

## **GARMIN LTD.**

### **CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “Board”) of Garmin Ltd. (the “Company”) has adopted these Corporate Governance Guidelines (“Guidelines”), in order to assist the Board in the exercise of its responsibilities and to serve the best interests of the Company and its shareholders.

The Guidelines are necessarily subject to review and modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its shareholders, and as required by applicable laws and regulations.

#### **I. Role of the Board.**

The Board’s primary responsibility to the Company shall be to provide effective governance over the Company’s affairs for the benefit of the shareholders. In all actions taken by the Board, the Directors shall be expected to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In discharging their obligations, the Board and each of its committees, and each member of the Board and such committees, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by officers and other employees of the Company or its subsidiaries, or counsel, public accountants or other persons as to matters which the Board or committee believes to be within the professional competence of such person.

#### **II. Specific Functions of the Board.**

At Board meetings, the Board shall review and discuss reports by management, board committees, outside auditors and other consultants. Such reports shall address the performance of the Company, its business plans and long-term strategy, potential opportunities, as well as challenges facing the Company. In addition to its general oversight of management, the Board or a committee thereof shall also perform a number of specific functions, including:

1. Selecting, evaluating and compensating the CEO, overseeing CEO succession planning, and taking other appropriate actions, including removal, when warranted;
2. Providing counsel and oversight regarding the selection, evaluation, development and compensation of senior management;
3. Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
4. Assessing major risks facing the Company and reviewing options for their mitigation;
5. Ensuring processes are in place for maintaining the integrity of the Company and its financial statements, compliance with law, high ethics and relationships with customers, suppliers, and shareholders;

6. Review, and where appropriate, approve and evaluate policies for corporate conduct, including maintenance of disclosure controls and procedures, accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls; and

7. Evaluating periodically the overall effectiveness of the Board.

### **III. Board Committees.**

The Board has three committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Board may add new committees or remove existing committees, as it deems advisable for purposes of fulfilling its primary responsibilities. Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee consists solely of independent directors. The Board shall appoint the committee members and committee chairpersons according to criteria that it determines to be in the best interest of the Company and its shareholders, upon the recommendation of the Nominating and Corporate Governance Committee. The charters of each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, which may be published on the Company's website at [www.garmin.com](http://www.garmin.com), are fully incorporated herein and set forth, among other things, the purposes, duties and responsibilities, composition of, and qualifications of the members of, each such committee. The duties of the three committees may be described briefly as follows:

- **Audit Committee:** The Audit Committee oversees the work of the Company's internal accounting and audit processes. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the performance, independence and qualification of the Company's independent auditors.
- **Compensation Committee:** The Compensation Committee shall be informed as to market levels of compensation and, based on evaluations and the Company's performance based on appropriate long-term and short-term goals, recommends executive compensation levels and packages to the Board. Compensation of the Chief Executive Officer and the Company's executive officers will be determined by the Compensation Committee.
- **Nominating and Corporate Governance Committee:** The Nominating and Corporate Governance Committee is responsible for recommending to the Board individuals to be nominated as directors. The committee evaluates new candidates and current directors. The Nominating and Corporate Governance Committee also reviews the committee structure of the Board and the membership of the various committees at least annually and makes recommendations for any changes to the Board. The Nominating and Corporate Governance Committee performs other duties as described elsewhere in these guidelines, including assisting the Board with general oversight of the Company's corporate governance.

The Board committees should perform the functions set forth in their respective charters and annually review this performance.

#### **IV. Composition of the Board.**

**A. Size of the Board.** In accordance with the Company's Articles of Incorporation, the Board shall have between 5 and 10 members, as determined by the Board. The Nominating and Corporate Governance Committee develops policies regarding the size and composition of the Board and makes recommendations to the Board regarding changes to the size and composition of the Board.

**B. Election of the Board.** In accordance with the Company's Memorandum and Articles of Association, the Board is divided into three classes. One class of directors is elected by the shareholders of the Company every year, such that each class will serve for a three-year term. Between annual shareholders meetings, the Board may elect directors to fill any vacancies in accordance with the Company's Memorandum and Articles of Association.

**C. Independent Directors.** The Board shall be comprised of at least a majority of directors who, upon the determination of the Board, are independent of the Company and its management, in accordance with the listing standards of the Nasdaq Global Select Market and any other applicable laws and regulations. The Nominating and Corporate Governance Committee and the Board shall review, on an annual basis, the independence of members of the Board.

**D. Qualifications.** Candidates for the Board shall be recommended annually to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and criteria adopted by the Nominating and Corporate Governance Committee.

#### **V. Conflicts of Interest.**

The Board expects its members, as well as officers and employees of the Company, to act ethically at all times and to acknowledge their adherence to the Company's Code of Business Conduct and Ethics and the Company's Policy and Procedures with respect to Related Person Transactions.

#### **VI. Meetings of the Board of Directors.**

**A. Meetings of the Board.** The Board shall have a regular meeting at least four times a year, as determined by the Board, and may have special meetings as called pursuant to the Company's Memorandum and Articles of Association. A director is expected to regularly attend meetings of the Board, and of those committees of the Board on which a director may sit, with the understanding that on occasion a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or the chairperson of the appropriate committee in advance of such meeting. Each member of the Board is expected to attend the annual meeting of shareholders.

**B. Meeting Materials.** Information, data and other materials relevant to the matters to be considered at each meeting of the Board shall be, to the extent practicable, distributed in

writing or electronically to the Board sufficiently prior to the meeting to permit review by members of the Board in advance of the meeting. Directors are expected to review these materials before the meeting. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

**C. Meetings of Independent Directors.** The independent directors of the Company shall regularly meet in executive session, without the presence of the Company's management. These executive session discussions may include such topics as the independent directors determine.

**D. Director Access to Employees.** The Board expects that senior officers of the Company will regularly attend Board and committee meetings, present proposals and otherwise assist in the work of the Board. The Board shall have access to the Company employees for the purposes of obtaining all the information necessary for the Board to fulfill its duties. The Company's management, at the discretion of the Board, is permitted to invite any employee to any meeting of the Board at which such employee's presence and expertise would be helpful to the Board in having a full understanding of an issue under consideration.

**E. Access to Independent Advisors.** The Board shall also have the authority to obtain advice and seek assistance from internal and external legal, accounting and other advisors as it deems appropriate. The Board shall have sole authority to approve the fees of such consultants or advisors and other retention terms as it deems appropriate, all at the Company's expense.

## **VII. Compensation of Directors.**

Executive officers of the Company who serve on the Board shall not receive any additional compensation from the Company for such service. Compensation of Non-Management Directors shall be determined by the Board after considering the recommendation of the Compensation Committee. The Compensation Committee shall periodically review the Company's director compensation in view of director compensation in companies deemed to be peers of the Company or that have boards of directors performing functions similar in scope or complexity to those performed by the Board.

## **VIII. Succession Planning.**

The Board shall be responsible for overseeing the preparation of a succession plan for the position of CEO and other senior officers and revising the plan on an ongoing basis, as needed.

## **IX. Director Orientation and Continuing Education.**

The Board shall be responsible for orienting new members to its practices and procedures. The Company may from time to time suggest to its Directors continuing education programs, and the General Counsel, Chief Financial officer and others may incorporate continuing education topics into Board and Committee meeting agendas.

**X. Annual Performance Evaluation of the Board of Directors.**

The Nominating and Corporate Governance Committee shall create and implement a process for the Board and each Committee to annually evaluate its own performance.

**XI. Indemnification of Directors and Officers.**

The Company shall provide reasonable directors' and officers' liability insurance for Directors and officers and shall indemnify Directors and officers to the fullest extent permitted by law and the Company's Memorandum and Articles of Association.

**XII. Code of Business Conduct and Ethics.**

The Company has adopted a Code of Business Conduct and Ethics ("Ethics Code") The Ethics Code applies to all employees of the Company and its subsidiaries as well as to Directors and officers of the Company. The Ethics Code establishes procedures for notification to the Company and the Audit Committee of any occurrences raising ethical or legal concerns. The Audit Committee shall periodically review the Ethics Code, including a review of whether at a minimum it contains the elements required by applicable laws and regulations.