

# **GARMIN LTD.**

## **COMPENSATION COMMITTEE CHARTER**

**(Amended and Restated as of July 22, 2011)**

### **COMMITTEE PURPOSES**

The Compensation Committee is appointed by the Board of Directors (the "Board") of Garmin Ltd. (the "Company"). The primary purposes of the Compensation Committee are:

1. to discharge the Board's responsibilities relating to compensation and related disclosure of the Company's executives in general and its principal senior officers in particular, including the development of policies relating to executive compensation and benefit programs;
2. to consider and make recommendations to the Board on director compensation; and
3. to review with management plans for the orderly development, and the succession, of the principal senior officers.

### **PRINCIPAL COMMITTEE RESPONSIBILITIES AND DUTIES**

The principal responsibilities of the Compensation Committee are listed below.

1. Oversee the Company's compensation programs and practices for executives generally and for principal senior officers in particular, including any regulatory compliance related to those matters, and consider whether the design of incentives for executive officers may cause undue risk-taking.
2. Ensure that the Company's compensation programs and practices are competitive and effective in attracting, retaining and motivating highly qualified personnel, which may include benchmarking of executive compensation against peer companies and approval by the Compensation Committee of any peer companies used in assessing the competitiveness of the Company's executive compensation.
3. Review, approve and oversee the Company's compensation philosophy, policies and objectives applicable to executive compensation as well as the programs, plans, practices and procedures for their implementation.
4. With respect to compensation of the Company's Chairman and Chief Executive Officer ("CEO") and other principal senior officers;:
  - To review and approve, at least annually, the corporate goals and objectives relevant to their respective compensation levels.
  - To evaluate their performance in light of those goals and objectives.

- To determine the CEO's compensation level, as well as the components and structure of his compensation package, based on his performance evaluation and the application of any policies and procedures established by the Compensation Committee.
  - To determine the respective compensation levels, as well as the components and structure of the respective compensation packages, of the other principal senior officers based on their respective performance evaluations, the application of any policies or procedures established by the Compensation Committee, and any recommendations by the CEO.
  - To review and approve any employment, change of control, severance or other agreements with the CEO, as well as other principal senior officers, and any amendments to such agreements.
5. With respect to compensation policies and practices for all employees, including non-executive officers, to:
    - Periodically determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Company, and
    - Consider modifying, or directing the Company to modify, policies and practices that the Compensation Committee deems to create such risks.
  6. To review and discuss with management the proposed Compensation Discussion and Analysis section ("CD&A") of the Company's annual meeting proxy statement and, based on such review and discussion, make a recommendation to the Board regarding inclusion of the CD&A in the proxy statement.
  7. To review and make any determinations regarding compensation risk or other compensation matters necessary for the Company to prepare compensation disclosures in the annual meeting proxy statement.
  8. Recommend to the Board any changes in the amount, components and structure of compensation paid to the non-employee members of the Board for their service on the Board or its committees.
  9. Serve as the committee administering any equity-based compensation plans adopted by the Company.
  10. Approve, or, if required, submit for approval by shareholders, all new equity-based benefit plans and any amendments to such plans.
  11. Approve or, as appropriate, make recommendations to the Board with respect to incentive compensation plans, severance, retention or termination plans.
  12. Review and oversee the design and administration of the Company's broad based employee benefit programs.

13. Consult with and advise management on major policies affecting employee relations.
14. With input from the Board, annually review with management the plans for the orderly development and succession of all principal senior officers.
15. Review and discuss items required to be included in the Company's proxy statement pursuant to Rules 14a-21(a) and 14a-21(b) (the so-called "Say-on-Pay" and "Say-When-on-Pay" votes, respectively) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and make recommendations to the Board regarding such matters.
16. Determine the frequency of "Say-on-Pay" and "Say-When-on-Pay" votes to be held at annual meetings of the Company's shareholders.
17. Review and discuss the results of "Say-on-Pay" and "Say-When-on-Pay" votes by the shareholders.
18. Have sole authority to retain compensation consultants and other advisers, after considering the independence of such consultants and advisers, to assist it in the performance of its duties and shall have sole authority to approve such advisers' fees and the other terms and conditions of such advisers' retention.
19. Perform an internal pay equity review in order to measure the CEO's total annual compensation package against the median of the annual total compensation of all employees other than the CEO and approve disclosure about such internal pay ratios in the Company's annual proxy statement in accordance with applicable rules and regulations of the SEC and The Nasdaq Stock Market LLC.
20. Adopt and implement a policy for recovery of erroneously awarded compensation, in accordance with applicable rules and regulations of the SEC and The Nasdaq Stock Market LLC.
21. Perform any other activities consistent with this Charter, the Company's Memorandum and Articles of Association and applicable law as the Board considers appropriate and delegates to the Compensation Committee, including duties assigned to it in any of the Company's compensation plans.

## **COMMITTEE COMPOSITION**

The Compensation Committee shall be comprised of three or more members of the Board. All members of the Compensation Committee must satisfy, at a minimum, the independence requirements of the listing standards of The Nasdaq Stock Market LLC, Section 10C of the Exchange Act and the other director qualification standards set forth in the Company's Corporate Governance Guidelines. In addition, the members of the Compensation Committee also must meet the definition of a "non-employee director" under Section 16 of the Exchange Act and the definition of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986. Compensation Committee members and the Chairperson of the

Compensation Committee shall be appointed by the full Board of Directors based on nominations by the Company's Nominating and Corporate Governance Committee. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine. Members of the Compensation Committee may be removed by Board action.

## **COMMITTEE MEETINGS**

The Compensation Committee will meet as often as required to fulfill its responsibilities set forth in this Charter. The chairperson or his or her designee shall preside at each meeting of the Compensation Committee. If neither the chairperson nor his or her designee is present at a meeting, the Compensation Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

The chairperson of the Compensation Committee shall be responsible for scheduling and presiding over meetings, preparing agendas and making regular reports to the Board. The chairperson of the Compensation Committee shall set the agenda of each meeting and arrange for the distribution of the agenda, together with supporting material, to the Compensation Committee members prior to each meeting. A majority of the members of the Compensation Committee shall constitute a quorum. The vote of a majority of the members present at any meeting at which a quorum is present shall be the act of the Compensation Committee. The Compensation Committee may meet in person or telephonically and actions may be taken by unanimous written consent. The Compensation Committee may establish its own policies, procedures or rules to implement its duties and responsibilities and to conduct the business of the Compensation Committee. The chairperson or a majority of the members of the Compensation Committee may call a special meeting of the Compensation Committee. Members of senior management or others may attend meetings of the Compensation Committee at the invitation of the Compensation Committee and shall provide pertinent information as necessary. While the Compensation Committee may discuss with the CEO or other senior officer his or her performance and/or compensation, that officer shall not be present during the portion of a meeting when the Compensation Committee is deliberating or voting upon such officer's compensation.

At each meeting, the chairperson of the Compensation Committee shall select one Compensation Committee member, or legal counsel, to act as secretary and prepare minutes of the meeting. After approval by the Compensation Committee chairperson, such minutes shall be distributed to all members of the Board of Directors. In addition, the Compensation Committee will report regularly to the Board on its decisions, recommendations and other activities. The Compensation Committee may delegate its authority to one or more subcommittees of the Compensation Committee, provided that such delegation is not prohibited by applicable law, regulation, rule of The NASDAQ Stock Market LLC or benefit plan.

## **SUBCOMMITTEES**

As permitted by law or the listing standards applicable to the Company, the Compensation Committee may delegate its duties and authority to a subcommittee of the Compensation Committee who satisfy the qualification standards described under "Committee Composition" above.

## **COMPENSATION CONSULTING FIRMS AND OTHER RESOURCES**

The Compensation Committee shall have authority to retain compensation consultants, outside counsel and other advisors, after considering the independence of such consultants and advisers, in accordance with Section 10C of the Exchange Act and the rules and regulations of The Nasdaq Stock Market LLC, as the Compensation Committee may deem appropriate in its sole discretion without seeking the approval of the Board or management. The Compensation Committee shall have sole authority to approve related fees and retention terms associated with the retention of any such firm or individual, which fees shall be paid by the Company. In determining whether to select, retain or terminate a provider of such services, the Compensation Committee may, in its discretion, obtain the input of senior management. The Compensation Committee will have full access to the Company's records, officers, employees and outside advisors as necessary to perform its duties.

## **RELIANCE ON OTHERS**

Unless a committee member has knowledge that makes reliance unwarranted, each Compensation Committee member, in discharging his or her duties to the Company, may rely on information, opinions, reports, or statements, any of which may be written or oral, formal or informal, including financial statements, valuation reports, and other financial data, if prepared or presented by: (a) one or more officers or employees of the Company whom the Compensation Committee member believes in his or her reasonable business judgment and good faith to be reliable and competent in the matters presented; (b) compensation consultants, legal counsel, or other persons as to matters which the Compensation Committee member believes in his or her reasonable business judgment and good faith to be within the professional or expert competence of such person; or (c) another committee of the Board of which such Compensation Committee member is not a member if the Compensation Committee member believes in his or her reasonable business judgment and good faith that such Compensation Committee merits confidence.

## **ANNUAL EVALUATION OF COMMITTEE PERFORMANCE AND CHARTER**

At least annually, the Compensation Committee shall conduct an evaluation of its performance and this Charter. The Compensation Committee shall report its conclusions regarding this evaluation to the Board either orally or in writing. The Compensation Committee's report should generally include an assessment of its compliance with this Charter, as well as identification of areas in which the Compensation Committee could improve its performance and this Charter could be improved.