

# **GARMIN LTD.**

## **Compensation Committee Charter**

**(Amended and Restated as of October 26, 2018)**

### **I. 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;
3. To prepare and recommend to the Board the proposals for submission at the general meeting of shareholders regarding the maximum aggregate compensation of the members of the Board (for the upcoming term of office) and the Company’s executives (for the following fiscal year), as required under applicable Swiss law; and
4. To review with management plans for the orderly development, and the succession, of the principal senior officers.

### **II. PRINCIPAL COMMITTEE RESPONSIBILITIES AND DUTIES**

The principal responsibilities of the Compensation Committee are listed below.

1. Review, approve and oversee the Company’s compensation philosophy, policies and objectives for executives and principal senior officers, as well as the programs, plans, practices and procedures for their implementation in a manner that is consistent with corporate strategies and goals.
2. Ensure that the Company’s compensation programs and practices are competitive and effective in attracting, retaining and motivating executives.
3. With respect to compensation of the Executive Chairman, Chief Executive Officer (“CEO”) and other principal senior officers, annually:
  - Review and approve the corporate goals and objectives that are aligned with the achievement of the Company’s long-term strategic plans.
  - Evaluate their performance in light of those goals and objectives.
  - Determine the CEO’s compensation level, as well as the components and structure of his or her compensation package, based on his or her performance evaluation, recent compensation history, and the application of any policies and procedures established by the Compensation Committee.

- Oversee and approve the respective compensation levels, as well as the components and structure of the respective compensation packages as recommended by the CEO of the other principal senior officers based on their respective performance evaluations, recent compensation history, and the application of any policies or procedures established by the Compensation Committee.
  - 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.
4. 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.
    - Consider modifying, or directing the Company to modify, policies and practices that the Compensation Committee deems to create such risks.
    - Approve disclosures required to be included in the Company's annual meeting proxy statement.
  5. Prepare and recommend to the Board the proposals for submission at the general meeting of shareholders regarding the maximum aggregate compensation of the members of the Board (for the upcoming term of office) and the Company's executives (for the following fiscal year), as required under applicable Swiss law.
  6. 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; and produce the annual Compensation Committee Report required by applicable Securities and Exchange Commission rules and regulations. The Compensation Committee shall also review and discuss with the Company's management any similar compensation disclosure required under Swiss law.
  7. 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 and its committees.
  8. Serve as the committee administering any equity-based compensation plans adopted by the Company.
  9. Approve or, if required, submit for approval by shareholders all new equity-based plans and any amendments to such plans.
  10. Review the design and oversee the administration of the Company's broad-based employee compensation and benefit programs in a manner that is consistent with the Company's compensation philosophy and long-term strategic plan.
  11. With input from the Board, annually review with management the plans for the orderly development and succession of all principal senior officers.

12. Perform any other activities consistent with this Charter, the Company's 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.

### **III. COMMITTEE COMPOSITION**

The Compensation Committee shall be comprised of three or more members of the Board. Each member of the Compensation Committee shall satisfy, at a minimum, the independence and other qualification requirements under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules of The Nasdaq Stock Market LLC ("Nasdaq"), 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 shall be elected annually by the Company's shareholders, and the Chairperson of the Compensation Committee shall be appointed by the full Board of Directors based on recommendation of 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 replaced or removed by Board action; provided, however, that no member of the Compensation Committee shall be removed except by a majority vote of the independent directors or upon such member ceasing to be a director of the Company. No Compensation Committee member shall accept directly or indirectly any consulting, advisory, or other compensatory fee, other than payment for board service, from the Company or any of its subsidiaries.

### **IV. 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 Nasdaq or benefit plan.

## **V. 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.

## **VI. OUTSIDE ADVISERS**

The Compensation Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants, outside legal counsel or other advisers (“Compensation Advisers”), after considering the independence of such Compensation Advisers in accordance with the Exchange Act and the rules of Nasdaq as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter.

The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work performed by any Compensation Adviser on behalf of the Compensation Committee. The Compensation Committee shall receive appropriate funding from the Company, as determined by the Compensation Committee in its capacity as a committee of the Board, for the reasonable compensation of Compensation Advisers retained by the Compensation Committee. The level of appropriate funding and compensation is determined by the Compensation Committee.

Prior to selecting or receiving advice from a Compensation Adviser, other than in-house legal counsel, the Compensation Committee shall conduct an independence assessment of the Compensation Adviser to the extent required by applicable Nasdaq rules, taking into consideration the factors specified in those rules and applicable federal securities laws. The Compensation Committee may retain, or receive advice from, any Compensation Adviser it prefers, including Compensation Advisers that are not independent, after considering the specified factors. The Compensation Committee is not required to assess the independence of any Compensation Adviser that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the Compensation Adviser, and about which the Compensation Adviser does not provide advice.

The Compensation Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K, and review, discuss and/or approve disclosures regarding compensation consultant conflicts of interest which are required by Item 407(e)(3)(iv). In determining whether a conflict of interest exists, the Compensation Committee will consider factors consistent with Exchange Act Rule 10C-1(b)(4)(i) through (vi) and applicable Nasdaq rules.

## **VII. RELIANCE ON OTHERS**

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 other Committee merits confidence.

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

At least annually, the Compensation Committee shall conduct an evaluation of its performance and this Charter in such manner as the Compensation Committee deems appropriate. 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.