

NVIDIA CORP

FORM 8-K (Current report filing)

Filed 03/13/17 for the Period Ending 03/07/17

| | |
|-------------|----------------------------------------------------|
| Address | 2701 SAN TOMAS EXPRESSWAY SANTA CLARA, CA 95050 |
| Telephone | 408-486-2000 |
| CIK | 0001045810 |
| Symbol | NVDA |
| SIC Code | 3674 - Semiconductors and Related Devices |
| Industry | Semiconductors |
| Sector | Technology |
| Fiscal Year | 01/29 |

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **March 7, 2017**

NVIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23985
(Commission
File Number)

94-3177549
(IRS Employer
Identification No.)

2701 San Tomas Expressway, Santa Clara, CA
(Address of principal executive offices)

95050
(Zip Code)

Registrant's telephone number, including area code: **(408) 486-2000**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Adoption of Fiscal Year 2018 Variable Compensation Plan

On March 7, 2017, the Compensation Committee of our Board of Directors adopted the Variable Compensation Plan for Fiscal Year 2018, or the 2018 Plan, which provides eligible executive officers the opportunity to earn a variable cash payment based on the level of achievement by us of certain corporate performance goals, or the Performance Goals, during our fiscal year 2018. We operate on a fiscal year ending on the last Sunday in January. We designate our fiscal year by the year in which that fiscal year ends (e.g., fiscal year 2018 refers to our fiscal year ending January 28, 2018).

The Compensation Committee has set the Performance Goals for fiscal year 2018 based upon the achievement of specified fiscal year 2018 revenue and has established threshold, base operating plan and stretch operating plan levels. An eligible participant's variable cash compensation under the 2018 Plan will be based on the achievement by NVIDIA of the Performance Goals.

Unless otherwise determined by the Compensation Committee, a participant must remain an employee through the payment date under the 2018 Plan to be eligible to earn an award.

The following table sets forth the base operating plan payment amount for our named executive officers under the 2018 Plan:

| Named Executive Officer | Base Operating Plan Payment Amount | Base Operating Plan Payment Amount as a % of Fiscal Year 2018 Base Salary |
|---------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------|
| Jen-Hsun Huang <i>President and Chief Executive Officer</i> | \$1,100,000 | 110% |
| Colette M. Kress <i>Executive Vice President and Chief Financial Officer</i> | \$300,000 | 33% |
| Ajay K. Puri <i>Executive Vice President, Worldwide Field Operations</i> | \$650,000 | 68% |
| Debra Shoquist <i>Executive Vice President, Operations</i> | \$250,000 | 29% |
| Timothy S. Teter <i>Senior Vice President, General Counsel and Secretary</i> | \$250,000 | 29% |

The 2018 Plan is filed with this report as Exhibit 10.1 and is incorporated herein by reference. The foregoing description is subject to, and qualified in its entirety by, the 2018 Plan.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description |
|---------------------------|-----------------------------------------------|
| 10.1 | Variable Compensation Plan - Fiscal Year 2018 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 13, 2017

NVIDIA Corporation

By: /s/ Timothy S. Teter

Timothy S. Teter

Senior Vice President, General Counsel and Secretary

EXHIBIT INDEX

**Exhibit
Number**

Description

10.1 Variable Compensation Plan - Fiscal Year 2018

VARIABLE COMPENSATION PLAN - FISCAL YEAR 2018

Overview

The compensation philosophy of NVIDIA Corporation (the “*Company*”) is to attract, motivate, retain and reward its management through a combination of base salary and performance based compensation. Certain Senior Officers, as defined below (collectively, the “*Participants*”), who are employed at the Company during fiscal year 2018 and, unless otherwise determined by the Compensation Committee (the “*Committee*”), are employees of the Company through the date that any amounts earned hereunder are paid, will be eligible to earn compensation under the Fiscal Year 2018 Variable Compensation Plan (the “*Plan*”). The Plan is designed to award compensation for performance in fiscal year 2018 to a Participant if the Company achieves certain corporate performance goals (the “*Performance Goals*”).

For purposes of the Plan, only the Company’s chief executive officer, chief financial officer and other named executive officers shall be considered “Senior Officers.” The Committee shall determine the persons to be specified as Senior Officers for purposes of this Plan and the Senior Officers who may be Participants hereunder.

Determination of Fiscal Year 2018 Payments

Each Participant is eligible to earn compensation under the Plan for fiscal year 2018 at a specified target amount (the “*Target Payment Amount*”) if the Company achieves its Performance Goals at a specified target level. A Participant’s Target Payment Amount is based on the difficulty and responsibility of each position. For fiscal year 2018, each Participant’s Target Payment Amount will be entirely allocated to the achievement of the Performance Goals. The actual amount of compensation that may be earned by and paid to each Participant under the Plan for fiscal year 2018 (the “*Actual Payment Amount*”) may be more or less than his or her Target Payment Amount as described more fully below.

The Committee has set the Performance Goals for the Participants based on achievement of fiscal year 2018 revenue at specified threshold, target and stretch levels (the “*Threshold*,” “*Base Operating Plan*” and “*Stretch Operating Plan*,” respectively). For purposes of the Plan, revenue, or “*Actual Result*,” is defined as revenue, as reported in the Company’s earnings release for fiscal year 2018.

The Actual Payment Amount for each Participant shall be determined pursuant to the following:

- If the Actual Result is less than the Threshold, a Participant will not earn any Actual Payment Amount.
- If the Actual Result equals the Threshold, each Participant may earn an Actual Payment Amount equal to 50% of his or her Target Payment Amount.
- If the Actual Result exceeds the Threshold but is less than the Base Operating Plan, each Participant may earn an Actual Payment Amount pursuant to the formula set forth below:

$$\text{Actual Payment Amount} = [((\text{Actual Result} - \text{Threshold}) / (\text{Base Operating Plan} - \text{Threshold})) * 50\% + 50\%] * \text{Target Payment Amount}$$

- If the Actual Result equals the Base Operating Plan, each Participant may earn an Actual Payment Amount equal to 100% of his or her Target Payment Amount.
- If the Actual Result exceeds the Base Operating Plan but is less than the Stretch Operating Plan, each Participant may earn an Actual Payment Amount pursuant to the formula set forth below:

$$\text{Actual Payment Amount} = [((\text{Actual Result} - \text{Base Operating Plan}) / (\text{Stretch Operating Plan} - \text{Base Operating Plan})) + 1] * \text{Target Payment Amount}$$

- If the Actual Result equals or exceeds the Stretch Operating Plan, each Participant may earn an Actual Payment Amount equal to two (2) times his or her Target Payment Amount. In no event may any Participant earn an Actual Payment Amount in excess of two (2) times his or her Target Payment Amount.

Miscellaneous Provisions

Any payments under this Plan shall be made in the form of cash following the end of fiscal year 2018, on such schedule as may be approved by the Committee in its discretion, but in all cases in compliance with the short-term deferral exemption from Section 409A of the Internal Revenue Code of 1986, as amended.

Participation in the Plan shall not alter in any way the at will nature of the Company's employment of a Participant, and such employment may be terminated at any time for any reason, with or without cause and with or without prior notice.

Notwithstanding whether this Plan is referenced in another agreement, policy, arrangement or other document, only the Board of Directors or the Committee may amend or terminate this Plan at any time.

Any payments or other benefits paid under this Plan shall be subject to the Company's Clawback Policy. By accepting any payment hereunder, the Participant agrees to be subject to the Clawback Policy.

This Plan shall be governed by and construed in accordance with the laws of the State of California, without regard to its principles of conflicts of laws.