semiconductor company. Mr. Huang holds a B.S.E.E. degree from Oregon State University and an M.S.E.E. degree from Stanford University.

A. Brooke Seawell has been a Venture Partner with New Enterprise Associates, a venture capital investment firm, since January 2005. From February 2000 to December 2004, Mr. Seawell was a Partner with Technology Crossover Ventures, a venture capital investment firm. From 1997 to 1998, Mr. Seawell was Executive Vice President of NetDynamics, Inc., an application server software company, which was acquired by Sun Microsystems, Inc. From 1991 to 1997, Mr. Seawell was Senior Vice President and Chief Financial Officer of Synopsys, Inc., an electronic design automation software company. Mr. Seawell also serves on the board of directors of Informatica Corporation, a data integration software company, Glu Mobile, Inc., a publisher of mobile games, and several privately held companies. Mr. Seawell serves on the Management Board of the Stanford Graduate School of Business. Mr. Seawell holds a B.A. degree in Economics and an M.B.A. degree in Finance from Stanford University.

Independence of the Members of the Board of Directors

Consistent with the requirements of The Nasdaq Stock Market LLC, or NASDAQ, our Corporate Governance Policies require our Board to affirmatively determine that a majority of our directors do not have a relationship that would interfere with their exercise of independent judgment in carrying out their responsibilities and meet any other qualification requirements required by the Securities and Exchange Commission, or SEC, and NASDAQ. After considering all relevant relationships and transactions, the Board determined all members of the Board are independent as defined by the SEC's and NASDAQ's rules and regulations, except for Jen-Hsun Huang, our President and Chief Executive Officer. The Board also determined that all members of our Audit, Compensation and Nominating and Corporate Governance Committees are independent under applicable NASDAQ listing standards.

Lead Independent Director

The other independent members of the Board appointed Mr. Gaither as the lead independent director of the Board. As the Lead Director, Mr. Gaither presides over executive sessions of the Board. Mr. Gaither works with our chief executive officer and the other members of the Board to establish the agenda for executive sessions of the independent directors.

Audit Committee Financial Experts

The Board determined that each of Messrs. Seawell and Perry satisfy the criteria adopted by the SEC to serve as an audit committee financial expert within the meaning of the SEC rules.

Corporate Governance Policies of the Board of Directors

In January 2004, the Board documented our governance practices by adopting Corporate Governance Policies to assure that the Board will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The Board amended and restated its Corporate Governance Policies in May 2007. The Corporate Governance Policies set forth the practices the Board follows with respect to board composition and selection, regular evaluations of the Board and its committees, board meetings and involvement of senior management, chief executive officer performance evaluation, and board committees and compensation. As required under NASDAQ's listing standards, our independent directors have in the past and will continue to meet regularly in scheduled executive sessions at which only independent directors are present. Our Corporate Governance Policies may be viewed under Corporate Governance in the Investor Relations section of our website at www.nvidia.com.

Table of Contents

Although we do not have a formal policy regarding attendance by members of the Board at our annual meetings, our practice is that in addition to Mr. Huang, one independent director will attend each annual meeting on behalf of all independent directors and all members of the Board are encouraged to attend. Messrs. Huang and Coxe were present at our 2007 annual meeting. Mr. Gaither was out of the country and unable to attend the annual meeting.

Code of Conduct

We have a Worldwide Code of Conduct that applies to all of our executive officers, directors and employees. Also, we have a Financial Team Code of Conduct that applies to our executive officers, directors and members of our finance, accounting and treasury departments. Both the Worldwide Code of Conduct and the Financial Team Code of Conduct are available under Corporate Governance in the Investor Relations section of our website at www.nvidia.com. If we make any amendments to the Worldwide Code of Conduct or the Financial Team Code of Conduct or grant any waiver from a provision of either code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

Stockholder Communications with the Board of Directors

Stockholders who wish to communicate with the Board regarding nominations of directors or other matters may do so by sending written communications addressed to David M. Shannon, our Secretary, at NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050. All stockholder communications we receive that are addressed to the Board will be compiled by our Secretary. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chair of the Audit, Compensation, or Nominating and Corporate Governance Committee.

Nomination of Directors

The Nominating and Corporate Governance Committee identifies, reviews and evaluates candidates to serve as directors and recommends candidates for election to the Board. In making its determinations, the Nominating and Corporate Governance Committee strives to select individuals who have the highest personal and professional integrity, have demonstrated exceptional ability and judgment and will be effective in collectively serving the long-term interests of the stockholders. In selecting individuals as nominees, the Nominating and Corporate Governance Committee will also consider any other factor that it deems relevant, including industry experience and diversity.

In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews these directors' overall service to NVIDIA during their terms, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair the directors' independence. In the case of new director candidates, the Nominating and Corporate Governance Committee determines whether the nominee is independent for NASDAQ purposes, which determination is based upon applicable NASDAQ listing standards, applicable SEC rules and regulations and, when necessary, the advice of counsel. The Nominating and Corporate Governance Committee uses its network of contacts to compile a list of potential candidates, but may also engage a professional search firm. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board.

The Nominating and Corporate Governance Committee evaluates candidates proposed by stockholders using the same criteria as it uses for other candidates. Matters put forth by our stockholders will be reviewed by the Nominating and Corporate Governance Committee, which will determine whether these matters should be presented to the Board. The Nominating and Corporate Governance Committee will give serious consideration to

Table of Contents

all such matters and will make its determination in accordance with its charter and applicable laws. Stockholders seeking to recommend a prospective nominee should follow the instructions under the heading *Stockholder Communications with the Board of Directors*. Stockholder submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. The Nominating and Corporate Governance Committee did not receive any stockholder nominations during fiscal 2008.

Majority Vote Standard

As a part of our continuing process of enhancing our corporate governance procedures and to provide our stockholders with a more meaningful role in the outcome of the election of directors, in March 2006, our Board amended our Bylaws to adopt a majority vote standard for non-contested director elections. Our Bylaws now provide that in a non-contested election if the votes cast **For** an incumbent director do not exceed the number of votes **Withheld**, such incumbent director shall promptly tender his resignation to the Board. The Nominating and Corporate Governance Committee will review the circumstances surrounding the **Withheld** vote and promptly make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. In making its decision, the Board will evaluate the best interests of NVIDIA and our stockholders and will consider all factors and relevant information. The Board will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of certification of the stockholder vote. The director who tenders his resignation will not participate in the Board's or the Nominating and Corporate Governance Committee's decisions. In a contested election, which is an election in which the number of nominees exceeds the number of directors to be elected, our directors will be elected by a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors at that meeting.

Board Meeting Information

The Board met 8 times during fiscal 2008 and had a Board retreat. We expect each Board member to attend each meeting of the Board and the committees on which he serves. In fiscal 2008, each Board member attended 75% or more of the aggregate meetings of the Board and of the committees on which he served. If a Board member does not attend at least 75% of the meetings of the Board or the committees on which he serves, the vesting period of his annual stock option grants will be lengthened as described more fully under the heading *Director Compensation*.

Committees of the Board of Directors

The Board has three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each of these committees operates under a written charter, which may be viewed under Corporate Governance in the Investor Relations section of our website at www.nvidia.com.

In fiscal 2006, the Board concluded that having our directors rotate and serve on different committees provides a benefit to us and our stockholders. By rotating among committees, we believe all members are more fully informed regarding the full scope of Board and Company activities. Effective March 1, 2007, Mr. Coxe became a member of the Audit Committee and Mr. Miller became a member of the Compensation Committee. The Board believes that these rotations are a good corporate governance practice and intends to make periodic rotations in the future. On February 7, 2008, the Nominating and Corporate Governance Committee examined the composition of the Board's committees and recommended to the full Board that the Committees remain unchanged for fiscal 2009.

Table of Contents

**Committees and
Current Membership
Audit**

Number of Meetings Held During Fiscal 2008 and Committee Functions

Meetings: 8

Fiscal 2008

oversees our corporate accounting and financial reporting process;

Mark L. Perry*

A. Brooke Seawell

evaluates the performance of and assesses the qualifications of our independent registered public accounting firm;

Tench Coxe (1)

William Miller (1)

determines and approves the engagement of the independent registered public accounting firm;

determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent registered public accounting firm;

reviews and approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;

confers with management and our independent registered public accounting firm regarding the effectiveness of internal control over financial reporting;

discusses with management and the independent registered public accounting firm the results of the annual audit and the results of our quarterly financial statements;

reviews the financial statements to be included in our annual report;

prepares the report required to be included by the SEC rules in our annual proxy statement or Annual Report on Form 10-K; and

establishes procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Compensation

Meetings: 13

Fiscal 2008

reviews and approves our overall compensation strategy and policies;

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Harvey C. Jones*

James C. Gaither

reviews and approves the compensation and other terms of employment of our chief executive officer and other executive officers;

William J. Miller (1)

Tench Coxe (1)

reviews and approves corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management;

reviews and approves the disclosure contained in Compensation Discussion and Analysis and considers whether to recommend that it be included in the proxy statement and other filings; and

administers our stock option and purchase plans, variable compensation plans and other similar programs.

Nominating and Corporate Governance

Fiscal 2008

Meetings: 3

identifies, reviews and evaluates candidates to serve as directors;

James C. Gaither*

Tench Coxe

recommends candidates for election to our Board;

Harvey C. Jones

makes recommendations to the Board regarding the committee membership;

assesses the performance of the Board and its committees; and

reviews and assesses our corporate governance principles and practices.

* Committee Chairperson

(1) As part of our periodic committee rotations, effective March 1, 2007, Mr. Coxe replaced Mr. Miller as a member of the Audit Committee and Mr. Miller replaced Mr. Coxe as a member of the Compensation Committee.

Table of Contents

In addition to our three standing committees, on August 5, 2007 the Board formed a Special Litigation Committee to investigate, evaluate, and make a determination as to how we should proceed with respect to the claims and allegations asserted in certain derivative actions cases brought on behalf of NVIDIA against certain of our current and former executive officers and directors. The derivative actions assert claims concerning errors related to our historical stock option granting practices and associated accounting for stock-based compensation expense. Mr. Perry and Dr. Chu are the members of the Special Litigation Committee.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

For fiscal 2008, the Compensation Committee consisted of Messrs. Gaither, Jones, Miller and Coxe. Effective March 1, 2007, Mr. Miller replaced Mr. Coxe as a member of the Compensation Committee. No member of the Compensation Committee is an officer or employee of NVIDIA, and none of our executive officers serve as a director or member of a compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee. Each of our directors, except for Dr. Chu, has purchased and holds shares of our common stock. As of January 27, 2008, Dr. Chu held vested stock options to purchase 243,750 shares of our common stock.

DIRECTOR COMPENSATION

Our non-employee directors receive options to purchase shares of our common stock for their services as members of our Board. Non-employee directors do not receive cash compensation for their services as members of our Board, but may be reimbursed for expenses incurred in attending Board and committee meetings. Directors who are also employees do not receive any fees or equity compensation for service on the Board. Mr. Huang is our only employee director.

Historically, options to purchase shares of our common stock have been automatically granted to our non-employee directors under our 1998 Non-Employee Directors Stock Option Plan as incorporated into our 1998 Equity Incentive Plan, which we refer to as the 1998 Plan. Beginning in June 2007, annual stock option grants will be made on the day after the annual meeting to our non-employee directors from our 2007 Equity Incentive Plan, which we refer to as the 2007 Plan.

In March 2008, the Compensation Committee undertook a review of the type and amount of compensation paid to our non-employee directors in connection with their service on our Board and its committees by reviewing peer company data provided by our Human Resources Department and Hewitt Associates LLC. The Compensation Committee used our binomial option pricing model to value the stock option grants issued pursuant to our existing non-employee director compensation program, which includes initial Board grants and annual Board and committee grants that range in size as follows: 135,000 shares for initial Board grants; 36,000 shares for annual Board grants; and 12,000 shares for annual committee grants (for Compensation and Audit Committees). The potential total annual value received by a non-employee director for these grants was then compared to the total annual compensation of non-employee directors at select peer companies. Based on this review, the Compensation Committee elected to continue its practice of compensating our non-employee directors for their services to NVIDIA solely through the use of stock options grants. The Compensation Committee believes that payment for services in equity best aligns the interests of our non-employee directors with those of our stockholders, in that non-employee directors recognize compensation only when the value of our stock increases. The Compensation Committee determined for fiscal 2009 that the size of the initial Board grants and annual Board and committee grants should be reduced as follows: 120,000 shares for initial Board grants; 30,000 shares for annual Board grants; and 10,000 shares for annual committee grants (for Compensation and Audit Committees), as the Committee believed that similar incentive values could be achieved with a fewer number of shares given NVIDIA's stock price performance over the past year. The Compensation Committee completed a similar review of non-employee director compensation in March 2007 and March 2006 at which time it made a similar determination to reduce the size of stock option grants to our non-employee directors. See *Compensation Discussion and Analysis Role of Various Parties in Making Compensation Decisions* for additional information about the role of Hewitt Associates LLC.

Table of Contents**Compensation for Fiscal 2008**

The following table provides information regarding compensation of non-employee directors who served during fiscal 2008 on our Audit and Compensation Committees.

DIRECTOR COMPENSATION FOR FISCAL 2008

Name	Option	
	Awards(\$) (1)(2)(3)(4)	Total (\$)
Steven Chu (5)	\$ 394,764	\$ 394,764
Tench Coxe	441,941	441,941
James C. Gaither	441,941	441,941
Harvey C. Jones	441,941	441,941
William J. Miller	441,941	441,941
Mark L. Perry (5)	644,701	644,701
A. Brooke Seawell	441,941	441,941

- (1) Represents the dollar amount recognized for financial statement reporting purposes for fiscal 2008, in accordance with Statement of Financial Accounting Standards No. 123 (revised), or SFAS No. 123(R), *Share Based Payment*, of stock options granted both in and prior to fiscal 2008 pursuant to the 1998 Plan or the 2007 Plan. Assumptions used in the calculation of these amounts and a description of the fair value pricing models used to determine the fair value of stock option grants are included in Note 2, *Stock-Based Compensation*, of the Notes to our Consolidated Financial Statements for the fiscal year 2008 included in our Annual Report on Form 10-K filed with the SEC on March 21, 2008. However, pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. These amounts reflect our accounting expense for these awards and do not correspond to the actual value that will be recognized by our non-employee directors.
- (2) On June 22, 2007, each non-employee director received a stock option to purchase 36,000 shares as compensation for his service on the Board with an exercise price of \$29.08 per share, which was the closing price of our common stock as reported by NASDAQ on June 22, 2007. The grant date fair value of these awards was \$12.29 per share for a total grant date fair value of \$442,560 per grant. Except for Dr. Chu, each non-employee director also received an additional stock option to purchase 12,000 shares on June 22, 2007 for his service as a member of either the Compensation or the Audit Committee in fiscal 2008 with an exercise price of \$29.08 per share, which was the closing price of our common stock as reported by NASDAQ on June 22, 2007. The grant date fair value of these awards was \$11.16 per share for a total grant date fair value of \$133,920 per grant. Assumptions used in the calculation of these amounts are included in Note 2, *Stock-Based Compensation*, of the Notes to our Consolidated Financial Statements for the fiscal year 2008 included in our Annual Report on Form 10-K filed with the SEC on March 21, 2008.
- (3) At fiscal year end, each non-employee director held stock options to purchase the following aggregate number of shares of our common stock: Dr. Chu, options to purchase 381,000 shares; Mr. Coxe, options to purchase 828,000 shares; Mr. Gaither, options to purchase 423,000 shares; Mr. Jones, options to purchase 558,000 shares; Mr. Miller, options to purchase 1,218,000 shares; Mr. Perry, options to purchase 283,000 shares; and Mr. Seawell, options to purchase 1,398,000 shares.
- (4) The amounts recognized for financial statement reporting purposes in fiscal 2008 reflected in the table above include stock-based compensation expense from stock options granted both in and prior to fiscal 2008. The following chart provides additional information regarding the amounts of stock option compensation expense we recognized in fiscal 2008.

Table of Contents

Name	Expense Related to Stock Options Granted in Fiscal 2008 (\$)	Expense Related to Stock Options Granted Prior to Fiscal 2008 (\$)
Steven Chu	\$ 76,671	\$ 318,093
Tench Coxe	154,660	287,281
James C. Gaither	154,660	287,281