

**United States
Securities and Exchange Commission
Washington, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended September 24, 2016

or

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

For the transition period from _____ to _____

Commission file number 0-31983

GARMIN LTD.

(Exact name of Company as specified in its charter)

Switzerland

(State or other jurisdiction
of incorporation or organization)

**Mühlentalstrasse 2
8200 Schaffhausen**

Switzerland

(Address of principal executive offices)

98-0229227

(I.R.S. Employer identification no.)

**N/A
(Zip Code)**

Company's telephone number, including area code: **+41 52 630 1600**

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [✓]
NO []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES [✓] NO []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [✓] Accelerated Filer [] Non-accelerated Filer [] (Do not check if a smaller reporting company) Smaller reporting company []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES [] NO [✓]

Number of shares outstanding of the registrant's common shares as of October 24, 2016
CHF 0.10 par value: 198,077,418 (including treasury shares)

Garmin Ltd.
Form 10-Q
Quarter Ended September 24, 2016

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Part I - Financial Information
Item I - Condensed Consolidated Financial Statements

Garmin Ltd. And Subsidiaries
Condensed Consolidated Balance Sheets
 (In thousands, except per share information)

	(Unaudited)	Sept 24, 2016	December 26, 2015
Assets			
Current assets:			
Cash and cash equivalents	\$912,559	\$833,070	
Marketable securities	201,560	215,161	
Accounts receivable, net	461,355	531,481	
Inventories, net	534,683	500,554	
Deferred costs	46,569	49,176	
Prepaid expenses and other current assets	90,733	81,645	
Total current assets	2,247,459	2,211,087	
Property and equipment, net	454,246	446,089	
Marketable securities	1,327,347	1,343,387	
Restricted cash	265	259	
Noncurrent deferred income tax	121,084	116,518	
Noncurrent deferred costs	51,395	38,769	
Intangible assets, net	301,983	245,552	
Other assets	88,127	97,730	
Total assets	\$4,591,906	\$4,499,391	
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$148,030	\$178,905	
Salaries and benefits payable	86,104	70,601	
Accrued warranty costs	38,872	30,449	
Accrued sales program costs	49,172	67,613	
Deferred revenue	146,384	164,982	
Accrued royalty costs	34,801	30,310	
Accrued advertising expense	22,775	33,547	
Other accrued expenses	81,313	74,926	
Income taxes payable	24,004	21,674	
Dividend payable	288,540	192,991	
Total current liabilities	919,995	865,998	
Deferred income taxes	56,463	56,210	
Non-current income taxes	117,276	101,689	
Non-current deferred revenue	134,236	128,731	
Other liabilities	1,707	1,637	
Stockholders' equity:			
Shares, CHF 0.10 par value, 198,077 shares authorized and issued; and 188,446 shares outstanding at September 24, 2016			
Shares, CHF 10.00 par value, 208,077 shares authorized and issued; and 189,722 shares outstanding at December 26, 2015	17,979	1,797,435	
Additional paid-in capital	1,862,801	62,239	
Treasury stock	(464,163)	(414,637)	
Retained earnings	1,919,846	1,930,517	
Accumulated other comprehensive income	25,766	(30,428)	
Total stockholders' equity	3,362,229	3,345,126	
Total liabilities and stockholders' equity	\$4,591,906	\$4,499,391	

See accompanying notes.

Garmin Ltd. And Subsidiaries
Condensed Consolidated Statements of Income (Unaudited)
(In thousands, except per share information)

	13-Weeks Ended		39-Weeks Ended	
	Sept 24, 2016	Sept 26, 2015	Sept 24, 2016	Sept 26, 2015
Net sales	\$722,250	\$679,690	\$2,157,898	\$2,038,913
Cost of goods sold	316,270	317,500	949,110	913,352
Gross profit	405,980	362,190	1,208,788	1,125,561
Advertising expense	32,956	36,887	109,441	110,352
Selling, general and administrative expense	96,959	94,057	296,246	290,359
Research and development expense	116,449	105,789	339,008	321,031
Total operating expense	246,364	236,733	744,695	721,742
Operating income	159,616	125,457	464,093	403,819
Other income (expense):				
Interest income	8,226	6,851	24,109	22,295
Foreign currency gains (losses)	(19,421)	30,573	(30,003)	(14,177)
Other income	1,344	2,010	2,914	2,707
Total other income (expense)	(9,851)	39,434	(2,980)	10,825
Income before income taxes	149,765	164,891	461,113	414,644
Income tax provision	24,711	45,592	86,904	90,800
Net income	\$125,054	\$119,299	\$374,209	\$323,844
Net income per share:				
Basic	\$0.66	\$0.63	\$1.98	\$1.69
Diluted	\$0.66	\$0.63	\$1.98	\$1.69
Weighted average common shares outstanding:				
Basic	188,692	190,342	189,027	191,068
Diluted	189,238	190,822	189,376	191,523
Dividends declared per share			\$2.04	\$2.04

See accompanying notes.

Garmin Ltd. And Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(In thousands)

	13-Weeks Ended		39-Weeks Ended	
	Sept 24, 2016	Sept 26, 2015	Sept 24, 2016	Sept 26, 2015
Net income	\$125,054	\$119,299	\$374,209	\$323,844
Foreign currency translation adjustment	29,598	(55,161)	41,760	(34,690)
Change in fair value of available-for-sale marketable securities, net of deferred taxes	(2,429)	7,937	14,434	8,970
Comprehensive income	\$152,223	\$72,075	\$430,403	\$298,124

Garmin Ltd. And Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

(In thousands)

	39-Weeks Ended	
	Sept 24, 2016	Sept 26, 2015
Operating activities:		
Net income	\$374,209	\$323,844
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	40,327	37,936
Amortization	22,215	20,447
Loss (gain) on sale or disposal of property and equipment	155	(190)
Provision for doubtful accounts	2,559	(1,781)
Deferred income taxes	(6,821)	5,796
Unrealized foreign currency loss	19,536	30,473
Provision for obsolete and slow moving inventories	20,943	9,925
Stock compensation expense	29,211	19,596
Realized gain on marketable securities	(1,068)	(76)
Changes in operating assets and liabilities:		
Accounts receivable	76,372	123,875
Inventories	(41,002)	(111,008)
Other current and non-current assets	3,400	(110,695)
Accounts payable	(40,694)	16,864
Other current and non-current liabilities	1,942	(44,636)
Deferred revenue	(13,660)	(49,790)
Deferred cost	(9,906)	7,080
Income taxes payable	14,648	(155,529)
Net cash provided by operating activities	<u>492,366</u>	<u>122,131</u>
Investing activities:		
Purchases of property and equipment	(42,157)	(53,297)
Proceeds from sale of property and equipment	15	670
Purchase of intangible assets	(4,706)	(2,817)
Purchase of marketable securities	(739,676)	(649,881)
Redemption of marketable securities	772,733	720,717
Change in restricted cash	(6)	48
Acquisitions, net of cash acquired	<u>(62,137)</u>	<u>(12,632)</u>
Net cash (used in) provided by investing activities	<u>(75,934)</u>	<u>2,808</u>
Financing activities:		
Dividends paid	(289,331)	(281,247)
Purchase of treasury stock under share repurchase plan	(65,221)	(108,057)
Purchase of treasury stock related to equity awards	(184)	(241)
Proceeds from issuance of treasury stock related to equity awards	10,210	8,554
Tax benefit from issuance of equity awards	<u>365</u>	<u>1,257</u>
Net cash used in financing activities	<u>(344,161)</u>	<u>(379,734)</u>
Effect of exchange rate changes on cash and cash equivalents	7,218	(26,566)
Net increase (decrease) in cash and cash equivalents	<u>79,489</u>	<u>(281,361)</u>
Cash and cash equivalents at beginning of period	<u>833,070</u>	<u>1,196,268</u>
Cash and cash equivalents at end of period	<u><u>\$912,559</u></u>	<u><u>\$914,907</u></u>

See accompanying notes.

Garmin Ltd. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

September 24, 2016
(In thousands, except per share information)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Additionally, the condensed consolidated financial statements should be read in conjunction with Item 2 of Management's Discussion and Analysis of Financial Condition and Results of Operations, included in this Form 10-Q. Operating results for the 13-week and 39-week periods ended September 24, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016.

The condensed consolidated balance sheet at December 26, 2015 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 26, 2015.

The Company's fiscal year is based on a 52-53 week period ending on the last Saturday of the calendar year. Therefore the financial results of certain 53-week fiscal years, and the associated 14-week quarters, will not be exactly comparable to the prior and subsequent 52-week fiscal years and the associated 13-week quarters. The quarters ended September 24, 2016 and September 26, 2015 both contain operating results for 13 weeks. The Company's fiscal quarter and year ending December 31, 2016 will contain operating results for 14 weeks and 53 weeks, respectively.

At the Company's Annual General Meeting on June 10, 2016, the Company's shareholders approved the cancellation of 10,000 registered shares of the Company held by the Company (the "Formation Shares") and the reduction in par value of each share of the Company from CHF 10 to CHF 0.10 and the amendment of the Company's Articles of Association to effect a corresponding share capital reduction. The Company completed the cancellation of the Formation Shares and the reduction in par value of each share and the corresponding reduction of the Company's issued share capital during the quarter ended September 24, 2016. The related reduction of share capital and corresponding increase to additional paid-in capital is reflected within the condensed consolidated balance sheet as of September 24, 2016.

2. Inventories

The components of inventories consist of the following:

	<u>September 24, 2016</u>	<u>December 26, 2015</u>
Raw materials	\$153,247	\$203,173
Work-in-process	74,563	69,690
Finished goods	353,071	273,762
Inventory reserves	<u>(46,198)</u>	<u>(46,071)</u>
Inventory, net of reserves	<u><u>\$534,683</u></u>	<u><u>\$500,554</u></u>

3. Earnings Per Share

The following table sets forth the computation of basic and diluted net income per share:

	<u>13-Weeks Ended</u>	
	<u>Sep 24, 2016</u>	<u>Sep 26, 2015</u>
Numerator:		
Numerator for basic and diluted net income per share - net income	<u><u>\$ 125,054</u></u>	<u><u>\$ 119,299</u></u>
Denominator:		
Denominator for basic net income per share – weighted-average common shares	188,692	190,342
Effect of dilutive securities – stock options, stock appreciation rights and restricted stock units	<u>546</u>	<u>480</u>
Denominator for diluted net income per share – adjusted weighted-average common shares	<u><u>189,238</u></u>	<u><u>190,822</u></u>
Basic net income per share	<u><u>\$ 0.66</u></u>	<u><u>\$ 0.63</u></u>
Diluted net income per share	<u><u>\$ 0.66</u></u>	<u><u>\$ 0.63</u></u>

	39-Weeks Ended	
	Sep 24, 2016	Sep 26, 2015
Numerator:		
Numerator for basic and diluted net income per share - net income	<u>\$ 374,209</u>	<u>\$ 323,844</u>
Denominator:		
Denominator for basic net income per share – weighted-average common shares	189,027	191,068
Effect of dilutive securities – stock options, stock appreciation rights and restricted stock units	<u>349</u>	<u>455</u>
Denominator for diluted net income per share – adjusted weighted-average common shares	<u>189,376</u>	<u>191,523</u>
Basic net income per share	<u>\$ 1.98</u>	<u>\$ 1.69</u>
Diluted net income per share	<u>\$ 1.98</u>	<u>\$ 1.69</u>

There were 3,170 and 4,075 anti-dilutive stock options, stock appreciation rights and restricted stock units (collectively “equity awards”) outstanding during the 13-week periods ended September 24, 2016 and September 26, 2015, respectively.

There were 3,696 and 4,108 anti-dilutive equity awards outstanding during the 39-week periods ended September 24, 2016 and September 26, 2015, respectively.

There were 26 and 5 shares issued as a result of exercises and releases of equity awards for the 13-week periods ended September 24, 2016 and September 26, 2015, respectively.

There were 39 and 133 shares issued as a result of exercises and releases of equity awards for the 39-week periods ended September 24, 2016 and September 26, 2015, respectively.

There were 285 employee stock purchase plan (ESPP) shares issued from outstanding Treasury stock during the 39-week period ended September 24, 2016.

There were 214 ESPP shares issued from outstanding Treasury stock during the 39-week period ended September 26, 2015.

4. Segment Information

The Company has identified five reportable segments – Auto, Aviation, Marine, Outdoor and Fitness. The Company’s Chief Operating Decision Maker (CODM) assesses segment performance and allocates resources to each segment individually.

Net sales, gross profit, and operating income for each of the Company’s reportable segments are presented below. In 2016 the Company moved action camera related revenue and expenses from the Outdoor segment to the Auto segment, allowing for alignment and synergies with other camera-based efforts occurring within the Auto segment. The overall impact of the move was immaterial. However, action camera related operating results for the 13-weeks and 39-weeks ended September 26, 2015 have been recast to conform to the current year presentation.

	Reportable Segments					
	<u>Outdoor</u>	<u>Fitness</u>	<u>Marine</u>	<u>Auto</u>	<u>Aviation</u>	<u>Total</u>
13-Weeks Ended September 24, 2016						
Net sales	\$141,006	\$189,161	\$70,010	\$214,637	\$107,436	\$722,250
Gross profit	\$88,497	\$103,363	\$39,891	\$93,638	\$80,591	\$405,980
Operating income	\$49,271	\$44,774	\$10,332	\$24,795	\$30,444	\$159,616
13-Weeks Ended September 26, 2015						
Net sales	\$109,863	\$143,216	\$62,315	\$270,064	\$94,232	\$679,690
Gross profit	\$66,442	\$77,261	\$34,115	\$114,331	\$70,041	\$362,190
Operating income	\$37,409	\$26,577	\$5,737	\$32,012	\$23,722	\$125,457
39-Weeks Ended September 24, 2016						
Net sales	\$370,929	\$544,434	\$264,489	\$655,963	\$322,083	\$2,157,898
Gross profit	\$232,652	\$295,463	\$148,554	\$292,770	\$239,349	\$1,208,788
Operating income	\$125,721	\$114,422	\$49,172	\$82,984	\$91,794	\$464,093
39-Weeks Ended September 26, 2015						
Net sales	\$291,299	\$432,859	\$230,325	\$789,870	\$294,560	\$2,038,913
Gross profit	\$181,525	\$248,795	\$128,204	\$351,223	\$215,814	\$1,125,561
Operating income	\$98,135	\$94,286	\$34,204	\$99,887	\$77,307	\$403,819

Allocation of certain research and development expenses, and selling, general, and administrative expenses are made to each segment on a percent of revenue basis.

Net sales and property and equipment, net by geographic area are as follows as of and for the 39-week periods ended September 24, 2016 and September 26, 2015. Note that APAC includes Asia Pacific and Australian Continent and EMEA includes Europe, the Middle East and Africa:

	Americas	APAC	EMEA	Total
September 24, 2016				
Net sales to external customers	\$1,073,610	\$274,083	\$810,205	\$2,157,898
Property and equipment, net	\$297,747	\$117,301	\$39,198	\$454,246
September 26, 2015				
Net sales to external customers	\$1,057,359	\$237,202	\$744,352	\$2,038,913
Property and equipment, net	\$282,930	\$108,650	\$47,514	\$439,094

5. Warranty Reserves

The Company's products sold are generally covered by a warranty for periods ranging from one to two years. The Company's estimate of costs to service its warranty obligations are based on historical experience and expectation of future conditions and are recorded as a liability on the balance sheet. The following reconciliation provides an illustration of changes in the aggregate warranty reserve.

	13-Weeks Ended	
	September 24, 2016	September 26, 2015
Balance - beginning of period	\$34,670	\$26,101
Accrual for products sold during the period	15,859	8,075
Expenditures	(11,657)	(9,527)
Balance - end of period	<u>\$38,872</u>	<u>\$24,649</u>

	39-Weeks Ended	
	September 24, 2016	September 26, 2015
Balance - beginning of period	\$30,449	\$27,609
Accrual for products sold during the period	46,170	25,165
Expenditures	(37,747)	(28,125)
Balance - end of period	<u>\$38,872</u>	<u>\$24,649</u>

6. Commitments and Contingencies

The Company is party to certain commitments, which include purchases of raw materials, advertising expenditures, investments in certain low income housing tax credit projects, and other indirect purchases in connection with conducting our business. The aggregate amount of purchase orders and other commitments open as of September 24, 2016 was approximately \$277,041. We cannot determine the aggregate amount of such purchase orders that represent contractual obligations because purchase orders may represent authorizations to purchase rather than binding agreements. Our purchase orders are based on our current needs and are typically fulfilled within short periods of time.

In the normal course of business, the Company and its subsidiaries are parties to various legal claims, investigations and complaints, including matters alleging patent infringement and other intellectual property claims. The Company evaluates, on a quarterly basis, developments in legal proceedings, investigations or claims that could affect the amount of any accrual or disclosure. The assessment regarding whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events.

Management of the Company currently does not believe there is at least a reasonable possibility the Company may have incurred a material loss, or a material loss in excess of recorded accruals, with respect to loss contingencies individually and in the aggregate, for the fiscal quarter ended September 24, 2016. The results of legal proceedings, investigations and claims, however, cannot be predicted with certainty. Although management considers the likelihood to be remote, an adverse resolution of one or more of such matters in excess of management's expectations could have a material adverse effect on the Company's results of operations in a particular quarter or fiscal year.

The Company settled or resolved certain matters during the fiscal quarter ended September 24, 2016 that did not individually or in the aggregate have a material impact on the Company's financial condition or results of operations.

7. Income Taxes

The Company's income tax expense decreased from \$45,592 to \$24,711 for the 13-week period ended September 24, 2016, compared to the 13-week period ended September 26, 2015. The effective tax rate decreased to 16.5% in the third quarter of 2016, compared to 27.6% in the third quarter of 2015 primarily due to shifts in the projected income mix by jurisdiction during the third quarter of 2016 compared to the third quarter of 2015. The decrease in the effective tax rate was also a result of the permanent extension of the U.S. research and development tax credit legislation, which had not yet been extended in the third quarter of 2015.

The Company's income tax expense decreased from \$90,800 to \$86,904 for the first three quarters of 2016, compared to the first three quarters of 2015. The effective tax rate decreased to 18.8% for the first three quarters of 2016, compared to 21.9% in the first three quarters of 2015 primarily due to shifts in the projected income mix by jurisdiction for 2016 compared to the projection at third quarter of 2015. The decrease in the effective tax rate was also a result of the permanent extension of the U.S. research and development tax credit legislation, which had not yet been extended in the third quarter of 2015.

8. Marketable Securities

The Financial Accounting Standards Board ("FASB") ASC topic entitled *Fair Value Measurements and Disclosures* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The accounting guidance classifies the inputs used to measure fair value into the following hierarchy:

Level 1	Unadjusted quoted prices in active markets for the identical asset or liability
Level 2	Observable inputs for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation is based on prices obtained from an independent pricing vendor using both market and income approaches. The primary inputs to the valuation include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, and credit spreads.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Available-for-sale securities measured at estimated fair value on a recurring basis are summarized below:

	Fair Value Measurements as of September 24, 2016				
	Total	Level 1	Level 2	Level 3	
U.S. Treasury securities	\$ 28,884	\$ -	\$ 28,884	\$ -	
Agency securities	69,674	-	69,674	-	
Mortgage-backed securities	255,568	-	255,568	-	
Corporate securities	908,400	-	908,400	-	
Municipal securities	189,067	-	189,067	-	
Other	77,314	-	77,314	-	
Total	\$ 1,528,907	\$ -	\$ 1,528,907	\$ -	

	Fair Value Measurements as of December 26, 2015				
	Total	Level 1	Level 2	Level 3	
U.S. Treasury securities	\$ 27,731	\$ -	\$ 27,731	\$ -	
Agency securities	208,631	-	208,631	-	
Mortgage-backed securities	370,232	-	370,232	-	
Corporate securities	648,590	-	648,590	-	
Municipal securities	223,562	-	223,562	-	
Other	79,802	-	79,802	-	
Total	\$ 1,558,548	\$ -	\$ 1,558,548	\$ -	

Marketable securities classified as available-for-sale securities are summarized below:

	Available-For-Sale Securities as of September 24, 2016				
	Amortized Cost	Gross Unrealized		Gross Unrealized Losses- OTTI ⁽¹⁾	Gross Unrealized Losses- Other ⁽²⁾
		Gains	Losses		
U.S. Treasury securities	\$ 28,818	\$ 109	\$ -	\$ (43)	\$ 28,884
Agency securities	69,603	139	(0)	(68)	69,674
Mortgage-backed securities	256,470	683	(429)	(1,156)	255,568
Corporate securities	909,648	3,403	(685)	(3,966)	908,400
Municipal securities	188,475	1,148	(2)	(554)	189,067
Other	77,295	32	(6)	(7)	77,314
Total	\$ 1,530,309	\$ 5,514	\$ (1,122)	\$ (5,794)	\$ 1,528,907

	Available-For-Sale Securities as of December 26, 2015				
	Amortized Cost	Gross Unrealized		Gross Unrealized Losses- OTTI ⁽¹⁾	Gross Unrealized Losses- Other ⁽²⁾
		Gains	Losses		
U.S. Treasury securities	\$ 27,772	\$ 27	\$ -	\$ (68)	\$ 27,731
Agency securities	211,248	105	(2,409)	(313)	208,631
Mortgage-backed securities	376,801	191	(1,210)	(5,550)	370,232
Corporate securities	656,447	179	(1,635)	(6,401)	648,590
Municipal securities	223,991	636	(9)	(1,056)	223,562
Other	79,853	4	(14)	(41)	79,802
Total	\$ 1,576,112	\$ 1,142	\$ (5,277)	\$ (13,429)	\$ 1,558,548

(1) Represents impairment not related to credit for those investment securities that have been determined to be other-than-temporarily impaired.
(2) Represents unrealized losses on investment securities that have not been determined to be other-than-temporarily impaired.

The Company's investment policy requires investments to be rated A or better with the objective of minimizing the potential risk of principal loss. The fair value of the securities varies from period to period due to changes in interest rates, in the performance of the underlying collateral and in the credit performance of the underlying issuer, among other factors. The Company does not intend to sell the securities that have a material unrealized loss shown in the table above and it is not more likely than not that the Company will be required to sell the investment before recovery of their amortized costs bases, which may be maturity.

The Company recognizes the credit component of other-than-temporary impairments of debt securities in "Other Income" and the noncredit component in "Other comprehensive income (loss)" for those securities that we do not intend to sell and for which it is not more likely than not that we will be required to sell before recovery.

During 2015 and the 39-week period ending September 24, 2016, the Company did not record any material impairment charges on its outstanding securities.

The amortized cost and estimated fair value of the securities at an unrealized loss position at September 24, 2016 were \$692,047 and \$685,131 respectively. Approximately 34.7% of securities in our portfolio were at an unrealized loss position at September 24, 2016. We have the ability to hold these securities until maturity or their value is recovered. We do not consider these unrealized losses to be other than temporary credit losses because there has been no material deterioration in credit quality and no change in the cash flows of the underlying securities. We do not intend to sell the securities and it is not more likely than not that we will be required to sell the securities; therefore, no material impairment has been recorded in the accompanying condensed consolidated statement of income.

The cost of securities sold is based on the specific identification method.

The following tables display additional information regarding gross unrealized losses and fair value by major security type for available-for-sale securities in an unrealized loss position as of September 24, 2016 and December 26, 2015:

	As of September 24, 2016			
	Less than 12 Consecutive Months		12 Consecutive Months or Longer	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	\$ (43)	\$ 11,468	\$ -	\$ -
Agency securities	(68)	28,531	-	-
Mortgage-backed securities	(649)	96,968	(936)	63,416
Corporate securities	(3,210)	361,653	(1,441)	44,097
Municipal securities	(513)	61,278	(43)	5,752
Other	(1)	2,187	(12)	9,781
Total	\$ (4,484)	\$ 562,085	\$ (2,432)	\$ 123,046

	As of December 26, 2015			
	Less than 12 Consecutive Months		12 Consecutive Months or Longer	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	\$ (68)	\$ 22,184	\$ -	\$ -
Agency securities	(691)	117,803	(2,031)	69,418
Mortgage-backed securities	(4,571)	263,735	(2,189)	83,722
Corporate securities	(6,719)	521,731	(1,317)	50,374
Municipal securities	(1,035)	116,033	(30)	6,557
Other	(29)	14,666	(26)	14,927
Total	\$ (13,113)	\$ 1,056,152	\$ (5,593)	\$ 224,998

The amortized cost and estimated fair value of marketable securities at September 24, 2016, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

	Cost	Estimated Fair Value
Due in one year or less	\$ 201,478	\$ 201,560
Due after one year through five years	1,082,666	1,084,064
Due after five years through ten years	234,596	231,764
Due after ten years	11,569	11,519
	\$ 1,530,309	\$ 1,528,907

9. Share Repurchase Plan

On February 13, 2015, the Board of Directors approved a share repurchase program authorizing the Company to repurchase up to \$300,000 of the common shares of Garmin Ltd. The repurchases may be made from time to time as market and business conditions warrant on the open market or in negotiated transactions in compliance with the SEC's Rule 10b-18. The timing and amounts of any repurchases will be determined by the Company's management depending on market conditions and other factors including price, regulatory requirements and capital availability. The program does not require the purchase of any minimum number of shares and may be suspended or discontinued at any time. The share repurchase authorization expires on December 31, 2016. As of September 24, 2016, the Company had repurchased 4,729 shares using cash of \$196,633. There remains approximately \$103,367 available to repurchase additional shares under this authorization.

10. Accumulated Other Comprehensive Income

The following provides required disclosure of changes in accumulated other comprehensive income (AOCI) balances by component for the 13-week and 39-week periods ended September 24, 2016:

	13-Weeks Ended September 24, 2016				
	Foreign Currency Translation Adjustment	Gross unrealized losses on available- for-sale securities- OTTI⁽³⁾	Net unrealized gains (losses) on available- for-sale securities- Other⁽⁴⁾	Total	
Balance - beginning of period	\$ (1,945)	\$ (1,166)	\$ 1,708	\$ (1,403)	
Other comprehensive income before reclassification		29,598	44	(1,626)	28,016
Amounts reclassified from accumulated other comprehensive income		-	-	(847)	(847)
Net current-period other comprehensive income		29,598	44	(2,473)	27,169
Balance - end of period	\$ 27,653	\$ (1,122)	\$ (765)	\$ 25,766	

39-Weeks Ended September 26, 2016

	Foreign Currency Translation Adjustment	Gross unrealized losses on available- for-sale securities- OTTI⁽³⁾	Net unrealized gains (losses) on available- for-sale securities- Other⁽⁴⁾	Total
Balance - beginning of period	\$ (14,107)	\$ (5,277)	\$ (11,044)	\$ (30,428)
Other comprehensive income before reclassification	41,760	4,155	11,622	57,537
Amounts reclassified from accumulated other comprehensive income	-	-	(1,343)	(1,343)
Net current-period other comprehensive income	<u>41,760</u>	<u>4,155</u>	<u>10,279</u>	<u>56,194</u>
Balance - end of period	<u><u>\$ 27,653</u></u>	<u><u>\$ (1,122)</u></u>	<u><u>\$ (765)</u></u>	<u><u>25,766</u></u>

(3) Represents the change in impairment, not related to credit, for those investment securities that have been determined to be other-than-temporarily impaired.

(4) Represents the change in unrealized gains (losses) on investment securities that have not been determined to be other-than-temporarily impaired.

The following provides required disclosure of reporting reclassifications out of AOCI for the 13-week and 39-week periods ended September 24, 2016:

13-Weeks Ended September 24, 2016

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Statement Where Net Income is Presented
Unrealized gains (losses) on available-for- sale securities	\$ 880	Other income (expense)
	<u>(33)</u>	Income tax (provision) benefit
	<u><u>\$ 847</u></u>	Net of tax

39-Weeks Ended September 24, 2016

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Statement Where Net Income is Presented
Unrealized gains (losses) on available-for- sale securities	\$ 1,068	Other income (expense)
	<u>275</u>	Income tax (provision) benefit
	<u><u>\$ 1,343</u></u>	Net of tax

11. Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”), which supersedes previous revenue recognition guidance. ASU 2014-

09 requires that a company will recognize revenue at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to a customer. The new standard may be applied retrospectively to each prior period presented or in a modified retrospective approach in which the cumulative effect will be recognized as of the date of adoption. Additional updates to Topic 606 issued by the FASB in 2015 and 2016 include the following:

- ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date (“ASU 2015-14”), which defers the effective date of the new guidance such that the new provisions will now be required for fiscal years, and interim periods within those years, beginning after December 15, 2017
- ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (“ASU 2016-08”), which clarifies the implementation guidance on principal versus agent considerations (reporting revenue gross versus net).
- ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing (“ASU 2016-10”), which clarifies the implementation guidance on identifying performance obligations and classifying licensing arrangements
- ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients (“ASU 2016-12”), which clarifies the implementation guidance in a number of other areas.

The Company is currently evaluating the impact of adopting the new revenue standards on its consolidated financial statements.

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (“ASU 2016-01”). The standard addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently evaluating the impact of adopting the new standard on its consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842) (“ASU 2016-02”), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. ASU 2016-02 requires lessees to present a right-of-use asset and a corresponding lease liability on the balance sheet. Lessor accounting is substantially unchanged compared to the current accounting guidance. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the impact of adopting the new standard on its consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting (“ASU 2016-09”), which is intended to simplify the accounting for share-based payment awards. The standard includes provisions addressing income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. The Company does not intend to early adopt ASU 2016-09, rather, adoption will occur in the fiscal year ending December 30, 2017. ASU 2016-09 requires that tax effects from stock-based compensation be recognized in the income tax provision, as these amounts are currently recognized in additional paid-in capital. The Company believes this aspect of the standard may have a material effect on the income tax provision within the consolidated statements of income in future periods. Furthermore, under ASU 2016-09, excess income tax benefits from stock-based compensation arrangements are classified as a cash flow from operations, rather than as a cash flow from financing activities. The Company will apply both changes prospectively. The Company is currently unable to reasonably estimate the impact of these changes due to the dependency of these items on the underlying share price of the Company.

In August 2016, the FASB issued Accounting Standards Update No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (“ASU 2016-15”), which adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows. The standard addresses eight

specific cash flow issues with the objective of reducing diversity in practice. ASU 2016-15 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. Early adoption is permitted. The Company is currently evaluating the impact of adopting the new standard on its consolidated financial statements.

12. Subsequent Events

On September 30, 2016, the Company acquired the shares of liyonet, Inc., a key distributor of Garmin's consumer products in Japan. This acquisition was not material.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion set forth below, as well as other portions of this Quarterly Report, contains statements concerning potential future events. Such forward-looking statements are based upon assumptions by management, as of the date of this Quarterly Report, including assumptions about risks and uncertainties faced by the Company. Readers can identify these forward-looking statements by their use of such verbs as expects, anticipates, believes or similar verbs or conjugations of such verbs. If any of the Company's assumptions prove incorrect or should unanticipated circumstances arise, actual results could materially differ from those anticipated by such forward-looking statements. The differences could be caused by a number of factors or combination of factors including, but not limited to, those factors identified in the Company's Annual Report on Form 10-K for the year ended December 26, 2015. This report has been filed with the Securities and Exchange Commission (the "SEC" or the "Commission") in Washington, D.C. and can be obtained by contacting the SEC's public reference operations or obtaining it through the SEC's website at <http://www.sec.gov>. Readers are strongly encouraged to consider those factors when evaluating any forward-looking statement concerning the Company. The Company will not update any forward-looking statements in this Quarterly Report to reflect future events or developments.

The information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Condensed Consolidated Financial Statements and Notes thereto included in this Form 10-Q and the audited financial statements and notes thereto in the Company's Annual Report on Form 10-K for the year ended December 26, 2015.

The Company is a leading worldwide provider of navigation, communications and information devices, most of which are enabled by Global Positioning System, or GPS, technology. We operate in five business segments, the outdoor, fitness, marine, auto and aviation markets. The Company's segments offer products through its network of independent dealers and distributors. However, the nature of products and types of customers for the five segments may vary significantly. As such, the segments are managed separately.

Results of Operations

The following table sets forth the Company's results of operations as a percentage of net sales during the periods shown (the table may not foot due to rounding):

	13-Weeks Ended	
	September 24, 2016	September 26, 2015
Net sales	100%	100%
Cost of goods sold	44%	47%
Gross profit	56%	53%
Advertising	5%	5%
Selling, general and administrative	13%	14%
Research and development	16%	16%
Total operating expenses	34%	35%
Operating income	22%	18%
Other income (expense), net	(1%)	6%
Income before income taxes	21%	24%
Provision for income taxes	3%	7%
Net income	17%	18%

	39-Weeks Ended	
	September 24, 2016	September 26, 2015
Net sales	100%	100%
Cost of goods sold	44%	45%
Gross profit	56%	55%
Advertising	5%	5%
Selling, general and administrative	14%	14%
Research and development	16%	16%
Total operating expenses	35%	35%
Operating income	22%	20%
Other income (expense), net	0%	1%
Income before income taxes	21%	20%
Provision for income taxes	4%	4%
Net income	17%	16%

The Company manages its operations in five segments: outdoor, fitness, marine, auto, and aviation, and each of its segments employs the same accounting policies. Allocation of certain research and development expenses, and selling, general, and administrative expenses are made to each segment on a percent of revenue basis. The segment table located in Note 4 sets forth the Company's results of operations (in thousands) including net sales, gross profit, and operating income for each of the Company's five segments during the periods shown. For each line item in the table, the total of the outdoor, fitness, marine, auto, and aviation segments' amounts equals the amount in the condensed consolidated statements of income included in Item 1.

In 2016 the Company moved action camera related revenue and expenses from the Outdoor segment to the Auto segment, allowing for alignment and synergies with other camera-based efforts occurring within the Auto segment. The overall impact of the move was immaterial. However, action camera related operating results for the 13-weeks and 39-weeks ended September 26, 2015 have been recast to conform to the current year presentation.

Comparison of 13-weeks ended September 24, 2016 and September 26, 2015
(Amounts included in the following discussion are stated in thousands unless otherwise indicated)

Net Sales

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Net Sales	% of Revenues	Net Sales	% of Revenues	\$ Change	% Change
Outdoor	\$141,006	19%	\$109,863	16%	\$31,143	28%
Fitness	189,161	26%	143,216	21%	45,945	32%
Marine	70,010	10%	62,315	9%	7,695	12%
Auto	214,637	30%	270,064	40%	(55,427)	-21%
Aviation	107,436	15%	94,232	14%	13,204	14%
Total	\$722,250	100%	\$679,690	100%	\$42,560	6%

Net sales increased 6% for the 13-week period ended September 24, 2016 when compared to the year-ago quarter. All segments, excluding Auto grew in the quarter. Auto revenue remains the largest portion of our revenue mix at 30% in the third quarter of 2016 compared to 40% in the third quarter of 2015.

Total unit sales decreased slightly to 3,848 in the third quarter of 2016 from 3,861 in the same period of 2015.

Auto segment revenue decreased 21% from the year-ago quarter, primarily due to the ongoing PND market contraction and additional revenue deferrals with certain OEM products when compared to third quarter 2015. Revenues in our fitness segment increased 32% from the year-ago quarter on the strength of activity trackers, running, and cycling products. Revenues in our outdoor segment increased 28% from the year-ago quarter primarily driven by growth in our wearable category and the newly acquired DeLorme product lines. Revenues in our marine segment increased 12% from the year-ago quarter primarily due to increases in chartplotters, fish finders, and entertainment systems. Aviation revenues increased 14% from the year-ago quarter due to growth in both OEM and Aftermarket sales.

Cost of Goods Sold

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Cost of Goods	% of Revenues	Cost of Goods	% of Revenues	\$ Change	% Change
Outdoor	\$52,509	37%	\$43,421	40%	\$9,088	21%
Fitness	85,798	45%	65,955	46%	19,843	30%
Marine	30,119	43%	28,200	45%	1,919	7%
Auto	120,999	56%	155,733	58%	(34,734)	-22%
Aviation	26,845	25%	24,191	26%	2,654	11%
Total	\$316,270	44%	\$317,500	47%	(\$1,230)	0%

Cost of goods sold decreased 290 basis points as a percentage of revenue from the year-ago quarter with decreases across all segments. In absolute dollars third quarter 2016 cost of goods sold was \$1.2 million lower than the prior year quarter, or relatively flat on a percentage change basis.

In the auto segment, the decrease of 22% in cost of goods sold reflects lower PND shipments. In the outdoor and fitness segments, the increases of 21% and 30% in cost of goods sold, respectively, primarily reflect strong volume growth. In the marine and aviation segments, the increases of 7% and 11% in cost of goods sold, respectively, reflect volume growth.

Gross Profit

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Gross Profit	% of Revenues	Gross Profit	% of Revenues	\$ Change	% Change
Outdoor	\$88,497	63%	\$66,442	60%	\$22,055	33%
Fitness	103,363	55%	77,261	54%	26,102	34%
Marine	39,891	57%	34,115	55%	5,776	17%
Auto	93,638	44%	114,331	42%	(20,693)	-18%
Aviation	80,591	75%	70,041	74%	10,550	15%
Total	\$405,980	56%	\$362,190	53%	\$43,790	12%

Gross profit dollars in the third quarter of 2016 increased 12% while gross profit margin increased 290 basis points compared to the third quarter of 2015. All segments had increases in gross margin rate.

Advertising Expense

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Advertising Expense	% of Revenues	Advertising Expense	% of Revenues	Year over Year	
					\$ Change	% Change
Outdoor	\$6,459	5%	\$5,704	5%	\$755	13%
Fitness	14,616	8%	16,394	11%	(1,778)	-11%
Marine	2,941	4%	3,220	5%	(279)	-9%
Auto	6,992	3%	10,229	4%	(3,237)	-32%
Aviation	1,948	2%	1,340	1%	608	45%
Total	\$32,956	5%	\$36,887	5%	(\$3,931)	-11%

Advertising expense decreased 11% in absolute dollars and was relatively flat as a percent of revenues. The decrease in absolute dollars was primarily in auto.

Selling, General and Administrative Expense

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Selling, General & Admin. Expenses	% of Revenues	Selling, General & Admin. Expenses	% of Revenues	Year over Year	
					\$ Change	% Change
Outdoor	\$20,074	14%	\$14,099	13%	\$5,975	42%
Fitness	27,294	14%	21,458	15%	5,836	27%
Marine	13,041	19%	12,119	19%	922	8%
Auto	30,875	14%	40,030	15%	(9,155)	-23%
Aviation	5,675	5%	6,351	7%	(676)	-11%
Total	\$96,959	13%	\$94,057	14%	\$2,902	3%

Selling, general and administrative expense increased 3% in absolute dollars and decreased 40 basis points as a percent of revenues compared to the year-ago quarter. The absolute dollar increase is primarily due to increased bad debt expense and IT related costs. Variances by segment are primarily due to the allocation of certain selling, general and administrative expenses based on percentage of total revenues.

Research and Development Expense

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Research & Development	% of Revenues	Research & Development	% of Revenues	Year over Year	
					\$ Change	% Change
Outdoor	\$12,693	9%	\$9,230	8%	\$3,463	38%
Fitness	16,679	9%	12,832	9%	3,847	30%
Marine	13,577	19%	13,039	21%	538	4%
Auto	30,976	14%	32,060	12%	(1,084)	-3%
Aviation	42,524	40%	38,628	41%	3,896	10%
Total	\$116,449	16%	\$105,789	16%	\$10,660	10%

Research and development expense increased 10% due to ongoing development activities for new products. In absolute dollars, research and development costs increased \$10.7 million when compared with the year-ago quarter and were stable as a percent of revenue. Our research and development spending is focused on product development, improving existing software capabilities, and exploring new categories.

Operating Income

	13-weeks ended September 24, 2016		13-weeks ended September 26, 2015		Year over Year	
	Operating Income	% of Revenues	Operating Income	% of Revenues	\$ Change	% Change
Outdoor	\$49,271	35%	\$37,409	34%	\$11,862	32%
Fitness	44,774	24%	26,577	19%	18,197	68%
Marine	10,332	15%	5,737	9%	4,595	80%
Auto	24,795	12%	32,012	12%	(7,217)	-23%
Aviation	30,444	28%	23,722	25%	6,722	28%
Total	\$159,616	22%	\$125,457	18%	\$34,159	27%

Operating income increased 27% in absolute dollars and 360 basis points as a percent of revenue when compared to the third quarter of 2015. The increase in operating income is due to revenue growth and an improved gross margin percentage partially offset by an increase in operating expense.

Other Income (Expense)

	13-weeks ended September 24, 2016	13-weeks ended September 26, 2015
Interest income	\$8,226	\$6,851
Foreign currency gains (losses)	(19,421)	30,573
Other	1,344	2,010
Total	(\$9,851)	\$39,434

The average return on cash and investments during the third quarter of 2016 was 1.5% compared to 1.1% during the same quarter of 2015. Higher interest income in the third quarter of 2016, as compared to the same period of 2015, is attributable to an increased rate of return on investments.

Foreign currency gains and losses of the Company are typically driven by movements in the Taiwan Dollar and the Euro in relation to the U.S. Dollar. The Taiwan Dollar is the functional currency of Garmin Corporation. The U.S. Dollar is the functional currency of Garmin (Europe) Ltd. The Euro is the functional currency of most other European subsidiaries. The majority of the Company's consolidated foreign currency gains or losses results from the exchange rate impact on the significant cash, receivables, and payables held in a currency other than the functional currency at one of the Company's subsidiaries. Currency fluctuations related to currencies other than the Taiwan Dollar and the Euro are not expected to have a material impact on the Company's financial statements.

The \$19.4 million currency loss in the third quarter of 2016 was primarily due to the weakening of the U.S. Dollar against the Taiwan Dollar. During the third quarter of 2016, the U.S. Dollar weakened 3.5% against the Taiwan Dollar, resulting in a loss of \$20.9 million, while the U.S. Dollar weakened 1.0% against the Euro, resulting in a gain of \$2.6 million. The remaining net currency loss of \$1.1 million is related to other currencies and timing of transactions.

The \$30.6 million currency gain in the third quarter 2015 was due to the U.S. Dollar strengthening against the Taiwan Dollar while the U.S. Dollar weakened slightly against the Euro. During the third quarter of 2015, the U.S. Dollar strengthened 6.5% compared to the Taiwan Dollar resulting in a gain of \$41.1 million while the U.S. Dollar weakened 0.1% against the Euro resulting in a gain of \$0.3 million. The remaining net currency loss of \$10.8 million is related to other currencies and timing of transactions.

Income Tax Provision

The Company's income tax expense decreased from \$45.6 million to \$24.7 million for the 13-week period ended September 24, 2016, compared to the 13-week period ended September 26, 2015. The effective tax rate decreased to 16.5% in the third quarter of 2016, compared to 27.6% in the third quarter of 2015 primarily due to shifts in the projected income mix by jurisdiction during the third quarter of 2016 compared to the third quarter of 2015. The decrease in the effective tax rate was also a result of the permanent extension of the U.S. research and development tax credit legislation, which had not yet been extended in the third quarter of 2015.

Net Income

As a result of the above, net income for the 13-weeks ended September 24, 2016 was \$125.1 million compared to \$119.3 million for the 13-week period ended September 26, 2015, an increase of \$5.8 million.

Comparison of 39-Weeks Ended September 24, 2016 and September 26, 2015

(Amounts included in the following discussion are stated in thousands unless otherwise indicated)

Net Sales

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Net Sales	% of Revenues	Net Sales	% of Revenues	\$ Change	% Change
Outdoor	\$370,929	17%	\$291,299	14%	\$79,630	27%
Fitness	544,434	26%	432,859	21%	111,575	26%
Marine	264,489	12%	230,325	11%	34,164	15%
Auto	655,963	30%	789,870	39%	(133,907)	-17%
Aviation	322,083	15%	294,560	15%	27,523	9%
Total	\$2,157,898	100%	\$2,038,913	100%	\$118,985	6%

Net sales increased 6% for the 39-week period ended September 24, 2016 when compared to the prior year period. All segments had an increase in revenue except for auto. Auto revenue remains the largest portion of our revenue mix at 30% in the first three quarters of 2016 compared to 39% in the first three quarters of 2015.

Total unit sales increased 3% to 11,374 in the first three quarters of 2016 from 11,055 in the same period of 2015.

Auto segment revenue decreased 17% from the year-ago period, primarily due to the ongoing PND market contraction and additional revenue deferrals with certain OEM products when compared to first three quarters of 2015. Outdoor revenue increased 27% primarily driven by growth in our wearables and the newly acquired DeLorme product lines. Fitness revenues increased 26% due to growth of our activity tracker, running, and cycling categories. Revenues in our marine segment increased 15% primarily due to increases in chartplotters, fish finders, and entertainment systems compared to the first three quarters of 2015. Aviation revenues increased 9% from the year-ago period due to growth in both OEM and Aftermarket sales.

Cost of Goods Sold

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Cost of Goods	% of Revenues	Cost of Goods	% of Revenues	\$ Change	% Change
Outdoor	\$138,277	37%	\$109,774	38%	\$28,503	26%
Fitness	248,971	46%	\$184,064	43%	64,907	35%
Marine	115,935	44%	\$102,121	44%	13,814	14%
Auto	363,193	55%	\$438,647	56%	(75,454)	-17%
Aviation	82,734	26%	\$78,746	27%	3,988	5%
Total	\$949,110	44%	\$913,352	45%	\$35,758	4%

Cost of goods sold increased 4% in absolute dollars for the first three quarters of 2016 when compared to the year ago period.

In the auto segment, the cost of goods decline reflects lower PND shipments. In the outdoor and fitness segments, the increases of 26% and 35% in cost of goods sold, respectively, primarily reflect strong volume growth. In the marine and aviation segments, the increases of 14% and 5% in cost of goods sold, respectively, reflect volume growth.

Gross Profit

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Gross Profit	% of Revenues	Gross Profit	% of Revenues	\$ Change	% Change
Outdoor	\$232,652	63%	\$181,525	62%	\$51,127	28%
Fitness	295,463	54%	248,795	57%	46,668	19%
Marine	148,554	56%	128,204	56%	20,350	16%
Auto	292,770	45%	351,223	44%	(58,453)	-17%
Aviation	239,349	74%	215,814	73%	23,535	11%
Total	\$1,208,788	56%	\$1,125,561	55%	\$83,227	7%

Gross profit dollars in the first three quarters of 2016 increased 7% while gross profit margin increased 80 basis points compared to the first three quarters of 2015. Fitness margin declined to 54% due to product mix. All other segment gross margin rates are relatively consistent between the first three quarters of 2016 compared to the first three quarters of 2015.

Advertising Expense

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Advertising Expense	% of Revenues	Advertising Expense	% of Revenues	\$ Change	% Change
Outdoor	\$18,319	5%	\$16,059	6%	\$2,260	14%
Fitness	51,844	10%	47,519	11%	4,325	9%
Marine	12,267	5%	13,020	6%	(753)	-6%
Auto	21,790	3%	29,260	4%	(7,470)	-26%
Aviation	5,221	2%	4,494	2%	727	16%
Total	\$109,441	5%	\$110,352	5%	(\$911)	-1%

Advertising expense decreased 1% in absolute dollars and was relatively flat as a percent of revenue compared to the year-ago period. The decrease in absolute dollars is primarily attributable to auto partially offset by fitness and outdoor.

Selling, General and Administrative Expenses

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Selling, General & Admin. Expenses	% of Revenues	Selling, General & Admin. Expenses	% of Revenues	\$ Change	% Change
Outdoor	\$54,321	15%	\$39,880	14%	\$14,441	36%
Fitness	82,104	15%	68,661	16%	13,443	20%
Marine	46,579	18%	41,396	18%	5,183	13%
Auto	94,665	14%	121,752	15%	(27,087)	-22%
Aviation	18,577	6%	18,670	6%	(93)	0%
Total	\$296,246	14%	\$290,359	14%	\$5,887	2%

Selling, general and administrative expense increased 2% in absolute dollars and decreased 50 basis points as a percent of revenues compared to the year-ago period. The absolute dollar increase is primarily due to increased bad debt expense and IT related costs. Variances by segment are primarily due to the allocation of certain selling, general and administrative expenses based on percentage of total revenues.

Research and Development Expense

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Research & Development	% of Revenues	Research & Development	% of Revenues	\$ Change	% Change
Outdoor	\$34,291	9%	\$27,451	9%	\$6,840	25%
Fitness	47,093	9%	38,329	9%	8,764	23%
Marine	40,536	15%	39,584	17%	952	2%
Auto	93,331	14%	100,324	13%	(6,993)	-7%
Aviation	123,757	38%	115,343	39%	8,414	7%
Total	\$339,008	16%	\$321,031	16%	\$17,977	6%

Research and development expense increased 6% due to ongoing development activities for new products. In absolute dollars, research and development costs increased \$18.0 million when compared with the year-ago period and remained relatively flat as a percent of revenues compared to the year-ago period. Our research and development spending is focused on product development, improving existing software capabilities, and exploring new categories.

Operating Income

	39-weeks ended September 24, 2016		39-weeks ended September 26, 2015		Year over Year	
	Operating Income	% of Revenues	Operating Income	% of Revenues	\$ Change	% Change
Outdoor	\$125,721	34%	\$98,135	34%	\$27,586	28%
Fitness	114,422	21%	94,286	22%	20,136	21%
Marine	49,172	19%	34,204	15%	14,968	44%
Auto	82,984	13%	99,887	13%	(16,903)	-17%
Aviation	91,794	29%	77,307	26%	14,487	19%
Total	\$464,093	22%	\$403,819	20%	\$60,274	15%

Operating income increased 15% in absolute dollars and 170 basis points as a percent of revenue when compared to the year-ago period. Revenue growth with a relatively flat gross margin percentage contributed to the growth, slightly offset by increased operating expenses, as discussed above.

Other Income (Expense)

	39-weeks ended September 24, 2016	39-weeks ended September 26, 2015
Interest income	\$24,109	\$22,295
Foreign currency gains (losses)	(30,003)	(14,177)
Other	2,914	2,707
Total	(\$2,980)	\$10,825

The average return on cash and investments during the first three quarters of 2016 was 1.4% compared to 1.2% during the same period of 2015. The increase in interest income is attributable to an increased rate of return on investments.

The \$30.0 million currency loss in the first three quarters of 2016 was primarily due to the weakening of the U.S. Dollar against the Taiwan Dollar. During the first three quarters of 2016, the U.S. Dollar weakened 5.0% against the Taiwan Dollar resulting in a loss of \$32.1 million, while the U.S. Dollar weakened 2.3% against the Euro, resulting in a gain of \$3.3 million. The remaining net currency loss of \$1.2 million is related to other currencies and timing of transactions.

The majority of the \$14.2 million currency loss in the first three quarters of 2015 was due to the strengthening of the U.S. Dollar against both the Euro and the Taiwan Dollar. During the first three quarters of 2015, the U.S. Dollar strengthened 8.2% compared to the Euro resulting in a loss of \$24.7 million while strengthening

against the Taiwan Dollar by 4.1% resulting in a gain of \$20.6 million. The remaining net currency loss of \$10.1 million is related to other currencies and timing of transactions.

Income Tax Provision

The Company's income tax expense decreased from \$90.8 million to \$86.9 million for the first three quarters of 2016, compared to the first three quarters of 2015. The effective tax rate decreased to 18.8% for the first three quarters of 2016, compared to 21.9% in the first three quarters of 2015 primarily due to shifts in the projected income mix by jurisdiction for 2016 compared to the projection at third quarter of 2015. The decrease in the effective tax rate was also a result of the permanent extension of the U.S. research and development tax credit legislation, which had not yet been extended in the third quarter of 2015.

Net Income

Net income for the 39-week period ended September 24, 2016 was \$374.2 million compared to \$323.8 million for the 39-week period ended September 26, 2015, an increase of \$50.4 million.

Liquidity and Capital Resources

Operating Activities

(In thousands)	39-Weeks Ended	
	Sept 24, 2016	Sept 26, 2015
	\$ 492,366	\$ 122,131
Net cash provided by operating activities		

The \$370.2 million increase in cash provided by operating activities in the first three quarters of 2016 compared to the first three quarters of 2015 was primarily due to the following:

- the impact of income taxes payable providing \$170.2 million more cash, primarily related to the timing of 2015 income tax payments associated with the inter-company restructuring that was announced in the third quarter of 2014
- other current and noncurrent assets providing \$114.1 million more cash primarily related to the timing of payments for royalties
- inventories providing \$70.0 million more cash primarily due to reduced purchases of raw materials
- net income increasing \$50.4 million as discussed in the Results of Operations section above
- other current and noncurrent liabilities providing \$46.6 million more cash primarily due to timing of payments for royalties and
- deferred revenue providing \$36.1 million more working capital benefit due to the net decrease in amortization of previously deferred revenue and additional revenue deferrals associated with certain auto OEM products

Partially offset by:

- accounts payable providing \$57.6 million less cash primarily due to the timing of purchases
- accounts receivable providing \$47.5 million less working capital benefit primarily due to the net decrease in utilization of rebates receivable associated with royalties, partially offset by increased collections of trade receivables and

Investing Activities

(In thousands)	39-Weeks Ended	
	Sept 24, 2016	Sept 26, 2015
	\$ (75,934)	\$ 2,808
Net cash (used in) provided by investing activities	\$ (75,934)	\$ 2,808

The \$78.7 million decrease in cash provided by investing activities in the first three quarters of 2016 compared to first three quarters of 2015 was primarily due to the following:

- decreased net redemptions of marketable securities of \$37.8 million and
- increased cash payments for acquisitions of \$49.5 million

Partially offset by:

- decreased purchases of property and equipment of \$11.1 million

It is management's goal to invest the on-hand cash in accordance with the investment policy, which has been approved by the Board of Directors of each applicable Garmin entity holding the cash. The investment policy's primary purpose is to preserve capital, maintain an acceptable degree of liquidity, and maximize yield within the constraint of low credit risk. Garmin's average returns on cash and investments during first three quarters of 2016 and 2015 were approximately 1.4% and 1.2%, respectively.

Financing Activities

(In thousands)	39-Weeks Ended	
	Sept 24, 2016	Sept 26, 2015
	\$ (344,161)	\$ (379,734)
Net cash used in financing activities	\$ (344,161)	\$ (379,734)

The \$35.6 million decrease in cash used in financing activities in the first three quarters of 2016 compared to first three quarters of 2015 was primarily due to the following:

- decreased purchases of treasury stock of \$42.8 million under our share repurchase authorization

Partially offset by:

- increased dividend payments of \$8.1 million due to the year-over-year increase of our dividend rate

We currently use cash flow from operations to fund our capital expenditures, to support our working capital requirements, to pay dividends, and to fund share repurchases. We expect that future cash requirements will principally be for capital expenditures, working capital, payment of dividends declared, share repurchases and the funding of strategic acquisitions. We believe that our existing cash balances and cash flow from operations will be sufficient to meet our long-term projected capital expenditures, working capital and other cash requirements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There are numerous market risks that can affect our future business, financial condition and results of operations. In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part II, "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 26, 2015. There have been no material changes during the 13-week and 39-week periods ended September 24, 2016 in the risks described in our Annual Report on Form 10-K related to market sensitivity, inflation, foreign currency exchange rate risk and interest rate risk.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* The Company maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. As of September 24, 2016, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded as of September 24, 2016 that our disclosure controls and procedures were effective such that the information relating to the Company, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in internal control over financial reporting.* There has been no change in the Company's internal controls over financial reporting that occurred during the Company's fiscal quarter ended September 24, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

The following information supplements and amends the discussion set forth under Part I, Item 3 "Legal Proceedings" in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2015 and the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 2016.

Garmin Switzerland GmbH and Garmin Corporation v. Navico, Inc., C-MAP USA, Inc. and C-MAP/ Commercial Ltd..

On October 17, 2016 Garmin Switzerland GmbH and Garmin Corporation filed a complaint for patent infringement and trademark infringement against Navico, Inc., C-MAP USA, Inc. and C-MAP/ Commercial, Inc. in the United States District Court for the District of Kansas. The lawsuit claims that Navico infringes Garmin's US Patent No.7,268,703 ("the '703 patent") relating to marine autoguidance) and Garmin's US Patent No. 6,459,987.("the '987 patent") relating to trackback features, and that Navico infringes Garmin's US trademark registration for "TracBack" by Navico's use of the trademark "TrackBack". In addition the lawsuit claims that Navico's use of the "Trackback" trademark constitutes common law trademark infringement and false designation and unfair competition under federal law by Navico and unfair business practices and unfair competition by Navico under Kansas law. The lawsuit also claims that C-MAP infringes the '703 patent. The lawsuit claims damages, and injunctive relief.

ICON Health & Fitness, Inc. v. Garmin Ltd., Garmin International, Inc., and Garmin USA, Inc

On August 8, 2016 the United States Court of Appeals for the Federal Circuit denied ICON's appeal and affirmed the ruling of the United States District Court for the District of Utah that the doctrine of issue preclusion applied to prevent ICON from relitigating the finding by another United States District Court that the only remaining ICON patent-in-suit was invalid for indefiniteness. On September 7, 2016 ICON filed a petition with the Court of Appeals for the Federal Circuit requesting a rehearing of its appeal en banc. On October 14, 2016, the Federal Circuit Court of Appeals denied ICON's petition for rehearing.

In the Matter of Certain Marine Sonar Imaging Devices, Including Downscan and Sidescan Devices, Products Containing the Same, and Components Thereof

On August 18, 2016 the International Trade Commission ("ITC") granted Navico's petition for modification of the limited exclusion order and issued a modified limited exclusion order. On August 24, 2016 Garmin filed with the ITC a motion to stay the modified limited exclusion order pending Garmin's appeal of this order. On August 29, 2016 Garmin filed a notice of appeal against the ITC's modified limited exclusion order to the United States Court of Appeals for the Federal Circuit (the "Federal Circuit Court of Appeals"). On August 30, 2016 Garmin filed with the Federal Circuit Court of Appeals a motion for an interim stay of the ITC's modified exclusion order and a stay of such order pending resolution of Garmin's appeal. On August 30, 2016 Garmin also filed with the Federal Circuit Court of Appeals a motion to expedite the schedule for Garmin's motion for an interim stay of the ITC's modified exclusion order and a stay of such order pending resolution of Garmin's appeal and a motion for an expedited schedule for Garmin's appeal against the modified limited exclusion order. On September 6, 2016 Navico filed with the ITC its opposition to Garmin's motion for a stay of the modified limited exclusion order. On September 6, 2016 Navico filed with the Federal Circuit Court of Appeals its opposition to Garmin's motion to expedite the schedule for Garmin's motion for an interim stay of the ITC's modified exclusion order and a stay of such order pending resolution of Garmin's appeal and its opposition to Garmin's motion for an expedited schedule for Garmin's appeal against the modified limited exclusion order. On September 6, 2016 the ITC filed with the Federal Circuit Court of Appeals its opposition to Garmin's motion for an interim stay of the ITC's modified exclusion order and a stay of such order pending resolution of Garmin's appeal and its opposition to Garmin's motion for an expedited schedule for Garmin's appeal against the modified limited exclusion order. On September 21, 2016 the Federal Circuit Court of Appeals granted Garmin's motion to expedite the schedule for Garmin's appeal against the modified limited exclusion order. On October 20, 2016, the ITC denied Garmin's motion to stay the modified limited exclusion order pending appeal.

On October 21, 2016, the Federal Circuit Court of Appeals denied Garmin's motion to stay the modified limited exclusion order pending appeal.

On August 30, 2016, Navico filed a new request that the ITC initiate an enforcement proceeding. The ITC initiated that proceeding on October 11, 2016.

With respect to the appeal that Garmin filed with the Federal Circuit Court of Appeals on February 10, 2016, Garmin filed its opening brief on September 9, 2016, Navico filed its responsive brief on September 27, 2016 and the ITC filed its responsive brief on September 27, 2016. Garmin's reply brief was filed on October 17, 2016.

Navico Inc. And Navico Holding AS v. Garmin International, Inc. and Garmin USA, Inc. (U.S. District Court for the Eastern District of Texas)

On April 1, 2016 Garmin filed a motion to transfer this action to the United States District Court for the Northern District of Oklahoma. On April 19, 2016 Navico filed an opposition to the motion to transfer and on April 29, 2016 Garmin filed a reply to this opposition. On May 29, 2016 Navico filed a sur-reply in support of its opposition. The court has scheduled a claim construction hearing for February 3, 2017 and a trial date commencing on September 5, 2017.

Pioneer Corporation v. liyonet Inc.

On August 31, 2016 the Tokyo District Court dismissed all of Pioneer's claims and held that Garmin's products do not infringe any of Pioneer's asserted patents. On September 14, 2016 Pioneer filed an appeal from this ruling.

Visteon Global Technologies, Inc. and Visteon Technologies LLC v. Garmin International, Inc.

On August 10, 2016 the Special Master issued a report and recommendations in which he recommended to the Court (a) the denial of two motions *in limine* filed by Visteon which had sought to exclude certain evidence from being offered at trial by Garmin and (b) the granting of Garmin's motion *in limine* to exclude certain expert testimony concerning alleged infringement of the 5,654,892 patent. On September 12, 2016 the Court issued an opinion and order in which it (a) granted Visteon's motion *in limine* to exclude evidence of the fee agreement between Visteon and its counsel, (b) denied Visteon's motion *in limine* to exclude evidence of a certain license agreement, and (c) denied Visteon's motion to exclude Garmin's expert witness on damages from testifying as to damages on behalf of Garmin. On October 14, 2016 the Court issued an order granting Garmin's motion to exclude testimony of two of Visteon's expert witnesses, including the testimony of Visteon's expert witness as to damages. On October 20, 2016, the Court adopted the Special Master's findings regarding the denied motions *in limine* but reversed the Special Master's finding on the 5,654,892 patent to allow Visteon to present use survey evidence.

In the normal course of business, the Company and its subsidiaries are parties to various legal claims, actions, and complaints, including matters involving patent infringement, other intellectual property, product liability, customer claims and various other risks. It is not possible to predict with certainty whether or not the Company and its subsidiaries will ultimately be successful in any of these legal matters, or if not, what the impact might be. However, the Company's management does not expect that the results in any of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position or cash flows.

Item 1A. Risk Factors

There are many risks and uncertainties that can affect our future business, financial performance or share price. In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 26, 2015, as amended and supplemented by the risk factor set forth below. These risks, however, are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

The following is an amended and restated version of a Risk Factor included in Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 26, 2015:

Economic, regulatory and political conditions and uncertainty could adversely affect our revenue and margins.

Our revenue and margins depend significantly on general economic conditions and the demand for products in the markets in which we compete. Economic weakness or constrained consumer and business spending has resulted in periods of decreased revenue and in the future, could result in decreased revenue and problems with our ability to manage inventory levels and collect customer receivables. In addition, financial difficulties experienced by our retailers and OEM customers have resulted, and could result in the future, in significant bad debt write-offs and additions to reserves in our receivables and could have an adverse effect on our results of operations.

The United Kingdom (UK) held a referendum on June 23, 2016 in which a majority of voters voted to exit the European Union (EU). Due to the unprecedented nature of the proposed withdrawal, significant uncertainty exists surrounding the timing and terms of the proposed exit. We have operations in the UK and several EU member states whose currencies, namely British Pound Sterling (GBP) and Euro, economies, taxation, and trade regulation, among other factors, could be adversely impacted by the negotiations and outcomes of the UK's leaving the EU, which is likely to be a lengthy and complicated process. These events could have a material adverse effect on our business operations, results of operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Items (a) and (b) are not applicable.

(c) Issuer Purchases of Equity Securities

The Board of Directors approved a share repurchase program on February 13, 2015, authorizing the Company to purchase up to \$300 million of its common shares as market and business conditions warrant. The share repurchase authorization expires on December 31, 2016. The following table lists the Company's share purchases during the third quarter of fiscal 2016:

Period	Total # of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or approx. Dollar Value of Shares in thousands) That may yet be Purchased Under the Plans or Program
June 26, 2016 - July 23, 2016	182,500	\$43.01	182,500	\$115,641
July 24, 2016 - August 20, 2016	12,500	\$45.95	12,500	\$115,066
August 21, 2016 - September 24, 2016	242,453	\$48.26	242,453	\$103,367
Total	437,453	\$46.00	437,453	\$103,367

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits

Exhibit 3.1	Articles of Association of Garmin Ltd., as amended on June 10, 2016
Exhibit 10.1	Garmin Ltd. Employee Stock Purchase Plan, as amended and restated on October 21, 2016.
Exhibit 10.2	Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on October 21, 2016.
Exhibit 10.3	Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan, as amended and restated on October 21, 2016.
Exhibit 10.4	Form of Restricted Stock Unit Award Agreement pursuant to the Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan.
Exhibit 10.5	Form of Restricted Stock Unit Award Agreement pursuant to the Garmin Ltd. 2005 Equity Incentive Plan, for Swiss grantees.
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Exhibit 10.7	Form of Restricted Stock Unit Award Agreement pursuant to the Garmin Ltd. 2005 Equity Incentive Plan, for non-Swiss and non-Canadian grantees.
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Exhibit 101.SCH	XBRL Taxonomy Extension Schema
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase

SIGNATURES

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

GARMIN LTD.

By /s/ Douglas G. Boessen

Douglas G. Boessen
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Dated: October 26, 2016

INDEX TO EXHIBITS

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Statuten **Articles of Association**
der **of**
Garmin Ltd. **Garmin Ltd.**
(Garmin AG) **(Garmin AG)**
mit Sitz in Schaffhausen **with registered office in Schaffhausen**

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I. Firma, Sitz und Zweck

Art. 1 Firma und Sitz

Unter der Firma Garmin Ltd. (Garmin AG) besteht eine Aktiengesellschaft gemäss den vorliegenden Statuten und den Vorschriften des Schweizerischen Obligationenrechtes (OR). Der Sitz der Gesellschaft ist in Schaffhausen.

Art. 2 Zweck

Die Gesellschaft bezweckt den Erwerb, das Halten, die Finanzierung, die Verwaltung und den Verkauf von Beteiligungen an inländischen sowie auch an ausländischen Unternehmen jeglicher Art.

Die Gesellschaft kann jede Art von finanzieller Unterstützung für und an Gruppengesellschaften gewähren, einschliesslich der Leistung von Garantien.

Die Gesellschaft kann ferner im In- und Ausland Zweigniederlassungen und Tochtergesellschaften errichten, sich an anderen Unternehmen im In- und Ausland beteiligen sowie solche Unternehmen erwerben und finanzieren. Im Weiteren kann die Gesellschaft im In- und Ausland Grundstücke und gewerbliche Schutzrechte erwerben, belasten, veräussern und verwalten sowie alle Geschäfte tätigen, die geeignet sein können, den Zweck der Gesellschaft zu fördern, oder die direkt oder indirekt damit in Zusammenhang stehen.

II. Aktienkapital und Aktien

Art. 3 Aktienkapital

Das Aktienkapital der Gesellschaft („**Aktienkapital**“) beträgt CHF 19'807'741.80 und ist eingeteilt in 198'077'418 Namensaktien („**Aktien**“) mit einem Nennwert von je CHF 0.10. Die Aktien sind vollständig liberiert.

Art. 3 a) Sacheinlage

Die Gesellschaft übernimmt bei der Kapitalerhöhung vom 27. Juni 2010 von der Garmin Ltd. mit Sitz in Camana Bay, Cayman Islands („**Garmin-Cayman**“), gemäss Sacheinlagevertrag vom 27. Juni 2010 („**Sacheinlagevertrag**“) 198,077,418 Aktien (*common shares*) von Garmin-Cayman. Diese Aktien werden zu einem Übernahmewert von insgesamt CHF 9,515,296,140 übernommen. Als Gegenleistung für die Sacheinlage (i) wird der Nennwert jeder Aktie von bisher CHF 0.01 auf neu CHF 10 erhöht und (ii) gibt die Gesellschaft insgesamt 198,077,418 voll einbezahlt Aktien mit einem Nennwert von je CHF 10 an Garmin-Cayman, handelnd im eigenen Namen und auf Rechnung derjenigen Aktionäre der Garmin-Cayman, die im Zeitpunkt unmittelbar vor Vollzug des Sacheinlagevertrages Aktionäre der Garmin Cayman waren, aus. Die Gesellschaft weist den Differenzbetrag von CHF

I. Company Name, Registered Office and Objects

Art. 1 Company Name and Registered Office

Under the company name of Garmin Ltd. (Garmin AG) exists a corporation pursuant to the present Articles of Association and the provisions of the Swiss Code of Obligations (CO). The registered office of the Company is in Schaffhausen.

Art. 2 Objects

The objects of the Company are the acquisition, holding, financing, management and sale of participations in Swiss and foreign enterprises of all kinds.

The Company may provide any kind of financial assistance, including guarantees, to and for group companies.

The Company may establish branches and subsidiaries in Switzerland and abroad as well as participate in, acquire and finance other enterprises in Switzerland and abroad. The company may acquire, encumber, sell and manage real estate and intellectual property rights in Switzerland and abroad. It may furthermore make all transactions which may be appropriate to promote the purpose of the company or which are directly or indirectly connected therewith.

II. Share Capital and Shares

Art. 3 Share Capital

The share capital of the Company (“**Share Capital**”) amounts to CHF 19,807,741.80 and is divided into 198,077,418 registered shares (“**Shares**”) with a nominal value of CHF 0.10 each. The Shares are fully paid up.

Art. 3 a) Contribution in Kind

In connection with the capital increase of June 27, 2010, and in accordance with the contribution in kind agreement dated as of June 27, 2010 (“**Contribution in Kind Agreement**”), the Company acquires 198,077,418 common shares of Garmin Ltd., with registered office in Camana Bay, Cayman Islands (“**Garmin-Cayman**”) from Garmin-Cayman. The shares of Garmin-Cayman have a total value of CHF 9,515,296,140. As consideration for this contribution, (i) the nominal value of each Share is increased from CHF 0.01 to CHF 10 and (ii) the Company issues a total of 198,077,418 fully paid up Shares with a par value of CHF 10 each to Garmin-Cayman, acting in its own name and for the account of the holders of common shares of Garmin-Cayman outstanding immediately prior to the completion of the Contribution in Kind Agreement. The difference of CHF 7,434,621,960 is allocated to the reserves

7,434,621,960 den Reserven aus Kapitaleinlage der Gesellschaft zu.

Art. 4 Anerkennung der Statuten

Jede Ausübung von Aktionärsrechten schliesst die Anerkennung der Gesellschaftsstatuten in der jeweils gültigen Fassung in sich ein.

Art. 5 *[absichtlich leer gelassen]*

Art. 6 Bedingtes Aktienkapital

Das Aktienkapital kann sich durch Ausgabe von höchstens 99'038'709 voll zu liberierenden Namenaktien im Nennwert von je CHF 0.10 um höchstens CHF 9'903'870.90 erhöhen durch:

die Ausübung von Optionsrechten, die Mitarbeitern und / oder Mitgliedern des Verwaltungsrates der Gesellschaft oder einer Gruppengesellschaft gewährt werden.

Das Bezugsrecht der Aktionäre ist ausgeschlossen.

Die Aktien, welche über die Ausübung von Umwandlungsrechten erworben werden, unterliegen den Eintragungsbeschränkungen in das Aktienbuch gemäss Art. 8 dieser Statuten.

Art. 7 Aktienzertifikate

Anstelle von einzelnen Aktien können Aktienzertifikate über mehrere Aktien ausgestellt werden. Aktien und Zertifikate sind durch ein Mitglied des Verwaltungsrates zu unterzeichnen.

Ein Aktionär hat nur dann Anspruch auf die Ausgabe eines Aktienzertifikates, wenn der Verwaltungsrat die Ausgabe von Aktienzertifikaten beschliesst. Aktienzertifikate werden in der vom Verwaltungsrat festgelegten Form ausgegeben. Ein Aktionär kann jederzeit eine Bescheinigung über die Anzahl der von ihm gehaltenen Aktien verlangen.

Die Gesellschaft kann jederzeit auf die Ausgabe und Aushändigung von Zertifikaten verzichten und mit Zustimmung des Aktionärs ausgegebene Urkunden, die bei ihr eingeliefert werden, ersetztlos annullieren.

Der Verwaltungsrat kann beschliessen, den Aktionären anstelle von Wertpapieren einfache Beweisurkunden über ihre Beteiligung auszustellen.

Die Gesellschaft kann ihre Aktien als Wertrechte gemäss Schweizerischem Obligationenrecht und Bucheffekten gemäss Bucheffektengesetz ausgeben.

from capital contribution of the Company.

Art. 4 Recognition of Articles of Association

Any exercise of shareholders' rights automatically comprises recognition of the version of these Articles of Association in force at the time.

Art. 5 *[intentionally omitted]*

Art. 6 Conditional Share Capital

The Share Capital may be increased in an amount not to exceed CHF 9,903,870.90 through the issuance of up to 99,038,709 fully paid-up registered Shares with a par value of CHF 0.10 each through:

the exercise of option rights which are granted to employees and / or members of the board of directors of the Company or group companies.

The preferential subscription rights of the shareholders are excluded.

The Shares acquired through the exercise of rights shall be subject to the limitations for registration in the share register pursuant to Art. 8 of these Articles of Association.

Art. 7 Share Certificates

In lieu of single shares, the Company may issue share certificates covering several shares. Shares and certificates shall be signed by a member of the Board of Directors.

A shareholder shall be entitled to a share certificate only if the Board of Directors resolves that share certificates shall be issued. Share certificates, if any, shall be in such form as the Board of Directors may determine. A shareholder may at any time request an attestation of the number of registered Shares held by it.

The Company may dispense with the obligation to issue and deliver certificates, and may, with the consent of the shareholder, cancel without replacement issued certificates delivered to the Company.

The Board of Directors may decide to issue to the shareholders, in lieu of securities, simple documentary evidence for their participation.

The Company may issue its Shares as uncertificated securities within the meaning of the Swiss Code of Obligations and as intermediated securities within the meaning of the Intermediated Securities Act.

Art. 8 Aktienbuch, Eintragungsbeschränkungen, Nominees

Die Gesellschaft selbst oder ein von ihr beauftragter Dritter führt ein Aktienbuch („**Aktienbuch**“). Darin werden die Eigentümer und Nutzniesser der Namenaktien sowie Nominees mit Namen und Vornamen, Adresse und Staatsangehörigkeit (bei Rechtseinheiten mit Firma und Sitz) eingetragen. Ändert eine im Aktienbuch eingetragene Zivilrechtliche Person ihre Adresse, so hat sie dies dem Aktienbuchführer mitzuteilen. Solange dies nicht geschehen ist, gelten alle schriftlichen Mitteilungen der Gesellschaft an die im Aktienbuch eingetragenen Zivilrechtlichen Personen als rechtsgültig an die bisher im Aktienbuch eingetragene Adresse erfolgt.

Ein Erwerber von Namenaktien wird auf Gesuch als Aktionär mit Stimmrecht im Aktienbuch eingetragen, vorausgesetzt, dass ein solcher Erwerber auf Aufforderung durch die Gesellschaft ausdrücklich erklärt, die Namenaktien im eigenen Namen und auf eigene Rechnung erworben zu haben. Der Verwaltungsrat kann Nominees, welche Namenaktien im eigenen Namen aber auf fremde Rechnung halten, als Aktionäre mit Stimmrecht im Aktienbuch der Gesellschaft eintragen. Der Verwaltungsrat kann Kriterien für die Billigung solcher Nominees als Aktionäre mit Stimmrecht festlegen. Die an den Namenaktien wirtschaftlich Berechtigten, welche die Namenaktien über einen Nominee halten, üben Aktionärsrechte mittelbar über den Nominee aus.

Sollte der Verwaltungsrat die Eintragung eines Aktionärs als Aktionär mit Stimmrecht ablehnen, muss dem Aktionär diese Ablehnung innerhalb von 20 Tagen nach Erhalt des Eintragungsgesuches mitgeteilt werden. Aktionäre, die nicht als Aktionäre mit Stimmrecht anerkannt wurden, sind als Aktionäre ohne Stimmrecht im Aktienbuch einzutragen.

Der Verwaltungsrat kann nach Anhörung des eingetragenen Aktionärs dessen Eintragung im Aktienbuch als Aktionär mit Stimmrecht mit Rückwirkung auf das Datum der Eintragung streichen, wenn diese durch falsche oder irreführende Angaben zustande gekommen ist. Der Betroffene muss über die Streichung sofort informiert werden.

Sofern die Gesellschaft an einer Börse im Ausland kotiert ist, ist es der Gesellschaft mit Bezug auf den Regelungsgegenstand dieses Art. 8 und soweit gesetzlich zulässig gestattet, die in der jeweiligen Rechtsordnung geltenden Vorschriften und Normierungen anzuwenden.

Zehn Tage vor einer Generalversammlung bis zu dem auf die Generalversammlung folgenden Tag nimmt die Gesellschaft keine Eintragungen in das Aktienbuch vor.

Art. 8 Share Register, Restrictions on Registration, Nominees

The Company shall maintain, itself or through a third party, a share register (“**Share Register**”) that lists the surname, first name, address and citizenship (or the name and registered office for legal entities) of the owners and usufructuaries of the registered Shares as well as the nominees. A Person recorded in the Share Register shall notify the share registrar of any change in address. Until such notification shall have occurred, all written communication from the Company to Persons of record shall be deemed to have validly been made if sent to the address recorded in the Share Register.

An acquirer of registered Shares shall be recorded upon request in the Share Register as a shareholder with voting rights; provided, however, that any such acquirer upon request of the Company expressly declares to have acquired the registered Shares in its own name and for its own account. The Board of Directors may record nominees who hold registered Shares in their own name, but for the account of third parties, as shareholders with voting rights in the Share Register of the Company. The Board of Directors may set forth the relevant requirements for the acceptance of nominees as shareholders with voting rights. Beneficial owners of registered Shares who hold registered Shares through a nominee exercise the shareholders’ rights through the intermediation of such nominee.

If the Board of Directors refuses to register a shareholder as a shareholder with voting rights, it shall notify the shareholder of such refusal within 20 days upon receipt of the application. Nonrecognized shareholders shall be entered in the Share Register as shareholders without voting rights.

After hearing the registered shareholder concerned, the Board of Directors may cancel the registration of such shareholder as a shareholder with voting rights in the Share Register with retroactive effect as of the date of registration if such registration was made based on false or misleading information. The relevant shareholder shall be informed promptly of the cancellation.

In case the Company is listed on any foreign Exchange, the Company is permitted to comply with the relevant rules and regulations that are applied in that foreign jurisdiction with regard to the subject of this Art. 8 to the extent permitted by Swiss law.

From ten days prior to a general meeting of the shareholders until the day following the general meeting of the shareholders, the Company shall not undertake any registration in the Share Register.

Art. 9 Übertragung

Die Übertragung von Namenaktien und aller damit verbundenen Rechte zu Eigentum oder zur Nutzniessung erfolgt durch Indossament (Unterschrift) auf dem Aktientitel oder Zertifikat und Besitzesübertragung. Falls keine Aktientitel oder Zertifikate bestehen, erfolgt die Übertragung der Aktien zu Eigentum oder zur Nutzniessung durch eine schriftliche Abtretungserklärung.

Die Verfügung über die als Bucheffekten ausgegebenen Aktien erfolgt gemäss Bucheffektengesetz.

Im Rahmen des gesetzlich zulässigen und unter Vorbehalt der übrigen Bestimmungen dieses Art. 9 darf die Übertragung von unzertifizierten Aktien, die im Namen eines Aktionärs durch einen Transfer Agenten, Trust oder einer ähnlichen Einrichtung (der „**Transfer Agent**“) verwaltet werden, nur in Co-Operation mit diesem Transfer Agenten erfolgen.

Art. 10 Umwandlung und Zerlegung von Aktien

Durch Änderung der Statuten kann die Generalversammlung jederzeit Namenaktien in Inhaberaktien umwandeln und umgekehrt.

Sie ist ferner befugt, Aktien in solche von kleinerem Nennwert zu zerlegen oder mit Zustimmung des Aktionärs zu solchen von grösserem Nennwert zusammenzulegen.

Art. 11 Bezugsrechte

Im Falle der Erhöhung des Aktienkapitals durch Ausgabe neuer Aktien haben die bisherigen Aktionäre ein Bezugsrecht im Verhältnis ihrer bisherigen Beteiligung, sofern die Generalversammlung dieses Recht nicht aus wichtigen Gründen einschränkt oder ausschliesst. Wichtige Gründe sind insbesondere die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen sowie die Beteiligung der Arbeitnehmer.

Die Generalversammlung setzt die Emissionsbedingungen fest, sofern sie nicht durch Beschluss den Verwaltungsrat dazu ermächtigt. Der Verwaltungsrat setzt die Einzahlungsbedingungen fest und gibt die Emissions- und Einzahlungsbedingungen den bezugsberechtigten Aktionären bekannt.

III. Organisation

A. Die Generalversammlung

Art. 12 Befugnisse

Oberstes Organ der Gesellschaft ist die Generalversammlung.

Art. 9 Transfer

The transfer of ownership or the granting of a usufruct in registered Shares and in all the rights connected therewith shall be made by endorsement (signature) of the share title or certificate and by transfer of possession. If neither share titles nor certificates have been issued, such transfer shall be made by written declaration of assignment.

The transfer of Shares issued as intermediated securities, including the granting of security interests, shall be made according to the Intermediated Securities Act.

Subject to the provisions contained in this Art. 9 and to the extent permitted by applicable law if uncertificated securities are administered on behalf of a shareholder by a transfer agent, trust company or similar entity (“**Transfer Agent**”), such securities and the rights deriving from them may be transferred only with the cooperation of the Transfer Agent.

Art. 10 Conversion and Splitting of Shares

The general meeting of the shareholders may at any time convert registered shares into bearer shares and vice versa by amending the Articles of Association.

Furthermore, it is authorized to split shares into shares with lower nominal value or with the approval of the shareholder to consolidate shares into shares with higher nominal value.

Art. 11 Subscription Rights

In the event of an increase of the Share Capital by issuing new shares, each existing shareholder has subscription rights in proportion to his/her existing shareholding, to the extent the general meeting of the shareholders does not restrict or exclude this right for important reasons. Important reasons are, in particular, the takeover of companies, of company parts, or of participations, as well as the participation of employees.

The general meeting of the shareholders shall determine the terms of the share issue to the extent it has not, by resolution, authorized the Board of Directors to do so. The Board of Directors shall determine the payment terms and communicate the issue and payment terms to the shareholders entitled to subscription rights.

III. Organization

A. The General Meeting

Art. 12 Authority

The general meeting of the shareholders is the supreme

Ihr stehen folgende unübertragbare Befugnisse zu:

1. Festsetzung und Änderung der Statuten; vorbehalten bleibt Art. 27;
2. Festsetzung der Zahl der Mitglieder des Verwaltungsrates sowie Wahl und Abberufung derselben;
3. Wahl und Abberufung des Verwaltungsratspräsidenten;
4. Wahl und Abberufung der Mitglieder des für Vergütungsfragen zuständigen Ausschusses (**“Vergütungsausschuss”**);
5. Wahl und Abberufung des unabhängigen Stimmrechtsvertreters;
6. Wahl und Abberufung der Revisionsstelle;
7. Genehmigung des Lageberichtes des Verwaltungsrates;
8. Genehmigung der Jahresrechnung und einer allfälligen Konzernrechnung;
9. Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere Festsetzung der Dividende sowie der Tantième des Verwaltungsrates;
10. Genehmigung der Vergütung des Verwaltungsrates und der Geschäftsleitung gemäss Art. 22 a) dieser Statuten;
11. Entlastung der Mitglieder des Verwaltungsrates und der übrigen mit der Geschäftsführung betrauten Zivilrechtlichen Personen;
12. Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind;
13. Die Genehmigung von Zusammenschlüssen (die Definition eines Zusammenschlusses findet sich in Art. 41 dieser Statuten), (i) soweit sich die Zuständigkeit der Generalversammlung nicht bereits aus Art. 12 Ziff. 1. bis 8 ergibt und (ii) soweit nicht zwingend ein anderes Organ der Gesellschaft zuständig ist.

Art. 13 Recht zur Einberufung

Die Generalversammlung wird vom Verwaltungsrat, nötigenfalls von der Revisionsstelle, einberufen. Das Einberufungsrecht steht auch den Liquidatoren und den Vertretern der Anleihensgläubiger zu. Sie findet am Gesellschaftssitz oder an einem anderen Ort im In- oder Ausland oder, soweit nach den gesetzlichen Bestimmungen zulässig, ausschliesslich in einer vom Verwaltungsrat von Zeit zu Zeit festgelegten virtuellen Form statt.

Die ordentliche Generalversammlung findet alljährlich innerhalb von sechs Monaten nach Abschluss des Geschäftsjahres statt, ausserordentliche Versammlungen werden nach Bedürfnis abgehalten.

corporate body of the Company. It has the following non-transferable powers:

1. adoption and amendment of the Articles of Association; Art. 27 remains reserved;
2. determination of the number of members of the Board of Directors as well as their election and removal;
3. election and removal of the chair of the Board of Directors;
4. election and removal of the members of the committee responsible for compensation matters (**“Compensation Committee”**);
5. election and removal of the independent voting rights representative;
6. appointment and removal of the Auditors;
7. approval of the management report of the Board of Directors;
8. approval of the annual financial accounts and (if applicable) the group accounts;
9. resolution on the application of the balance sheet profit, in particular, determination of dividend and the profit share of the Board of Directors;
10. approval of the compensation of the Board of Directors and Executive Management pursuant to Art. 22 a) of these Articles of Association;
11. discharge of the members of the Board of Directors and the Persons entrusted with the management;
12. resolution on matters which are reserved to the general meeting of the shareholders either by law or the Articles of Association;
13. the approval of Business Combinations (definition of this term is in Art. 41 of these Articles of Association), if and to the extent that such approval (i) is not covered by the powers of the general meeting pursuant to Art. 12 (1) to (8) and (ii) that it is not an inalienable power of another corporate body of the Company.

Art. 13 Right to call a General Meeting

The general meeting of the shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. Liquidators and representatives of bond creditors are also entitled to call the general meeting of the shareholders. It shall be held at the Company's registered office or at another place in Switzerland or abroad or, to the extent permissible under applicable laws, solely in virtual form, as determined by the Board of Directors from time to time.

The ordinary general meeting of the shareholders shall take place annually within six months after the end of the business year, extraordinary general meetings of the shareholders shall be held as necessary.

Art. 14 Form der Einberufung

Die Generalversammlung wird durch einmalige Anzeige in der in Art. 39 für Mitteilungen an die Aktionäre vorgeschriebenen Art und Weise einberufen. Diese Anzeige muss mindestens 20 Tage vor der Generalversammlung ergehen.

Tag, Zeit und Ort der Generalversammlung, die Verhandlungsgegenstände (Traktandenliste) sowie die Anträge des Verwaltungsrates und der Aktionäre, welche die Durchführung der Generalversammlung oder die Traktandierung eines Verhandlungsgegenstandes verlangt haben, sind bei der Einberufung bekannt zu geben.

Die Aktionäre sind bei der ordentlichen Generalversammlung darüber zu orientieren, dass der Geschäftsbericht (Lagebericht des Verwaltungsrates und Jahresrechnung, bestehend aus Erfolgsrechnung, Bilanz und Anhang), der Vergütungsbericht und die Revisionsberichte mindestens 20 Tage vor dem Versammlungstag zur Einsicht der Aktionäre am Sitz der Gesellschaft aufliegen, sowie dass jeder Aktionär verlangen kann, dass ihm unverzüglich eine Ausfertigung dieser Unterlagen zugestellt wird.

Über Gegenstände, die nicht in dieser Weise angekündigt worden sind, können Beschlüsse nicht gefasst werden, außer über einen Antrag auf Einberufung einer ausserordentlichen Generalversammlung, auf Durchführung einer Sonderprüfung oder auf Wahl einer Revisionsstelle infolge eines Begehrens eines Aktionärs nach Art. 727a Abs. 4 OR.

Art. 15 Universalversammlung

Die Eigentümer oder Vertreter sämtlicher Aktien können, falls kein Widerspruch erhoben wird, eine Generalversammlung ohne Einhaltung der für die Einberufung vorgeschriebenen Formvorschriften abhalten.

In dieser Versammlung kann über alle in den Geschäftskreis der Generalversammlung fallenden Gegenstände gültig verhandelt und Beschluss gefasst werden, solange die Eigentümer oder Vertreter sämtlicher Aktien anwesend sind.

Art. 16 Vorsitz und Protokoll

Die Generalversammlung wird durch den Präsidenten bzw. Vizepräsidenten des Verwaltungsrates oder einen von der Generalversammlung ad hoc gewählten Tagespräsidenten geleitet.

Der Vorsitzende ernennt den Protokollführer und den oder die Stimmenzähler. Der Protokollführer und der oder die Stimmenzähler müssen nicht Aktionäre sein. Der Vorsitzende kann zugleich auch Protokollführer und Stimmenzähler sein.

Art. 14 Form of the calling of a General Meeting

The general meeting of the shareholders shall be convened by a single notice as provided for in Art. 39 regarding the manner of communications to shareholders. Such notice must be given at least 20 days prior to the general meeting of the shareholders.

The calling shall state the date, time and place of the general meeting of the shareholders as well as the agenda and motions of the Board of Directors and of the shareholders who have requested the holding of a general meeting of the shareholders or the inclusion of an item on the agenda.

As far as the ordinary general meeting is concerned, the shareholders have to be notified, that the annual business report (the management report of the Board of Directors and the annual financial accounts, comprising the profit and loss statement, the balance sheet and notes), the compensation report and the audit reports are open to inspection by the shareholders at the registered office at least 20 days prior to the date of the general meeting of the shareholders and that any shareholder may request that a copy of these documents be immediately sent to him/her.

No resolutions may be passed on agenda items which have not been announced in this manner, except on motions for the calling of an extraordinary general meeting of the shareholders, for the conduct of a special audit or the appointment of auditors at the request of a shareholder pursuant to Art. 727a paragraph 4 CO.

Art. 15 Universal Meeting

The holders of all Shares or their representatives may, if no objection is raised, hold a general meeting of the shareholders without observing the formalities required for the calling of a general meeting of the shareholders.

Provided the holders of all shares or their representatives are present, all items within the powers of a general meeting of the shareholders may validly be discussed and resolved at such a meeting.

Art. 16 Chairperson and Minutes

The general meeting of the shareholders shall be chaired by the Chairman, respectively the vice-chairman of the Board of Directors or a chairman-for-the-day appointed by the general meeting of the shareholders.

The chairperson shall appoint the keeper of the minutes and the scrutineer(s). The keeper of the minutes and the scrutineer(s) need not be shareholders. The chairperson may also be the keeper of the minutes and the scrutineer.

Über die Beschlüsse und Wahlen der Generalversammlung ist ein Protokoll zu führen, das vom Vorsitzenden und vom Protokollführer zu unterzeichnen ist. Es hält die Angaben gemäss Art. 702 Abs. 2 OR fest.

Die Aktionäre sind berechtigt, das Protokoll einzusehen.

Art. 17 Stimmrecht und Vertretung

Jede Aktie berechtigt zu einer Stimme.

Sofern die Statuten es vorsehen, ist jeder an einem bestimmten, durch den Verwaltungsrat vorgegebenen Stichtag, im Aktienbuch eingetragene Aktionär berechtigt, an der Generalversammlung teilzunehmen und an der Beschlussfassung mitzuwirken.

Die Aktionäre wählen den unabhängigen Stimmrechtsvertreter an einer Generalversammlung für eine Amtszeit bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Ist das Amt des unabhängigen Stimmrechtsvertreters aus irgendeinem Grund vakant, ernennt der Verwaltungsrat einen unabhängigen Stimmrechtsvertreter für die nächste Generalversammlung.

Jeder Aktionär kann sich in der Generalversammlung durch einen anderen Aktionär, einen Dritten oder den unabhängigen Stimmrechtsvertreter vertreten lassen. Vertreter haben sich durch eine schriftliche Vollmacht auszuweisen, wobei die Vollmacht und die Weisungen an den unabhängigen Stimmrechtsvertreter auch in einer vom Verwaltungsrat von Zeit zu Zeit festgelegten elektronischen Form erteilt werden können.

Die Gesellschaft anerkennt nur einen Vertreter für jede Aktie.

Der Verwaltungsrat kann die Einzelheiten über die Vertretung und Teilnahme an der Generalversammlung in Verfahrensvorschriften regeln, einschliesslich mittels Verfahrensvorschriften in der Einladung zur Generalversammlung oder in den Stimmrechtskarten, die den Aktionären im Zusammenhang mit einer Generalversammlung zugestellt werden.

Stimmrechte und die damit verbundenen Rechte können der Gesellschaft gegenüber von einem Aktionär oder Nutzniesser der Aktien jeweils nur in dem Umfang ausgeübt werden, wie diese Person mit Stimmrecht im Aktienbuch eingetragen ist.

Art. 18 Teilnahme der Mitglieder des Verwaltungsrates

Die Mitglieder des Verwaltungsrates sind berechtigt, an der Generalversammlung teilzunehmen. Sie können Anträge stellen.

Minutes shall be kept of the resolutions and votes of the general meeting of the shareholders that shall be signed by the chairperson and the keeper of the minutes. They shall contain the information required by Art. 702 paragraph 2 CO.

Shareholders may inspect the minutes.

Art. 17 Voting Rights and Representation

Each share carries one vote.

If provided in these Articles of Association, each shareholder recorded in the Share Register on a specific qualifying day which may be designated by the Board of Directors shall be entitled to participate at the general meeting of the shareholders and in any vote taken.

The shareholders shall elect the independent voting rights representative at a general meeting of the shareholders for a term of office extending until completion of the next annual general meeting. Re-election is possible. If the office of the independent voting rights representative is vacant, for any reason, the Board of Directors shall appoint an independent voting rights representative for the next general meeting of shareholders.

Each shareholder may arrange representation through another shareholder, a third party or the independent voting rights representative. The representative must produce a written power of attorney; provided, however, that the proxy and the instructions to the independent voting rights representative may also be granted by electronic means as determined by the Board of Directors from time to time.

The Company shall acknowledge only one representative for each share.

The Board of Directors may issue the particulars of the right to representation and participation at the general meeting of the shareholders in procedural rules, including in procedural rules included in the notice of the general meeting of the shareholders or the proxy cards made available to shareholders in connection with a general meeting of the shareholders.

Voting rights and rights derived from them may be exercised in relation to the Company by a shareholder or usufructuary of Shares only to the extent that such Person is recorded in the Share Register with the right to exercise his voting rights.

Art. 18 Participation of the Members of the Board of Directors

The members of the Board of Directors may take part in the general meeting of the shareholders. They may submit motions.

Art. 19 Beschlussfassung und Wahlen

Die Generalversammlung fasst ihre Beschlüsse und vollzieht ihre Wahlen mit der Mehrheit der abgegebenen Aktienstimmen, unter Ausschluss der leeren, ungültigen und nicht ausübaren Stimmen, soweit Gesetz oder Statuten nichts anderes bestimmen. Bei Stimmengleichheit gilt ein Beschluss als nicht zustande gekommen; bei Wahlen entscheidet das Los.

Art. 20 Besonderes Stimmen-Quorum

Folgende Beschlüsse müssen von Gesetzes wegen mindestens zwei Drittel der vertretenen Stimmen und die absolute Mehrheit der vertretenen Aktiennennwerte auf sich vereinigen:

1. Änderung des Gesellschaftszweckes;
2. Einführung von Stimmrechtsaktien;
3. Beschränkung der Übertragbarkeit von Namenaktien;
4. Genehmigte oder bedingte Kapitalerhöhung;
5. Kapitalerhöhung aus Eigenkapital, gegen Sacheinlage oder zwecks Sachübernahme und die Gewährung von besonderen Vorteilen;
6. Einschränkung oder Aufhebung des Bezugsrechtes;
7. Verlegung des Sitzes der Gesellschaft;
8. Auflösung der Gesellschaft;
9. Fusionsbeschluss gemäss Art. 18 des Fusionsgesetzes (FusG), Spaltungsbeschluss gemäss Art. 43 FusG und Umwandlungsbeschluss gemäss Art. 64 FusG.

Im Rahmen des gesetzlich Zulässigen und unter Vorbehalt anderslautender Vorschriften in diesem Art. 20 ist für folgende Gegenstände ein Beschluss der Generalversammlung erforderlich, der mindestens 75 % der an der Generalversammlung vertretenen Aktien auf sich vereinigt:

1. Die Genehmigung von Zusammenschlüssen (die Definition eines Zusammenschlusses findet sich in Art. 41 dieser Statuten) gemäss Art. 12 (9) dieser Statuten. Dieses besondere Zustimmungserfordernis ist nicht erforderlich für Zusammenschlüsse, welche von der Mehrheit der Unparteiischen Mitgliedern des Verwaltungsrates (die Definition der Unparteiischen Mitglieder des Verwaltungsrates findet sich in Art. 41 der Statuten) genehmigt wurden. Für solche von der Mehrheit der Unparteiischen Mitgliedern des Verwaltungsrates genehmigte Zusammenschlüsse genügen die im Gesetz oder in den Statuten vorgesehenen Mehrheiten, je nach dem welche strenger sind. Für den Zweck dieser Bestimmung ist die Mehrheit der Unparteiischen Mitglieder des Verwaltungsrates berechtigt und verpflichtet, gestützt auf die ihnen nach angemessenem Aufwand zur Verfügung stehenden Informationen zu bestimmen, (i) ob eine Person ein Nahestehender Aktionär ist; (ii) die Anzahl Aktien, die eine Person oder eine Gesellschaft direkt oder indirekt hält; (iii) ob eine Gesellschaft eine Nahestehende Gesellschaft einer anderen

Art. 19 Resolutions and Voting

The general meeting of the shareholders shall pass its resolutions and elections with a majority of the share votes cast, excluding unmarked, invalid and non-exercisable votes, to the extent not otherwise stated by the law or the Articles of Association. Where the votes are tied, a resolution shall be deemed not to be passed; in the case of elections, the decision shall be by lot.

Art. 20 Special Vote

The following resolutions require by law two thirds of the votes represented and the absolute majority of the nominal value of the Shares represented in favor:

1. amendment of the Company objects;
2. creation of Shares with privileged voting rights;
3. restriction on the transferability of registered Shares;
4. approved or conditional capital increase;
5. capital increase out of equity, by way of contributions in kind or for the purpose of acquisition of assets and the granting of special benefits;
6. restriction or withdrawal of subscription rights;
7. relocation of the registered office of the Company;
8. winding-up of the Company;
9. merger resolution pursuant to Art. 18 of the Merger Act (FusG), demerger resolution pursuant to Art. 43 FusG and transformation resolution pursuant to Art. 64 FusG.

Subject to the provisions of the applicable law and except as otherwise expressly provided in this Art. 20, the approval of at least 75 % of the Shares represented at a general meeting of the shareholders shall be required for:

1. The approval of Business Combinations (definition of this term is in Art. 41 of these Articles of Association) pursuant to Art. 12 (9) of these Articles of Association. The foregoing requiring a special resolution of the shareholders shall not be applicable to any particular Business Combination, and such Business Combination shall require only such vote as is required by the law or by these Articles of Association, whichever is greater, if the Business Combination shall have been approved by a majority of the Disinterested Directors (as hereinafter defined in Art. 41 of these Articles of Association) whereby it is understood that such majority of the Disinterested Directors shall have the power and duty to determine for the purposes of this Article, on the basis of information known to them after reasonable inquiry, (i) whether a person is an Interested Shareholder; (ii) the number of Shares of which any person is the beneficial owner; (iii) whether a Person is an Affiliate of another; and (iv) whether the assets which are the subject of any Business Combination have, or any securities to be issued or transferred by the Company or any Subsidiary in any

ist; und ob (iv) die Aktiven, welche Gegenstand eines solchen Zusammenschlusses sind oder die von der Gesellschaft oder einer ihrer Tochtergesellschaften im Zusammenhang mit einem solchen Zusammenschluss ausgegebenen oder übertragenden Effekten einen aggregierten Marktwert von mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor dem Zusammenschluss haben. Die Mehrheit der Unparteiischen Mitglieder des Verwaltungsrates hat zudem das Recht, sämtliche Bestimmungen und Begriffe dieses Art. 20 auszulegen.

2. Jede Änderung dieser Bestimmung.

Ein Beschluss der Generalversammlung der mindestens zwei Drittel der Gesamtstimmen (die Definition von Gesamtstimmen findet sich in Art. 41 dieser Statuten) auf sich vereinigt, ist erforderlich für:

1. Die Abwahl eines amtierenden Mitglieds des Verwaltungsrates
2. Jede Änderung dieser Bestimmung

Ein Beschluss der Generalversammlung der mindestens 75 % der Gesamtstimmen (die Definition von Gesamtstimmen findet sich in Art. 41 dieser Statuten) auf sich vereinigt, ist erforderlich für:

1. Die Reduktion oder Erhöhung der Anzahl Verwaltungsräte in Art. 24 dieser Statuten.
2. Jede Änderung dieser Bestimmung.

Auf Verlangen eines Aktionärs erfolgt die Wahl der Mitglieder des Verwaltungsrates in geheimer Abstimmung. Die übrigen Wahlen und Beschlussfassungen erfolgen in offener Abstimmung, falls die Generalversammlung nichts anderes beschließt.

Ist die Gesellschaft verpflichtet, ihre Jahresrechnung und gegebenenfalls ihre Konzernrechnung durch eine Revisionsstelle prüfen zu lassen, muss der Revisionsbericht vorliegen, bevor die Generalversammlung die Jahresrechnung und die Konzernrechnung genehmigt und über die Verwendung des Bilanzgewinns beschließt. Wird eine ordentliche Revision durchgeführt, so muss die Revisionsstelle an der Generalversammlung anwesend sein. Die Generalversammlung kann durch einstimmigen Beschluss auf die Anwesenheit der Revisionsstelle verzichten.

Art. 21 Auskunfts- und Einsichtsrecht der Aktionäre

Jeder Aktionär ist berechtigt, an der Generalversammlung vom

Business Combination have, an aggregate Fair Market Value equaling or exceeding twenty-five percent (25 %) of the Fair Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries. A majority of the Disinterested Directors shall have the further power to interpret all of the terms and provisions of this Art. 20.

2. Any change to this paragraph of Art. 20 of the Articles of Association.

The approval of at least two thirds of the Total Voting Shares shall be required for (definition of the term Total Voting Shares is in Art. 41 of these Articles of Association):

1. A resolution with respect to the removal of a serving member of the Board of Directors.
2. Any change to this paragraph of Art. 20 of the Articles of Association.

The approval of at least 75 % of the Total Voting Shares shall be required for (definition of the term Total Voting Shares is in Art. 41 of these Articles of Association):

1. The increase or reduction of the number of members of the Board of Directors in Art. 24 of these Articles of Association.
2. Any change to this paragraph of Art. 20 of the Articles of Association.

At the request of a shareholder the election of members of the Board of Directors shall take place by secret ballot. All other voting and passing of resolutions shall occur by open ballot unless otherwise resolved by the general meeting of the shareholders.

Where the Company is required to have its annual financial accounts and, where relevant, its group accounts audited by auditors, the audit report shall be presented to the general meeting of the shareholders prior to approval of the annual financial accounts and group accounts and prior to resolving on the application of the balance sheet profit. Where an ordinary audit is to be conducted, the Auditors shall be present at the general meeting of the shareholders. The general meeting of the shareholders may by way of a unanimous resolution, waive the requirement for the presence of the Auditors.

Art. 21 Information and Inspection Rights of the Shareholders

At the general meeting of the shareholders, any shareholder is

Verwaltungsrat Auskunft über die Angelegenheiten der Gesellschaft und von der Revisionsstelle über Durchführung und Ergebnis ihrer Prüfung zu verlangen.

Die Auskunft ist insoweit zu erteilen, als sie für die Ausübung der Aktionärsrechte erforderlich ist. Sie kann verweigert werden, wenn durch sie Geschäftsgeheimnisse oder andere schutzwürdige Interessen der Gesellschaft gefährdet werden.

Die Geschäftsbücher und Korrespondenzen können nur mit ausdrücklicher Ermächtigung der Generalversammlung oder durch Beschluss des Verwaltungsrates und unter Wahrung des Geschäftsgeheimnisses eingesehen werden.

Art. 22 Recht auf Einleitung einer Sonderprüfung

Jeder Aktionär kann der Generalversammlung beantragen, bestimmte Sachverhalte durch eine Sonderprüfung abklären zu lassen, sofern dies zur Ausübung der Aktionärsrechte erforderlich ist und er das Recht auf Auskunft oder das Recht auf Einsicht bereits ausgeübt hat.

Art. 22 a) Vergütung des Verwaltungsrates und der Geschäftsleitung

(1) Die Aktionäre genehmigen, unter Vorbehalt der nachstehenden Abs. 2 und 4, an jeder ordentlichen Generalversammlung die Anträge des Verwaltungsrates betreffend den Maximalgesamtbetrag (in US Dollars, Schweizer Franken oder einer anderen Währung):

- (a) der Vergütung des Verwaltungsrates für die Periode zwischen der ordentlichen Generalversammlung, an welcher um Genehmigung ersucht wird, und der nächsten ordentlichen Generalversammlung; und
- (b) der Vergütung der Geschäftsleitung für das Geschäftsjahr, welches nach der ordentlichen Generalversammlung, an welcher um Genehmigung ersucht wird, beginnt.

(2) Der Verwaltungsrat kann die Aktionäre an einer Generalversammlung um Genehmigung eines Gesamtbetrages oder eines Maximalgesamtbetrages der Vergütung für den Verwaltungsrat beziehungsweise die Geschäftsleitung, oder von Elementen davon, oder zusätzlicher oder bedingter Beträge, in Bezug auf von Abs. 1 dieses Art. 22 a) abweichende Zeitperioden ersuchen, sei es auf retrospektiver Basis, prospektiver Basis oder einer Kombination davon.

entitled to request information from the Board of Directors concerning the affairs of the Company and from the Auditors concerning the conduct and the results of their review.

The information shall be given to the extent necessary for the exercising of shareholders' rights. It may be denied if business secrets or other interests of the Company worth being protected are jeopardized.

Company books and correspondence may only be inspected with the express authorization of the general meeting of the shareholders or by resolution of the Board of Directors and under the condition that business secrets are safeguarded.

Art. 22 Right to Initiate a Special Audit

Any shareholder may, at the general meeting of the shareholders, request that certain matters be subject to a special audit to the extent this is necessary for the exercising of shareholders' rights and he/she has previously exercised the right to information or the right to inspection.

Art. 22 a) Compensation of the Board of Directors and Executive Management

(1) The shareholders shall, subject to paras. 2 and 4 below, at each annual general meeting ratify the proposals of the Board of Directors as regards the maximum aggregate amount (expressed in U.S. dollars, Swiss francs or any other currency) of, respectively:

- (a) the compensation of the Board of Directors for the period between the annual general meeting at which ratification is sought and the next annual general meeting; and
- (b) the compensation of Executive Management for the fiscal year commencing after the annual general meeting is held at which the ratification is sought.

(2) The Board of Directors may seek ratification by the shareholders at a general meeting of the shareholders on a retrospective basis, on a prospective basis, or a combination thereof, of the aggregate amount, or maximum aggregate amount, of compensation, respectively, of the Board of Directors and Executive Management, or any element thereof, or any additional or contingent amount, in relation to different time periods than those referred to in para. 1 of this Art. 22 a).

(3) Innerhalb des von den Aktionären an der jeweiligen Generalversammlung genehmigten Maximalgesamtbetrages ist ausschliesslich der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss befugt und verantwortlich, die tatsächliche individuelle Vergütung jedes Mitglieds des Verwaltungsrates beziehungsweise der Geschäftsleitung zu bestimmen. Zu diesem Zweck wird der Wert der Vergütung gemäss allgemein anerkannten Bewertungsmethoden per Datum der Zuteilung des jeweiligen Vergütungselements bestimmt.

(4) Genehmigen die Aktionäre an einer Generalversammlung einen Antrag des Verwaltungsrates gemäss Abs. 1 oder 2 hiervor nicht, so zieht der Verwaltungsrat den Antrag, der nicht genehmigt wurde, unter Berücksichtigung, soweit feststellbar, der Gründe, aus welchen die Aktionäre den Antrag nicht genehmigt haben, in Wiedererwägung, und ersucht die Aktionäre um Genehmigung eines überarbeiteten Antrags; die Genehmigung kann an der Generalversammlung, an welcher der Antrag gemäss Abs. 1 oder 2 hiervor nicht genehmigt wurde, an einer ausserordentlichen Generalversammlung oder an der nächsten ordentlichen Generalversammlung erfolgen.

(5) Die Gesellschaft oder von ihr kontrollierte Gesellschaften können Vergütung vor der Genehmigung durch die Aktionäre an einer Generalversammlung auszahlen oder zuteilen. Solche Vergütung steht unter dem Vorbehalt der nachträglichen Genehmigung durch die Aktionäre.

(6) Der Begriff "Vergütung", so wie er in diesen Statuten verwendet wird, umfasst jegliche Form der Entschädigung, einschliesslich, aber nicht beschränkt auf Vergütung in bar, in der Form von Aktien, gesperrten Aktien, Bonus-Aktien, ausgeschobenen Einheiten, Optionen, Wertsteigerungsrechten, gesperrten Aktieneinheiten, Leistungsprämien oder anderen Finanzinstrumenten oder Derivaten, oder irgendeiner Kombination davon, oder andere Leistungen und Vorteile, welche Mitgliedern des Verwaltungsrates und/oder der Geschäftsleitung bezahlt oder zugeteilt wird bzw. welche diese erhalten. Der Begriff "Vergütung" umfasst nicht den Ersatz von Auslagen, die ein Mitglied des Verwaltungsrates oder der Geschäftsleitung im Interesse der Gesellschaft getätigkt hat.

Art. 22 b) Allgemeine Vergütungsprinzipien

(1) Die Vergütung des Verwaltungsrates kann (i) Barkomponenten, (ii) Aktien, gesperrte Aktien, gesperrte Aktieneinheiten, aufgeschobene Einheiten oder ähnliche Instrumente und/oder (iii) Leistungen oder Vorteile in der Form von Sach- oder Dienstleistungen umfassen, wie im Einzelnen vom Verwaltungsrat oder, soweit an ihn delegiert, vom Vergütungsausschuss unter Vorbehalt der anwendbaren Planbestimmungen festgelegt. Exekutive Verwaltungsräte erhalten keine Vergütung zusätzlich zur Vergütung, welche ihnen im Rahmen ihrer Funktion als Mitglied der Geschäftsleitung der Gesellschaft ausgerichtet wird.

(3) Within the maximum aggregate amount ratified by the shareholders at the relevant general meeting of the shareholders, it shall be the exclusive authority and responsibility of the Board of Directors or, where delegated to it, the Compensation Committee to determine the actual individual compensation of, respectively, each member of the Board of Directors and Executive Management. For such purposes, the value of compensation shall be determined in accordance with generally recognized valuation methods as per the grant date of the respective compensation element.

(4) If at the annual general meeting the shareholders have not ratified a proposal of the Board of Directors pursuant to para. 1 above or para. 2 above, the Board of Directors shall reconsider the proposal that has not been ratified, taking into account, to the extent identifiable, the reasons for which the shareholders did not ratify the proposal, and seek shareholder ratification for a revised proposal at the annual general meeting at which the proposal pursuant to para. 1 above or para. 2 above has not been ratified, at an extraordinary general meeting or at the next annual general meeting.

(5) The Company or companies under its control may pay out or grant compensation prior to shareholder ratification at a general meeting of the shareholders. Such compensation is subject to subsequent shareholder ratification.

(6) The term "compensation", as used in these Articles of Association, shall include any form of remuneration, including, without limitation, cash, shares, restricted shares, bonus shares, deferred units, stock options, share appreciation rights, restricted stock units, performance awards, awards of other financial instruments or derivatives, or any combination of the foregoing, paid or granted to, and any other benefits and perquisites received by, members of the Board of Directors and/or Executive Management. The term "compensation" shall not include the reimbursement of expenses incurred by a member Board of Directors or Executive Management in the interests of the Company.

Art. 22 b) General Compensation Principles

(1) The compensation of the Board of Directors may include (i) cash, (ii) shares, restricted shares, restricted share units, deferred units or similar instruments, and/or (iii) benefits and perquisites in kind or in the form of services, as shall be determined by the Board of Directors or, where delegated to it, the Compensation Committee and subject to the terms of the applicable plans. Executive directors shall not receive any compensation in addition to the compensation paid to them in their roles as officers of the Company.

(2) Sofern vom Verwaltungsrat oder, soweit an ihn delegiert, vom Vergütungsausschuss nicht anders festgelegt, besteht die Vergütung der Geschäftsleitung in der Regel aus (i) einem Basissalar, (ii) anteilsbasierter oder anderer Leistungs- oder Erfolgsvergütung gemäss anwendbaren Plänen und (iii) weiterer Vergütung, die der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss als angemessen erachtet, einschliesslich, aber nicht beschränkt auf Beiträge an Vorsorgeleistungspläne und Spesenpauschalen.

(3) Vergütung gemäss Beteiligungs- oder Leistungs- und Erfolgsplänen soll so ausgestaltet sein, dass die Interessen der Empfänger auf diejenigen der Aktionäre der Gesellschaft ausgerichtet werden, eine Mitarbeiteranbindung erreicht wird und die Vergütung an die Leistung infolge der Schaffung von Mehrwert für die Aktionäre geknüpft wird. Der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss berücksichtigen die Funktion, den Umfang der Pflichten und die Verantwortungsstufe des jeweiligen Empfängers, die Mitarbeiteranbindung, das gegenwärtige Geschäftsumfeld, die persönliche Leistung, die Leistung der Gesellschaft oder von Unternehmensteilen, einschliesslich, aber nicht beschränkt auf die Aktienrendite im Verhältnis zum Markt, anderen Unternehmen oder anderen Richtgrössen.

(4) Vorbehältlich der Genehmigung der Bestimmungen der Beteiligungs- oder der Leistungs- und Erfolgspläne durch die Aktionäre (soweit gemäss anwendbarem Recht oder anwendbaren Börsenregularien erforderlich), legt der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss für anteilsbasierte oder Leistungs- und Erfolgsvergütung, soweit anwendbar, die Zuteilungs-, Anfalls- (*vesting*-), Ausübungs- und Verfallsbedingungen fest; der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss kann vorsehen, dass aufgrund des Eintritts von im Voraus bestimmten Ereignissen wie einem Kontrollwechsel oder der Beendigung eines Arbeits-, Mandats- oder anderen Vertrags Anfalls- (*vesting*-) und Ausübungsbedingungen fortbestehen oder verkürzt oder aufgehoben werden, Vergütungen unter Annahme der Erreichung der Zielwerte ausgerichtet werden oder Vergütungen verfallen.

(5) Die Gesellschaft kann die Aktien der Gesellschaft, die im Rahmen der anteilsbasierten Vergütung an die Begünstigten auszugeben oder zu liefern sind, jeweils soweit verfügbar aus genehmigtem oder bedingtem Aktienkapital oder unter Verwendung von auf dem Markt erworbenen eigenen Aktien bereitstellen.

(6) Vergütung gemäss diesen Statuten kann durch die Gesellschaft oder durch von ihr kontrollierte Gesellschaften ausbezahlt oder zugeteilt werden.

(2) Except as otherwise determined by the Board of Directors or, where delegated to it, the Compensation Committee, Executive Management compensation shall generally consist of (i) a base salary, (ii) equity incentive and other incentive compensation pursuant to applicable plans and (iii) any other compensation as deemed appropriate by the Board of Directors or, where delegated to it, the Compensation Committee, including, but not limited to, contributions to post-retirement benefit plans and allowances.

(3) Compensation pursuant to participation or incentive plans shall be designed so as to align the interests of its recipients with those of the Company's shareholders, provide retention incentives, and tie compensation to performance through the creation of shareholder value. The Board of Directors or, where delegated to it, the Compensation Committee shall take into account the position and level of duties and responsibility of the respective recipient, retention considerations, the current business environment, individual performance, performance of the Company or parts thereof, including, without limitation, total shareholder return relative to market, other companies or other benchmarks.

(4) In relation to equity incentive or other incentive awards, subject to the approval of the terms of equity incentive or other incentive plans by shareholders as may be required under applicable law and stock exchange rules, the Board of Directors or, where delegated to it, the Compensation Committee shall, as applicable, determine the grant, vesting, exercise and forfeiture conditions; the Board of Directors or, where delegated to it, the Compensation Committee may provide for the continuation, acceleration or removal of vesting and exercise conditions, for the payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case with regard to pre-determined events such as a change-in-control or termination of an employment, mandate or other agreement.

(5) The Company may procure the shares of the Company to be issued or delivered to beneficiaries of equity-based awards, to the extent available, from authorized share capital, conditional share capital, or through use of treasury shares purchased in the market.

(6) Compensation pursuant to these Articles of Association may be paid or granted by the Company or companies under its control.

Art. 22 c) Zusatzbetrag für Änderungen in der Geschäftsleitung

Reicht der von den Aktionären an einer Generalversammlung genehmigte Maximalgesamtbetrag der Vergütung der Mitglieder der Geschäftsleitung für die Vergütung eines Mitglieds der Geschäftsleitung, das nach dem Zeitpunkt der letzten Genehmigung durch die Aktionäre an einer Generalversammlung Mitglied der Geschäftsleitung wird oder innerhalb der Geschäftsleitung befördert wird, nicht aus, sind die Gesellschaft oder von ihr kontrollierte Gesellschaften ermächtigt, jedem solchem Mitglied der Geschäftsleitung für die Dauer der bereits durch die Aktionäre an einer Generalversammlung genehmigten Vergütungsperiode(n) eine Vergütung zu bezahlen oder auszurichten. Eine solche Vergütung darf je neu ernanntes oder befördertes Mitglied der Geschäftsleitung und je relevante Vergütungsperiode unter keinen Umständen den letzten von den Aktionären an einer Generalversammlung genehmigten Maximalgesamtbetrag der Vergütung übersteigen. Vergütung, die gemäss diesem Art. 22 c) ausgerichtet wird, bedarf keiner weiteren Genehmigung durch die Aktionäre.

Art. 23 Präsenzquorum

Jede Beschlussfassung oder Wahl setzt zu ihrer Gültigkeit im Zeitpunkt der Konstituierung der Generalversammlung ein Präsenzquorum von Aktionären, welche mindestens die Mehrheit aller Gesamtstimmen vertreten, voraus. Die Aktionäre können mit der Behandlung der Traktanden fortfahren, selbst wenn Aktionäre nach Bekanntgabe des Quorums durch den Vorsitzenden die Generalversammlung verlassen.

B. Der Verwaltungsrat

Art. 24 Zusammensetzung

Der Verwaltungsrat besteht aus mindestens einem und höchstens zehn Mitgliedern.

Solange die Namenaktien der Gesellschaft an einer in- oder ausländischen Börse kotiert sind, soll der Verwaltungsrat mindestens drei unabhängige Verwaltungsräte (Unabhängige Verwaltungsräte) ausweisen.

Art. 25 Amtsdauer

Die Aktionäre wählen die Mitglieder des Verwaltungsrates und den Verwaltungsratspräsidenten einzeln an einer Generalversammlung für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Ist das Amt des Verwaltungsratspräsidenten aus irgendeinem Grund vakant, ernennt der Verwaltungsrat einen Verwaltungsratspräsidenten für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung.

Art. 22 c) Supplementary Amount for Changes to the Executive Management

If the maximum aggregate amount of compensation of Executive Management members ratified by the shareholders at a general meeting of the shareholders is not sufficient to also cover the compensation of a member of Executive Management who becomes a member of Executive Management or is being promoted within Executive Management after the date of the most recent shareholder ratification at a general meeting of the shareholders, the Company or companies under its control shall be authorized to pay and/or grant compensation to such member of Executive Management in relation to the compensation period(s) already ratified by the shareholders at a general meeting of the shareholders. In no event shall any such compensation for each newly appointed or promoted member of Executive Management and for each relevant compensation period exceed the maximum aggregate amount of Executive Management compensation last ratified by shareholders at a general meeting of the shareholders. No further shareholder ratification shall be required for any compensation paid and/or granted in accordance with this Art. 22 c).

Art. 23 Presence Quorum

The adoption of any resolution or election requires the presence of at least a majority of the Total Voting Shares at the time when the general meeting of the shareholders proceeds to business. The shareholders present at a general meeting of the shareholders may continue to transact business, despite the withdrawal of shareholders from such general meeting of the shareholders following announcement of the presence quorum at that meeting.

B. The Board of Directors

Art. 24 Composition

The Board of Directors shall consist of no less than one and no more than ten members.

As long as the registered Shares of the Company are listed on a domestic or foreign Exchange, the Company shall maintain a minimum of three Independent Directors on its Board of Directors.

Art. 25 Term of Office

The shareholders shall elect the members of the Board of Directors and the chair of the Board of Directors individually at a general meeting of shareholders for a term of office extending until completion of the next annual general meeting. Re-election is possible. If the office of the chair of the Board of Directors is vacant, for any reason, the Board of Directors shall appoint a new chair from among its members for a term of office extending until completion of the next annual general meeting.

Wenn ein Verwaltungsratsmitglied vor Ablauf seiner Amts dauer aus irgendeinem Grund ersetzt wird, endet die Amts dauer des an seiner Stelle gewählten neuen Verwaltungsratsmitgliedes mit dem Ende der Amts dauer seines Vorgängers.

Ist an der Gesellschaft eine juristische Person oder eine Handelsgesellschaft beteiligt, so ist sie als solche nicht als Mitglied des Verwaltungsrates wählbar; dagegen können an ihrer Stelle ihre Vertreter gewählt werden.

Art. 26 Konstituierung

Vorbehältlich der Wahl des Verwaltungsratspräsidenten und der Mitglieder des Vergütungsausschusses durch die Aktionäre an einer Generalversammlung bestimmt der Verwaltungsrat seine Organisation selbst. Er kann einen oder mehrere Vize-Präsidenten wählen. Er bestellt einen Sekretär, der nicht Mitglied des Verwaltungsrates sein muss. Vorbehältlich des anwendbaren Rechts und dieser Statuten regelt der Verwaltungsrat die Einzelheiten seiner Organisation in einem Organisationsreglement.

Art. 27 Aufgaben

Der Verwaltungsrat besorgt die laufenden Geschäfte und vertritt die Gesellschaft nach aussen.

Der Verwaltungsrat hat die folgenden unübertragbaren und unentziehbaren Aufgaben:

Oberleitung der Gesellschaft und Erteilung der nötigen Weisungen;
Festlegung der Organisation, sofern in diesen Statuten nicht anders geregelt;
Ausgestaltung des Rechnungswesens, der Finanzkontrolle sowie der Finanzplanung, sofern diese für die Führung der Gesellschaft notwendig ist;
Ernennung und Abberufung der mit der Geschäftsführung und der Vertretung betrauten Personen sowie Regelung der Zeichnungsberechtigung;
Oberaufsicht über die mit der Geschäftsführung betrauten Personen, namentlich im Hinblick auf die Befolgung der Gesetze, Statuten, Reglemente und Weisungen;

Erstellung des Geschäftsberichtes, des Vergütungsberichtes sowie Vorbereitung der Generalversammlung und Ausführung ihrer Beschlüsse;
Benachrichtigung des Richters im Falle der Überschuldung;
Beschlussfassung über die nachträgliche Leistung von Einlagen auf nicht voll liberierte Aktien;
Feststellungsbeschlüsse bei Kapitalerhöhungen und daraus folgende Statutenänderungen.

Er hat überdies die folgenden Aufgaben:

If, before the expiration of his term of office, a member of the Board of Director should be replaced for any reason, the term of office of the newly elected member of the Board of Directors shall expire at the end of the term of office of his predecessor.

If a legal entity or another commercial enterprise is a shareholder of the Company, it shall not be eligible for membership on the Board of Directors; however, its representatives may be elected in lieu thereof.

Art. 26 Constitution

Except for the election of the chair of the Board of Directors and the members of the Compensation Committee by the shareholders at a General Meeting of Shareholders, the Board of Directors shall determine its own organization. It may elect one or more vice-chairs. It shall appoint a Secretary, who need not be a member of the Board of Directors. Subject to applicable law and these Articles of Association, the Board of Directors shall establish the particulars of its organization in organizational regulations.

Art. 27 Duties

The Board of Directors shall manage the ongoing business and represent the Company externally.

The Board of Directors has the following non-transferable and inalienable duties:

Supreme management of the Company and issuance of the relevant instructions;
Determination of the organisation, except as stated otherwise in these Articles of Association;
Structuring of the accounting system, the financial controls and the financial planning to the extent that this is necessary for the management of the Company;
Appointment and removal of the persons entrusted with the management and representation of the Company as well as regulation of signatory power;
Overall supervision of the persons entrusted with the management of the Company, in particular with regard to their compliance with the law, the Articles of Association and other internal rules and regulations;
Preparation of the annual business report, the compensation report and the general meeting of the shareholders, as well as implementation of its resolutions;
Notification of the judge in the case of over-indebtedness;
Passing of resolutions regarding retroactive payments related to partly paid-in shares;
Declaratory resolutions regarding capital increases and consequential amendments of the Articles of Association.

In addition, the Board of Directors shall have the following duties:

Führung der gemäss Organisationsreglement dem Verwaltungsrat vorbehaltenen Geschäfte (vgl. Art. 30 Abs. 2); Antragstellung betreffend Verwendung des Bilanzgewinnes; Festlegung des Geschäftsjahres (vgl. Art. 36); Behandlung von Eintragungsgesuchen (vgl. Art. 8).

Im Übrigen kann der Verwaltungsrat in allen Angelegenheiten Beschluss fassen, die nicht nach Gesetz, Statuten oder Reglement der Generalversammlung oder einem anderen Organ der Gesellschaft vorbehalten oder übertragen sind.

Die Mitglieder des Verwaltungsrates zeichnen kollektiv zu zweien. Gehört dem Verwaltungsrat nur eine Person an, so ist diese einzeln zeichnungsberechtigt.

Art. 28 Schadlos haltung

Im Rahmen des gesetzlich Zulässigen, hält die Gesellschaft sämtliche Personen sowie deren Erben, Konkurs- oder Nachlassmassen, welche wegen ihrer Tätigkeit als Verwaltungsrat, Mitglied der Geschäftsleitung, Officer, Angestellte, Agent oder weil sie in einer anderen Funktion für oder im Namen der Gesellschaft (einschliesslich solcher Tätigkeiten, die diese Personen für eine andere Gesellschaft, eine nicht rechtsfähige Personengesellschaft, einen Joint Ventures, einen Trusts, eine sonstige Geschäftseinheit oder fiduziarisch im Zusammenhang mit von der Gesellschaft unterhaltenen Mitarbeiterbeteiligungsplänen für oder im Namen oder auf Aufforderung der Gesellschaft ausübten oder ausüben) tätig wurden, Partei in drohenden, hängigen oder abgeschlossenen Klagen, Verfahren oder Untersuchungen zivil-, straf-, verwaltungsrechtlicher oder anderer Natur (einschliesslich allfälliger Klagen der Gesellschaft) waren oder werden, schadlos von sämtlichen Auslagen (einschliesslich Anwaltskosten), Abgaben, Verlusten und Schäden, die diese in diesem Zusammenhang zu bezahlen und damit erlitten haben. Im Rahmen des gesetzlich zulässigen soll die Gesellschaft Gerichts- und Anwaltskosten im Zusammenhang mit solchen Klagen und Verfahren (einschliesslich Rechtsmittelverfahren) bevorschussen.

Der Verwaltungsrat ist unabhängig von der Interessenlage des einzelnen Mitgliedes berechtigt, namens der Gesellschaft und zugunsten der in Art. 28 Abs. 2 dieser Statuten erwähnten Personen Versicherungen für die gegen diese Personen im Zusammenhang mit den oben beschriebenen Funktionen erhobenen Haftungsansprüche sowie deren Folgen abzuschliessen, unabhängig davon, ob die Gesellschaft das Recht bzw. die Macht hätte, diese Person in Anwendung von Art. 28 schadlos zu halten.

Art. 28 ist auf alle Ansprüche, Klagen, Prozesse anwendbar, die nach Inkrafttreten dieser Bestimmung eingeleitet werden, unabhängig davon, ob sich diese auf Tätigkeiten oder Unterlassungen vor Inkrafttreten dieser Bestimmung stützen.

Management of transactions reserved to the Board of Directors by the Organizational Regulations (cf. Art. 30 paragraph 2); Proposals regarding the application of the balance sheet profit; Defining the business year (cf. Art. 36). Treatment of registration applications (cf. Art. 8).

Otherwise, the Board of Directors may resolve on all matters not reserved or assigned to the general meeting of the shareholders or another corporate body of the Company by law, the Articles of Association or other internal rules and regulations.

The members of the Board of Directors shall have the power of joint signatories. Where the Board of Directors consists of just one person, he shall have the power of single signatory.

Art. 28 Indemnification

The Company shall indemnify, to the full extent now or hereafter permitted by law, any person (including his heirs, executors and administrators) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, an action by or in the right of the Company), by reason of his acting as, or having in the past acted as, a member of the Board of Director, member of Executive Management, officer, employee or agent of, or his acting in any other capacity for or on behalf of, the Company (including his serving for, on behalf of or at the request of the Company as a member of the Board of Director, member of Executive Management, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, or in a fiduciary or other capacity with respect to any employee benefit plan maintained by the Company) against any expense (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person (or his heirs, executors and administrators) in respect thereof. The Company shall advance the expenses of defending any such action, suit or proceeding (including appeals) in accordance with and to the full extent now or hereafter permitted by law.

The Board of Directors may, notwithstanding any interest of the member of the Board of Directors in such action, authorize the Company to purchase and maintain insurance on behalf of any person described in Art. 28 paragraph 2 of these Articles of Association, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Art. 28.

The provisions of this Art. 28 shall be applicable to all actions, claims, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Art.

Die Vorschrift in diesem Art. 28 soll als Vertrag zwischen der Gesellschaft und jedem Verwaltungsratsmitglied, Mitglied der Geschäftsleitung, Direktor, Angestellten und Agenten, der in den weiter oben beschriebenen Funktionen zu einem beliebigen Zeitpunkt während der Gültigkeit dieser Bestimmung und des anwendbaren Rechts tätig war, gelten, und die Aufhebung oder Änderung dieser Bestimmung soll die zu jenem Zeitpunkt bestehenden Rechte und Pflichten bezüglich des zu jenem Zeitpunkt bestehenden Tatbestandes oder der zu jenem oder einem späteren Zeitpunkt gestützt auf diesen Sachverhalt geltend gemachten oder angedrohten Klagen, Ansprüchen oder Prozessen nicht berühren. Sollten einzelne Bestimmungen dieses Art. 28 aus gesetzlichen oder regulatorischen Gründen ungültig sein oder in ihrer Anwendung eingeschränkt werden, soll dies die Anwendung dieser Bestimmung oder die Gültigkeit dieser Bestimmung nicht berühren. Die Rechte im Zusammenhang mit der Schadloshaltung und der Bevorschussung in diesem Artikel sind weder exklusiv noch sollen sie allfällige bestehende andere Rechte der betroffenen Verwaltungsratsmitglieder, Geschäftsleitungsmitgliedern, Direktoren, Angestellten oder Agenten limitieren, die diese gestützt auf Verträge oder gestützt auf Beschlüsse der Organe der Gesellschaft oder in ihrer Funktion haben, limitieren. Die Gesellschaft ist dem Grundsatz verpflichtet, wonach die Schadloshaltung der in diesem Artikel definierten Personen im Rahmen des gesetzlich zulässigen entsprochen werden soll.

Art. 29 Einberufung und Beschlussfassung

Der Verwaltungsrat versammelt sich, so oft es die Geschäfte erfordern, jedoch mindestens einmal im Jahr. Er wird durch seinen Präsidenten oder den Vizepräsidenten einberufen. Jedes Mitglied hat jederzeit das Recht, unter schriftlicher Angabe der Gründe die unverzügliche Einberufung einer Verwaltungsratssitzung zu verlangen.

Die Einberufung des Verwaltungsrates hat in der Regel mindestens fünf Werkstage vor dem Sitzungstage zu erfolgen. Tag, Zeit und Ort der Sitzung und die Verhandlungsgegenstände (Traktandenliste) sind bei der Einberufung bekannt zu geben. Gleichzeitig werden die massgebenden Sitzungsunterlagen zugestellt. Über Gegenstände, die in der Traktandenliste nicht aufgeführt sind, können in dringenden Fällen Beschlüsse gefasst werden.

Der Verwaltungsrat ist beschlussfähig, wenn die absolute Mehrheit der Mitglieder anwesend ist. Für Beschlüsse, die im Rahmen von Kapitalerhöhungen zu treffen sind, ist der Verwaltungsrat auch beschlussfähig, wenn nur ein Mitglied anwesend ist.

Der Verwaltungsrat fasst seine Beschlüsse und trifft seine Wahlen mit der Mehrheit der abgegebenen Stimmen. Er kann höhere Beschlussfassungsquoren einführen. Diese müssen in einem Reglement festgehalten werden. Bei Stimmengleichheit gibt der Vorsitzende den Stichentscheid, bei Wahlen entscheidet

28 shall be deemed to be a contract between the Company and each member of the Board of Director, officer, employee or agent who serves in such capacity at any time while this Article and the relevant provisions of the law, if any, are in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts or any action, suit or proceeding then or theretofore existing, or any action, suit or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. If any provision of this Art. 28 shall be found to be invalid or limited in application by reason of any law or regulation, it shall not affect any other application of such provision or the validity of the remaining provisions hereof. The rights of indemnification and advancement of expenses provided in this Article shall neither be exclusive of, nor be deemed in limitation of, any rights to which any such member of the Board of Director, officer, employee or agent may otherwise be entitled or permitted by contract, vote of members or directors or otherwise, or as a matter of law, both as to actions in his official capacity and actions in any other capacity while holding such office, it being the policy of the Company that indemnification of the specified individuals shall be made to the fullest extent permitted by law.

Art. 29 Calling of Meetings and Quorum

The Board of Directors shall meet as often as business demands but at least once a year. It shall be called by the Chairman of the Board of Directors or the vice-chairman. Each member may, by giving written reasons therefore, demand that a meeting of the Board of Directors be held without delay.

The calling of a meeting of the Board of Directors shall, as a rule, be made at least five working days before the date of the meeting. Day, time, and place of the meeting as well as the matters for discussion (agenda) shall be notified at the time of the calling. At the same time, the related documents for the meeting shall be provided. Matters not contained in the agenda may be resolved upon in urgent cases.

The Board of Directors is quorate when the absolute majority of members is present. Where a resolution is to be taken in the context of a capital increase, the Board of Directors is also quorate when only one member is present.

The Board of Directors shall pass its resolutions and votes with a majority of the votes cast. The Board of Directors may introduce higher requirements to pass votes. Such requirements shall be contained in an internal regulation. Where votes are tied, the chairperson shall give the casting vote; in the case of

das Los.

Beschlüsse können auch auf dem Weg der schriftlichen Zustimmung (durch Brief, Telefax oder E-Mail) zu einem Antrag gefasst werden, sofern nicht ein Mitglied mündliche Beratung verlangt. Diese Beschlüsse bedürfen der Einstimmigkeit und sind zusammen mit den anderen Verwaltungsratsprotokollen aufzubewahren.

Art. 30 Ausschüsse und Delegation

Der Verwaltungsrat kann die Vorbereitung, die Ausführung seiner Beschlüsse und die Überwachung von Geschäften Ausschüssen oder einzelnen Mitgliedern zuweisen.

Der Vergütungsausschuss besteht aus mindestens drei (3) Mitgliedern des Verwaltungsrates. Die Mitglieder des Vergütungsausschusses müssen die anwendbaren Anforderungen an Unabhängigkeit, Erfahrung oder andere regulatorische Anforderungen, einschliesslich des NASDAQ Global Select Market oder einer anderen Börse, Rule 10C-1(b)(1) des Securities Exchange Act von 1934, in seiner geänderten Version (der "Exchange Act"), Rule 16b-3 des Exchange Act und Section 162(m) des Internal Revenue Code, erfüllen.

Die Aktionäre wählen die Mitglieder des Vergütungsausschusses einzeln an einer Generalversammlung für eine Amts dauer bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Bei Vakanzen im Vergütungsausschuss aus irgendeinem Grund ernennt der Verwaltungsrat aus seiner Mitte Ersatzmitglieder für eine Amts dauer bis zum Abschluss der nächsten ordentlichen Generalversammlung.

Der Verwaltungsrat ernennt den Vorsitzenden des Vergütungsausschusses. Vorbehältlich anwendbaren Rechts und dieser Statuten regelt der Verwaltungsrat die Einzelheiten der Organisation des Vergütungsausschusses in einem Reglement oder einer Satzung.

Der Vergütungsausschuss hat, unter anderem, die Aufgabe, (1) die Vergütung und die damit verbundene Offenlegung durch den Verwaltungsrat zu überprüfen und dem Verwaltungsrat Empfehlungen diesbezüglich zu unterbreiten; (2) den Verwaltungsrat in der Erfüllung seiner Pflichten bezüglich der Vergütung der Mitglieder der Geschäftsleitung und der damit verbundenen Offenlegung, einschliesslich der Erarbeitung von Richtlinien betreffend die Vergütungs- und Leistungsprogramme der Geschäftsleitung zu unterstützen; und (3) die Anträge des Verwaltungsrates an die Generalversammlung betreffend die Vergütung des Verwaltungsrates und der Geschäftsleitung vorzubereiten und dem Verwaltungsrat Empfehlungen diesbezüglich zu unterbreiten.

elections this shall be decided by lot.

Resolutions may also be passed by way of written consent (by letter, fax or email) provided no member has demanded an oral consultation. These resolutions require unanimity and shall be kept with the minutes of the meetings of the Board of Directors.

Art. 30 Committees and Delegation

The Board of Directors may delegate the preparation and implementation of its resolutions and the oversight of business to committees or individual members.

The Compensation Committee shall consist of no fewer than three (3) members of the Board of Directors. The members of the Compensation Committee shall meet any applicable independence, experience and other regulatory requirements, including of the NASDAQ Global Select Market or any other stock exchange, Rule 10C-1(b)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 16b-3 of the Exchange Act, and Section 162(m) of the Internal Revenue Code.

The shareholders shall elect the members of the Compensation Committee individually at a general meeting of the shareholders for a term of office extending until completion of the next annual general meeting. Re-election is possible. If there are vacancies on the Compensation Committee, for any reason, the Board of Directors shall appoint from among its members substitutes for a term of office extending until completion of the next annual general meeting.

The Board of Directors shall elect the chairperson of the Compensation Committee. Subject to applicable law and these Articles of Association, the Board of Directors shall establish the particulars of the organization of the Compensation Committee in regulations or a charter.

The Compensation Committee shall, among other things, (1) consider and make recommendations to the Board of Directors on the compensation and related disclosure of the Board of Directors; (2) assist the Board of Directors in discharging its responsibilities relating to compensation and related disclosure of the members of Executive Management, including the development of policies relating to Executive Management compensation and benefit programs; and (3) prepare and recommend to the Board of Directors the proposals of the Board of Directors to the general meeting of the shareholders regarding the compensation of the Board of Directors and Executive Management.

Der Verwaltungsrat regelt die Einzelheiten der Befugnisse und Pflichten des Vergütungsausschusses in einem Reglement oder einer Satzung.

Unter Vorbehalt seiner uniübertragbaren und unentziehbaren Aufgaben ist der Verwaltungsrat ferner befugt, die Geschäftsführung oder einzelne Zweige derselben und die Vertretung der Gesellschaft an eine oder mehrere Personen, Mitglieder des Verwaltungsrates (Delegierte) oder Dritte (Direktoren oder Geschäftsführer), zu übertragen. Die Personen, die vom Verwaltungsrat mit Geschäftsleitungsaufgaben betraut sind, und welche gemäss einer solchen Delegation die hauptsächliche Verantwortung für die Geschäftsführung der Gesellschaft haben, werden in diesen Statuten als „**Geschäftsleitung**“ bezeichnet. Er legt die dazu notwendigen Einzelheiten in einem Organisationsreglement fest.

Art. 31 Protokoll

Über die Verhandlungen und Beschlüsse des Verwaltungsrates ist ein Protokoll zu führen. Das Protokoll ist vom Vorsitzenden und vom Sekretär zu unterzeichnen. Besteht der Verwaltungsrat aus nur einem Mitglied, muss auch dieser über seine Entscheidungen Protokoll führen.

Die Protokolle sind vom Verwaltungsrat jeweils in der nächsten Sitzung zu genehmigen.

Art. 32 Recht auf Auskunft und Einsicht

Jedes Mitglied des Verwaltungsrates kann Auskunft über alle Angelegenheiten der Gesellschaft verlangen. In den Sitzungen sind alle Mitglieder des Verwaltungsrates sowie die mit der Geschäftsführung betrauten Personen zur Auskunft verpflichtet. Ausserhalb der Sitzungen kann jedes Mitglied von den mit der Geschäftsführung betrauten Personen Auskunft über den Geschäftsgang und, mit Ermächtigung des Präsidenten, auch über einzelne Geschäfte verlangen.

Soweit es für die Erfüllung einer Aufgabe erforderlich ist, kann jedes Mitglied dem Präsidenten beantragen, dass ihm Bücher und Akten vorgelegt werden. Weist der Präsident ein Gesuch auf Auskunft, Anhörung oder Einsicht ab, so entscheidet der Verwaltungsrat. Regelungen oder Beschlüsse des Verwaltungsrates, die das Recht auf Auskunft und Einsichtnahme der Mitglieder des Verwaltungsrates erweitern, bleiben vorbehalten.

Art. 32 a) Verträge betreffend Vergütung mit Mitgliedern des Verwaltungsrates und der Geschäftsleitung

Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern des Verwaltungsrates unbefristete oder befristete Mandatsverträge oder andere Verträge über deren Vergütung als Verwaltungsräte abschliessen. Die Dauer von

The Board of Directors shall establish the particulars of the powers and duties of the Compensation Committee in regulations or a charter.

Subject to its non-transferable and inalienable duties, the Board of Directors is furthermore empowered to delegate executive management of the business or individual branches of the same and the representation of the Company to one or more persons, members of the Board of Directors (delegates) or third parties (directors or managers). The persons to whom the Board of Directors delegates executive management, and who pursuant to such delegation shall have the primary responsibility for the executive management of the Company, shall be referred to in these Articles of Association as “**Executive Management**”. The Board of Directors shall stipulate the necessary details in the Organizational Regulations.

Art. 31 Minutes

Minutes shall be recorded of the discussions and resolutions of the Board of Directors. The minutes shall be signed by the Chairperson and the Secretary. Where the Board of Directors consists of only one member, such person must also keep a record of his decisions.

The minutes shall be approved by the Board of Directors in the next meeting.

Art. 32 Right to Information and Inspection

Each member of the Board of Directors may demand information on all matters concerning the Company. At meetings, all members of the Board of Directors as well as the persons entrusted with the management of the Company are under a duty to provide information. Outside the meetings, each member can demand information from those persons entrusted with the management about the course of business and, with the authorization of the president, about individual transactions.

To the extent it is necessary for the performance of a task, each member may apply to the Chairman of the Board of Directors that the books and files are made available to him. Where the Chairman of the Board of Directors rejects an application for information, a hearing or inspection, the Board of Directors shall decide. Regulations or resolutions of the Board of Directors that provide the members of the Board of Directors with the right to information and inspection remain reserved.

Art. 32 a) Agreements Regarding Compensation with Members of the Board of Directors and Executive Management

The Company or companies under its control may enter into fixed or indefinite mandate or other agreements with the members of the Board of Directors regarding their compensation as directors. The duration of fixed term

befristeten Verträgen darf die Amts dauer eines Verwaltungsrates nicht überschreiten. Eine Erneuerung eines befristeten Vertrages ist zulässig. Unbefristete Verträge haben eine Kündigungsfrist von maximal einer Amts dauer.

Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern der Geschäftsleitung unbefristete oder befristete Arbeitsverträge oder andere Verträge abschliessen. Befristete Verträge haben eine Höchstdauer von einem (1) Jahr. Eine Erneuerung eines befristeten Vertrages ist zulässig. Unbefristete Verträge haben eine Kündigungsfrist von maximal zwölf (12) Monaten.

Mitglieder der Geschäftsleitung können während der Kündigungsfrist von ihrer Arbeitspflicht befreit werden. Des Weiteren ist es zulässig, dass die Gesellschaft oder von ihr kontrollierte Gesellschaften Aufhebungs- oder ähnliche Vereinbarungen abschliessen.

Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern der Geschäftsleitung Konkurrenzverbote für die Zeit nach Beendigung des Arbeitsvertrags vereinbaren. Die gesamte Abgeltung eines solchen Konkurrenzverbots darf die an dieses Mitglied der Geschäftsleitung für das letzte volle Geschäftsjahr, während dem er oder sie von der Gesellschaft oder von einer von ihr kontrollierten Gesellschaft angestellt war, ausgerichtete Gesamtjahresvergütung nicht übersteigen.

Art. 32 b) Mandate ausserhalb des Konzerns

(1) Kein Mitglied des Verwaltungsrates, das anderweitig eine Vollzeitbeschäftigung oder eine Teilzeitbeschäftigung von mehr als 16 Wochenstunden ausübt, und kein Mitglied der Geschäftsleitung kann mehr als sechs (6) zusätzliche Mandate wahrnehmen, wovon nicht mehr als zwei (2) in Zivilrechtlichen Personen sein dürfen, deren Aktien an einer Börse kotiert sind. Kein Mitglied des Verwaltungsrates, das ansonsten pensioniert ist oder anderweitig eine Teilzeitbeschäftigung von nicht mehr als 16 Wochenstunden ausübt, kann mehr als zehn (10) zusätzliche Mandate wahrnehmen, wovon nicht mehr als vier (4) in Zivilrechtlichen Personen sein dürfen, deren Aktien an einer Börse kotiert sind.

(2) Die folgenden Mandate fallen nicht unter die Beschränkungen gemäss Abs. 1 dieses Art. 32 b):

- (a) Mandate in Zivilrechtlichen Personen, welche die Gesellschaft kontrollieren, durch die Gesellschaft kontrolliert werden oder unter gemeinsamer Kontrolle mit der Gesellschaft stehen;
- (b) Mandate, die auf Anordnung der Gesellschaft oder von Zivilrechtlichen Personen, welche die Gesellschaft kontrollieren, durch die Gesellschaft kontrolliert werden oder unter gemeinsamer Kontrolle mit der Gesellschaft

agreements may not exceed a director's term of office. A renewal of a fixed term agreement is permissible. Agreements for an indefinite term may have a termination notice period not exceeding a term of office.

The Company or companies under its control may enter into employment or other agreements with the members of Executive Management for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum term of one (1) year. A renewal of a fixed term agreement is permissible. Agreements for an indefinite term may have a termination notice period of a maximum twelve (12) months.

Members of Executive Management may be released from their obligation of work during the time of the termination notice period. Further, it shall be permissible for the Company or companies under its control to enter into termination or similar agreements.

The Company or companies under its control may enter into non-competition agreements with members of Executive Management for the time after the termination of the employment agreement. The total consideration paid for a non-competition undertaking shall not exceed the total annual compensation paid to such member of Executive Management during the last full fiscal year in which he or she was employed at the Company or companies under its control.

Art. 32 b) Mandates Outside the Group

(1) No member of the Board of Directors who otherwise holds full-time employment or part-time employment of more than 16 hours per week and no member of Executive Management may hold more than six (6) additional Mandates of which not more than two (2) Mandates may be in Persons whose shares are listed on a stock exchange. No member of the Board of Directors who is otherwise retired or employed in part-time employment not exceeding 16 hours per week may hold more than ten (10) additional Mandates of which not more than four (4) Mandates may be in Persons whose shares are listed on a stock exchange.

(2) The following Mandates shall not be subject to the limitations set forth in para. 1 of this Art. 32 b):

- (a) Mandates in any Person which controls, is controlled by or under common control with the Company;
- (b) Mandates held at the instruction of the Company or any Person which controls, is controlled by or under common control with the Company; provided, however, that no member of the Board of Directors or Executive

stehen, wahrgenommen werden. Kein Mitglied des Verwaltungsrates oder der Geschäftsleitung kann mehr als zehn (10) solche Mandate wahrnehmen;	Management shall hold more than ten (10) such Mandates;
(c) Mandate in Vereinen, gemeinnützigen Organisationen, Stiftungen (einschliesslich Personalfürsorgestiftungen), Trusts und ähnliche Zivilrechtliche Personen. Kein Mitglied des Verwaltungsrates oder der Geschäftsleitung kann mehr als zehn (10) solche Mandate wahrnehmen.	(c) Mandates in associations, charitable organizations, foundations (including in relation to post-retirement benefits), trusts and similar Persons; provided, however, that no member of the Board of Directors or Executive Management shall hold more than ten (10) such Mandates.
(3) Eine vorübergehende Überschreitung der Beschränkungen gemäss Abs. 1 und 2 dieses Art. 32 b) ist zulässig.	(3) A temporary exceedance of the limitations pursuant to para. 1 and para. 2 of this Art. 32 b) shall be permissible.
(4) Der Begriff "Mandate", so wie er in diesen Statuten verwendet wird, umfasst jeglichen Einsitz in das oberste Leitungs- oder Verwaltungsorgan einer Zivilrechtlichen Person, die zur Eintragung in ein Schweizerisches Handelsregister oder ein entsprechendes ausländisches Register verpflichtet ist. Mandate in verschiedenen Zivilrechtlichen Personen, welche unter einheitlicher Kontrolle oder gleicher wirtschaftlicher Berechtigung stehen, gelten als ein Mandat.	(4) The term "Mandate", as used in these Articles of Association, shall refer to any position in the supreme governing body of a Person that is required to be registered in a Swiss commercial register or a foreign register of equivalent nature. Mandates in different Persons that are under joint control or same beneficial ownership shall be deemed to be one Mandate.
Art. 32 c) Vorsorgeleistungen	Art. 32 c) Post-Retirement Benefits
Die Gesellschaft kann an Mitglieder der Geschäftsleitung Vorsorgeleistungen ausserhalb der beruflichen Vorsorge ausrichten, soweit solche Vorsorgeleistungen 50% der jeweiligen Gesamtjahresvergütung nicht übersteigen.	The Company may grant members of the Executive Management postretirement benefits beyond occupational pensions, provided, however, that any such post-retirement benefit may not exceed 50% of the respective total annual compensation.
Art. 33 Zeichnungsberechtigung	Art. 33 Signature Power
Die rechtsverbindliche Vertretung der Gesellschaft durch Mitglieder des Verwaltungsrates und durch Dritte wird in einem Organisationsreglement festgelegt.	The due and valid representation of the Company by members of the Board of Directors and other persons shall be set forth in Organizational Regulations.
C. Die Revisionsstelle	C. The Auditors
Art. 34 Revision	Art. 34 Audit
Die Generalversammlung wählt die Revisionsstelle.	The general meeting of the shareholders shall elect the Auditor.
Sie kann auf die Wahl einer Revisionsstelle verzichten, wenn:	It can waive the election of auditors where:
die Voraussetzungen für eine ordentliche Revision nicht gegeben sind; die Zustimmung sämtlicher Aktionäre vorliegt und; die Gesellschaft nicht mehr als zehn Vollzeitstellen im Jahresdurchschnitt hat.	the requirements for an ordinary audit are not present; the consent of all shareholders has been given; and the Company does not have more than ten full-time positions on average per year.
Haben die Aktionäre auf eine eingeschränkte Revision verzichtet, so gilt dieser Verzicht auch für die nachfolgenden Jahre. Jeder Aktionär hat jedoch das Recht, spätestens zehn Tage vor der Generalversammlung eine eingeschränkte Revision zu verlangen. Die Generalversammlung muss diesfalls die Revisionsstelle wählen.	Where the shareholders have waived a limited statutory examination, this waiver applies also to the following year. Each shareholder may, however, demand a limited statutory examination at the latest ten days prior to the general meeting of the shareholders. The general meeting of the shareholders must in this case elect the Auditor.

Art. 35 Organisation der Revisionsstelle

Als Revisionsstelle können eine oder mehrere natürliche oder juristische Personen oder Personengesellschaften gewählt werden.

Wenigstens ein Mitglied der Revisionsstelle muss seinen Wohnsitz, seinen Sitz oder eine eingetragene Zweigniederlassung in der Schweiz haben.

Muss die Gesellschaft ihre Jahresrechnung durch eine Revisionsstelle ordentlich prüfen lassen im Sinne von:

Art. 727 Abs. 1 Ziff. 2 oder Ziff. 3 OR;
Art. 727 Abs. 2 OR

wählt die Generalversammlung einen zugelassenen Revisionsexperten nach den Vorschriften des Revisionsaufsichtsgesetzes (RAG) als Revisionsstelle.

Ist die Gesellschaft zur eingeschränkten Revision verpflichtet, kann als Revisionsstelle auch ein zugelassener Revisor nach den Vorschriften des RAG bezeichnet werden. Vorbehalten bleibt der Verzicht auf die Wahl einer Revisionsstelle nach Art. 34.

Die Revisionsstelle muss im Sinne von Art. 728 bzw. 729 OR unabhängig sein.

Die Revisionsstelle wird für ein Geschäftsjahr gewählt. Ihr Amt endet mit der Abnahme der letzten Jahresrechnung. Die Wiederwahl ist möglich. Die Generalversammlung kann die Revisionsstelle jederzeit mit sofortiger Wirkung abberufen.

D. Rechnungslegung und Verwendung des Bilanzgewinnes

Art. 36 Jahresrechnung

Die Jahresrechnung wird jährlich auf den 31. Dezember oder auf einen anderen, durch den Verwaltungsrat zu beschliessenden Termin abgeschlossen.

Die Erfolgsrechnung, die Bilanz und der Anhang sind mindestens gemäss den gesetzlichen Bestimmungen von Art. 662a - 670 und 957 - 961 OR aufzustellen.

Art. 37 Verwendung des Jahresgewinnes

Vom in der Jahresbilanz ausgewiesenen Jahresgewinn ist jährlich ein Betrag von 5 % der allgemeinen Reserve zuzuweisen, bis diese 20 % des einbezahlten Aktienkapitals erreicht hat.

Art. 35 Organisation of the Auditor

One or several individuals or legal persons or partnerships may be elected as Auditors.

As a minimum one member of the Auditor shall be resident or have a registered branch in Switzerland.

Where the Company is required to arrange an ordinary audit of its annual financial accounts by auditors pursuant to:

Art. 727 paragraph 1 section 2 or section 3 CO;
Art. 727 paragraph 2 CO

the general meeting of the shareholders shall elect a licensed audit expert in accordance with the provisions of the Audit Oversight Act (RAG) as auditors.

Where the Company is required to arrange a limited statutory examination a licensed auditor in accordance with the provisions of the RAG may also be appointed as auditors. Waiver of the election of auditors pursuant to Art. 34 remains reserved.

The Auditor must be independent in accordance with Art. 728 respectively 729 CO.

The Auditor shall be appointed for one business year. Their term of office shall end with the approval of the final annual financial accounts. Re-appointment is possible. The general meeting of the shareholders may remove the Auditor with immediate effect at any time.

D. Rendering of Accounts and Allocation of Balance Sheet Profit

Art. 36 Annual Financial Accounts

The annual financial accounts shall be closed annually on the 31 December or another date determined by the Board of Directors.

The profit and loss statement, the balance sheet and notes shall be compiled as a minimum in accordance with the provisions of Art. 662a-670 and 957-961 CO.

Art. 37 Application of the Annual Profit

An amount of 5 % of the annual profit identified in the annual financial accounts is to be allotted to the general reserves until this has reached 20 % of the paid-up share capital.

Der verbleibende Jahresgewinnsaldo und ein allfälliger Gewinnvortrag früherer Geschäftsjahre stehen unter Vorbehalt der zwingenden gesetzlichen Bestimmungen (Art. 671 ff. OR) zur freien Verfügung der Generalversammlung. Der Verwaltungsrat unterbreitet der Generalversammlung seine Vorschläge betreffend die Behandlung sämtlicher Zuweisungen.

Die Generalversammlung kann jederzeit die Errichtung von speziellen Reserven neben den vom Gesetz vorgeschriebenen Reserven beschliessen und über deren Verwendung bestimmen.

Dividenden, welche nicht innerhalb von fünf Jahren nach ihrem Auszahlungsdatum bezogen werden, fallen an die Gesellschaft und werden in die allgemeinen gesetzlichen Reserven gebucht.

E. Schlussbestimmungen

Art. 38 Auflösung und Liquidation

Die Generalversammlung kann jederzeit die Auflösung der Gesellschaft beschliessen. Die Auflösung und Liquidation sind gemäss den Vorschriften von Art. 736 ff. OR durchzuführen.

Die Befugnisse der Generalversammlung bleiben auch während der Liquidation mit der Einschränkung gemäss Art. 739 OR bestehen. Insbesondere unterliegt die Liquidationsrechnung der Genehmigung durch die Generalversammlung.

Der Verwaltungsrat besorgt die Liquidation, sofern diese nicht durch Beschluss der Generalversammlung Dritten übertragen wird.

Die Liquidatoren sind berechtigt, die Aktiven der Gesellschaft freiäugig zu veräußern.

Nach erfolgter Tilgung der Schulden wird das Vermögen nach Massgabe der eingezahlten Beträge unter den Aktionären verteilt, soweit diese Statuten nichts anderes vorsehen.

Art. 39 Mitteilungen und Bekanntmachungen

Publikationsorgan der Gesellschaft ist das Schweizerische Handelsamtsblatt. Der Verwaltungsrat kann weitere Publikationsorgane bestimmen.

Soweit keine individuelle Benachrichtigung durch das Gesetz, börsengesetzliche Bestimmungen oder diese Statuten verlangt wird, gelten sämtliche Mitteilungen an die Aktionäre als gültig erfolgt, wenn sie im Schweizerischen Handelsamtsblatt veröffentlicht worden sind. Die Mitteilungen an die Namenaktionäre erfolgen im Falle der in Art. 14 Abs. 3 erwähnten Hinweise an ihre letzte im Aktienbuch eingetragene Adresse durch Brief oder E-Mail. In allen anderen Fällen

The remaining annual profit and any balance of profit brought forward from previous business years shall, pursuant to binding provisions of the law (Art. 671 et seq. CO), be at the free disposal of the general meeting of the shareholders. The Board of Directors shall submit its proposals with respect to the treatment of any allocation to the general meeting of the shareholders.

The general meeting of the shareholders may at any time resolve to set up special reserves in addition to those required by law and determine their application.

Dividends that have not been collected within five years after their payment date shall enure to the Company and be allocated to the general statutory reserves.

E. Final Provisions

Art. 38 Winding-up and Liquidation

The general meeting of the shareholders may at any time resolve to wind-up the Company. The winding-up and liquidation of the Company shall be performed in accordance with Art. 736 et seq. CO.

The powers of the general meeting of the shareholders shall also continue during the liquidation, limited in accordance with Art. 739 CO. In particular, the liquidation accounts are subject to the approval of the general meeting of the shareholders.

The Board of Directors shall conduct the liquidation to the extent that this is not transferred to a third party by a resolution of the general meeting of the shareholders.

The liquidators may freely dispose of the assets of the Company.

Upon discharge of all liabilities, the assets of the Company shall be distributed to the shareholders pursuant to the amounts paid-up, unless these Articles of Association provide otherwise.

Art. 39 Communications and Notifications

The Company shall make any announcements in the Swiss Official Gazette of Commerce. The Board of Directors may appoint other publication bodies.

To the extent that individual notification is not required by law, stock Exchange regulations or these Articles of Association, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Notices to the registered shareholders shall in the case of the notifications set forth in Art. 14 paragraph 3 be sent by letter or electronic mail to the last address registered in the Share Register. In all other cases, they may be made by publication in

können die Mitteilungen durch Veröffentlichung im Publikationsorgan erfolgen. Bekanntmachungen an die Gläubiger erfolgen in den vom Gesetz vorgeschriebenen Fällen durch Veröffentlichung im Publikationsorgan. Finanzinstitute, welche Aktien für wirtschaftlich Berechtigte halten und entsprechend im Aktienbuch eingetragen sind, gelten als bevollmächtigte Empfänger.

Art. 40 Verbindlicher Originaltext

Falls sich zwischen der deutsch- und der englischsprachigen Fassung dieser Statuten Differenzen ergeben, hat die deutschsprachige Fassung Vorrang.

Art. 41 Definitionen

Aktie

Der Begriff **Aktie(n)** hat die in Art. 3 dieser Statuten aufgeführte Bedeutung.

Aktienbuch

Der Begriff **Aktienbuch** hat die in Art. 8 dieser Statuten aufgeführte Bedeutung.

Aktienkapital

Der Begriff **Aktienkapital** hat die in Art. 3 dieser Statuten aufgeführte Bedeutung.

Börse

Der Begriff **Börse** bedeutet Einrichtungen des Wertschriftenhandels oder vergleichbare Systeme, an welchen die Aktien der Gesellschaft gehandelt oder anderweitig zeitweise zum Handel zugelassen sind.

CHF

Der Begriff **CHF** bedeutet Schweizer Franken und ist die gültige Schweizer Währung.

Gesamtstimmen

Der Begriff **Gesamtstimmen** bedeutet die Gesamtzahl aller an einer Generalversammlung stimmberechtigen Aktien unabhängig davon, ob die stimmberechtigten Aktien an der Generalversammlung vertreten sind oder nicht.

Gesellschaft

Der Begriff **Gesellschaft** bedeutet Garmin Ltd.

the Company's official instrument for publications. Notices to creditors shall be given in the cases prescribed by law by publication in the Swiss Official Gazette of Commerce. Financial institutions holding Shares for beneficial owners and recorded in such capacity in the Share Register shall be deemed to be authorized recipients.

Art. 40 Original Language

In the event of deviations between the German and English version of these Articles of Association, the German text shall prevail.

Art. 41 Definitions

Shares

The term **Share(s)** has the meaning assigned to it in Art. 3 of these Articles of Association.

Share Register

The term **Share Register** has the meaning assigned to it in Art. 8 of these Articles of Association.

Share Capital

The term **Share Capital** has the meaning assigned to it in Art. 3 of these Articles of Association.

Exchange

The term **Exchange** shall mean any securities exchange or other system on which the registered Shares of the Company may be listed or otherwise authorized for trading from time to time.

CHF

The term **CHF** shall mean Swiss Francs, the legal currency in Switzerland.

Total Voting Shares

Total Voting Shares means the total number of Shares entitled to vote at a general meeting of the shareholders whether or not represented at such meeting.

Company

The term **Company** shall mean Garmin Ltd.

Marktwert

Der Begriff **Marktwert** bedeutet (i) im Falle von Aktien den höchsten Schlusskurs dieser Aktien während der letzten 30 Tage vor dem massgeblichen Stichtag. Dabei entspricht der Marktwert dem höchsten von der betreffenden Börse gemeldeten Schlusskurs während der letzten 30 Tage vor dem massgeblichen Stichtag und, falls eine solche Meldung nicht vorliegt, soll der Marktwert dieser Aktien vom Verwaltungsrat in guten Treuhen bestimmt werden, wobei er dabei die Art der Aktien, allfällige Dividenden, Zuteilung von Aktien sowie Aufteilungen oder Zusammenlegungen von Aktien berücksichtigt, und (ii) im Fall von Vermögenswerten, die weder Aktien noch Bargeld sind, soll der Marktwert vom Verwaltungsrat in guten Treuhen per Stichtag bestimmt werden.

Fair Market Value

The term **Fair Market Value** shall mean (i) in the case of shares, the highest closing sale price of a share during the 30-day period immediately preceding the date in question of such share admitted to trading on an Exchange or any other system then in use, the Fair Market Value shall be the highest closing sale price reported by the Exchange or such other system during the 30-day period preceding the date in question, or, if no such quotations are available, the Fair Market Value on the date in question of such share as determined by the Board of Directors in good faith, in each case with respect to any class of share, appropriately adjusted for any dividend or distribution in shares or any combination or reclassification of outstanding shares of such share into a smaller number of shares, and (ii) in the case of property other than cash or shares, the Fair Market Value of such property on the date in question as determined by the Board of Directors in good faith.

Monat

Der Begriff **Monat** bedeutet ein Kalendermonat.

Nahestehender Aktionär

Der Begriff **Nahestehender Aktionär** bedeutet jede natürliche oder juristische Person (unter Ausschluss der Gesellschaft) sowie deren Muttergesellschaften, (i) die direkte oder indirekte Eigentümerin von mehr als 20 % der Stimmrechte der ausgegebenen Aktien ist, oder die (ii) eine Nahestehende Gesellschaft der Gesellschaft ist und irgendwann in den zwei unmittelbar vorangehenden Jahren vor dem Zeitpunkt, zu dem bestimmt werden muss, ob diese Person ein Nahestehender Aktionär ist, direkte oder indirekte Eigentümerin von 20 % oder mehr der Stimmrechte der ausgegebenen Aktien war; oder (iii) Aktien übertragen bekommen hat, die irgendwann in den zwei unmittelbar vorangehenden Jahren vor dem Zeitpunkt, zu dem bestimmt werden muss, ob eine Person ein Nahestehender Aktionär ist, direkt oder indirekt im Eigentum eines Nahestehenden Aktionärs standen, sofern die Übertragung (unabhängig davon ob in einer oder mehreren Transaktionen) ausserhalb eines öffentlichen Angebots stattgefunden hat. Eine natürliche oder juristische Person gilt dann nicht als Nahestehender Aktionär, falls eine solche Person nur darum ein Nahestehender Aktionär wird, weil die Anzahl der ausgegebenen Aktien der Gesellschaft reduziert werden, unabhängig davon ob eine solche Reduktion auf den Rückkauf von Aktien der Gesellschaft durch die Gesellschaft zurückzuführen ist. Die Reduktion der ausgegebenen Aktien erhöht den prozentualen Anteil der ausgegebenen Aktien im direkten oder indirekten Eigentum der betreffenden Person bis diese Person direkte oder indirekte Eigentümerin zusätzlicher Aktien wird.

Month

The term **Month** shall mean a calendar month.

Interested Shareholder

The term **Interested Shareholder** shall mean any person (other than the Company) and any holding company thereof who or which (i) is the beneficial owner directly or indirectly, of more than twenty per cent (20%) of the voting power of the outstanding shares of the Company; or, (ii) is an Affiliate of the Company and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of twenty per cent (20%) or more of the voting power of the then-outstanding shares; or (iii) is an assignee of or has otherwise succeeded to any shares which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Shareholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering.

A person shall not be deemed an Interested Shareholder if such person would become an Interested Shareholder solely as a result of a reduction of the number of shares of the Company outstanding, including repurchases of outstanding shares of the Company by the Company, which reduction increases the percentage of outstanding shares of the Company of which such person is the beneficial owner, until such person shall thereafter become the beneficial owner of any additional shares.

Nahestehende Gesellschaft

Der Begriff **Nahestehende Gesellschaft** bedeutet bezüglich einer Person, jede andere Person, die direkt oder indirekt über eine oder mehrere Mittelpersonen die andere Person kontrolliert, von dieser anderen Person kontrolliert wird, oder unter gemeinsamer Kontrolle mit dieser anderen Person steht. „Kontrolle“ einschliesslich der Begriffe „kontrollierend“ und „kontrolliert“ für die Zwecke dieser Definition und allgemein dieser Statuten bedeutet die Möglichkeit, direkt oder indirekt auf die Geschäftsführung und die Geschäftspolitik einer Person Einfluss zu nehmen, sei es aufgrund des Haltens von Stimmrechten oder auf andere Weise.

Nahestehende Person

Der Begriff **Nahestehende Person** bedeutet, wenn verwendet zur Bezeichnung einer Beziehung zu einer Zivilrechtlichen Person, (i) jede Kapitalgesellschaft, rechts- oder nicht-rechtsfähige Personengesellschaft oder ein anderer Rechtsträger, von welcher diese Zivilrechtliche Person Mitglied des Leitungs- oder Verwaltungsorgans, der Geschäftsleitung oder Gesellschafter ist oder von welcher diese Person, direkt oder indirekt, Eigentümerin von 20 % oder mehr einer Kategorie von Aktien oder anderen Anteilsrechten ist, die ein Stimmrecht vermitteln, (ii) jedes Treuhandvermögen (Trust) oder jede andere Vermögenseinheit, an der diese Zivilrechtliche Person wirtschaftlich einen Anteil von 20 % oder mehr hält oder in Bezug auf welche diese Zivilrechtliche Person als Verwalter (trustee) oder in ähnlich treuhändischer Funktion tätig ist, und (iii) jeder Verwandte, Ehe- oder Lebenspartner dieser Person, oder jede Verwandte des Ehe- oder Lebenspartners, jeweils soweit diese den gleichen Wohnsitz haben wie diese Person.

OR

Der Begriff **OR** hat die in Art. 1 dieser Statuten aufgeführte Bedeutung.

Revisionsstelle

Der Begriff **Revisionsstelle** hat die in Abschnitt C dieser Statuten aufgeführte Bedeutung.

Sekretär

Der Begriff **Sekretär** hat die in Art. 26 dieser Statuten aufgeführte Bedeutung.

Sitz

Der Begriff **Sitz** hat die in Art. 1 dieser Statuten aufgeführte Bedeutung.

Affiliate

The term **Affiliate** shall mean with respect to any person, any other person controlling or controlled by or under common control with such specified person. For the purposes of this definition and generally these Articles of Association, “control”, “controlling” and “controlled” when used with respect to any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities or otherwise.

Associate

The term **Associate**, when used to indicate a relationship with any Person, means (i) any corporation, partnership, unincorporated association or other entity of which such Person is a director, officer or partner or is, directly or indirectly, the Owner of 20% or more of any class of voting shares, (ii) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (iii) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person.

CO

The term **CO** has the meaning assigned to it in Art. 1 of these Articles of Association.

Auditor

The term **Auditor** has the meaning assigned to it in section C of these Articles of Association.

Secretary

The term **Secretary** has the meaning assigned to it in Art. 26 of these Articles of Association.

Registered Office

The term **Registered Office** has the meaning assigned to it in Art. 1 of these Articles of Association.

Statuten

Der Begriff **Statuten** bedeutet die Statuten der Garmin Ltd. jeweils in ihrer aktuellsten Fassung.

Tochtergesellschaft

Der Begriff **Tochtergesellschaft** bedeutet sämtliche juristischen Personen oder Personenvereinigung, welche von einer anderen juristischen Person beherrscht werden.

Unabhängige Verwaltungsräte

Der Begriff **unabhängige Verwaltungsräte** bedeutet Verwaltungsräte, welche im Sinne der anwendbaren Bestimmungen derjenigen Börse, an welcher die Gesellschaft kotiert ist, unabhängig sind.

Unparteiische Mitglieder des Verwaltungsrates

Der Begriff **Unparteiische Mitglieder des Verwaltungsrates** bedeutet diejenigen Mitglieder des Verwaltungsrates, welche keine Nahestehenden Personen von Nahestehenden Aktionären sind und bereits Mitglieder des Verwaltungsrates waren, bevor ein Nahestehender Aktionär ein Nahestehender Aktionär wurde und jedes Verwaltungsratsmitglied, welches erst nachträglich eine Vakanz im Verwaltungsrat schloss oder erst nachträglich gewählt wurde und in jedem Fall keine Nahestehende Person des Nahestehenden Aktionärs ist und auf Empfehlung einer Mehrheit der damaligen Unparteiischen Mitgliedern des Verwaltungsrates gewählt wurde.

Verwaltungsrat

Der Begriff **Verwaltungsrat** hat die in Abschnitt B dieser Statuten aufgeführte Bedeutung.

Verwaltungsratspräsident

Der Begriff **Verwaltungsratspräsident (Präsident)** hat die in Art. 26 dieser Statuten aufgeführte Bedeutung.

Zivilrechtliche Person

Der Begriff **Zivilrechtliche Person** bedeutet jede natürliche Person, Kapitalgesellschaft, rechts- oder nichtrechtsfähige Personengesellschaft oder jeder andere Rechtsträger. Für die Zwecke von Art. 32 b) dieser Statuten sind Individuen nicht erfasst.

Zusammenschluss

Der Begriff **Zusammenschluss** bedeutet (i) jede Fusion oder andere Form des Zusammenschlusses der Gesellschaft oder

Articles of Association

The term **Articles of Association** shall mean the Articles of Association of Garmin Ltd. in their most recent version.

Subsidiary

The term **Subsidiary** shall mean any corporation, company, association, foundation or other incorporated legal entity, that directly, or indirectly through one or more intermediaries is under control of the person specified.

Independent Directors

The term **Independent Directors** shall mean members of the board who are recognized as such by the rules and regulations of the Exchange.

Disinterested Directors

The term **Disinterested Directors** shall mean any members of the Board of Directors who are unaffiliated with the Interested Shareholder and who were a member of the Board of Directors prior to the time that the Interested Shareholder became an Interested Shareholder, and any director who is thereafter chosen to fill any vacancy on the Board of Directors or who is elected and who, in either event, is unaffiliated with the Interested Shareholder, and in connection with his or her initial assumption of office is recommended for appointment or election by a majority of Disinterested Directors then on the Board of Directors.

Board of Directors

The term **Board of Directors** has the meaning assigned to it in section B of these Articles of Association.

Chairman of the Board of Directors

The term **Chairman of the Board of Directors (Chairman)** has the meaning assigned to it in Art. 26 of these Articles of Association.

Person

The term **Person** shall mean any individual, corporation, partnership, unincorporated association or other entity. For purposes of Art. 32 b) of these Articles of Association, it shall not include individuals.

Business Combination

The term **Business Combination** shall mean (i) any merger or consolidation of the Company or any subsidiary with (i) any

einer ihrer Tochtergesellschaften mit (i) einem Nahestehenden Aktionär (gemäß Definition in diesem Artikel) oder mit (ii) einer anderen Gesellschaft oder Unternehmung (unabhängig davon, ob diese selber ein Nahestehender Aktionär ist), falls diese eine Nahestehende Gesellschaft eines Nahestehenden Aktionärs ist oder durch die Fusion oder Zusammenführung eine solche wird oder (ii) jeder Verkauf, Vermietung oder Verpachtung, Austausch, hypothekarische Belastung oder andere Verpfändung, Übertragung oder andere Verfügung (ob in einer oder mehreren Transaktionen) an oder für einen Nahestehenden Aktionär oder eine Nahestehende Gesellschaft eines solchen Nahestehenden Aktionärs bezüglich Vermögenswerten der Gesellschaft oder einer ihrer Tochtergesellschaften mit einem aggregierten Marktwert (gemäß Definition in diesem Artikel) der mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor der Transaktion entspricht, oder (iii) die Ausgabe oder Übertragung von Anteilen der Gesellschaft oder einer ihrer Tochtergesellschaften (ob in einer oder mehreren Transaktionen) mit einem aggregierten Marktwert, der mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor der Transaktion entspricht, an einen Nahestehenden Aktionär oder eine Nahestehende Gesellschaft eines solchen Nahestehenden Aktionärs im Austausch gegen Bargeld, Effekten oder anderen Vermögenswerten (oder einer Kombination solcher Werte) mit Ausnahme der Ausgabe oder Übertragung von Anteilen der Gesellschaft oder einer ihrer Tochtergesellschaften im Zusammenhang mit einem Mitarbeiterbeteiligungsprogramm der Gesellschaft oder einer ihrer Tochtergesellschaften, oder (iv) der Beschluss über die Liquidation oder Auflösung der Gesellschaft auf Antrag oder im Namen eines Nahestehenden Aktionärs oder einer einem Nahestehenden Aktionär Nahestehenden Gesellschaft, oder (v) jede Änderung in der Klassifizierung der Anteile der Gesellschaft (einschliesslich das Zusammenlegen von Aktien), Rekapitalisierung der Gesellschaft, Fusion oder andere Form des Zusammenschlusses der Gesellschaft mit einer ihrer Tochtergesellschaften oder jede andere Transaktion (unabhängig davon, ob ein Nahestehender Aktionär involviert ist), die zu einer direkten oder indirekten Erhöhung des proportionalen Anteils der ausstehenden Anteile der Gesellschaft oder einer ihrer Tochtergesellschaften unabhängig von der Art der ausstehenden Anteilen (Aktien, Wandelanleihen) führen und die direkt oder indirekt einem Nahestehenden Aktionär oder einer Nahestehenden Gesellschaft eines Nahestehenden Aktionärs gehören („**Unverhältnismässige Transaktion**“), wobei eine solche Transaktion dann nicht als Unverhältnismässige Transaktion gelten soll, wenn die Erhöhung des Anteils des Nahestehenden Aktionärs bzw. der Nahestehenden Gesellschaft des Nahestehenden Aktionärs als Folge dieser Transaktion nicht grösser ist als die Erhöhung der Anteile der übrigen Aktionäre.

Interested Shareholder (as defined in this Article) or (ii) any other company or other entity (whether or not itself an Interested Shareholder) which is, or after such merger or consolidation would be, an Affiliate of an Interested Shareholder; or (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Shareholder, or any Affiliate of any Interested Shareholder, of any assets of the Company or any subsidiary having an aggregate Fair Market Value (as defined in this Article) equaling or exceeding twenty-five percent (25%) of the Fair Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries; or (iii) the issuance or transfer by the Company or any subsidiary (in one transaction or a series of transactions) to any Interested Shareholder or any Affiliate of any Interested Shareholder in exchange for cash, securities or other property (or a combination thereof), of any securities of the Company or any subsidiary having an aggregate Fair Market Value equaling or exceeding twenty-five percent (25%) of the Fair Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries except pursuant to an employee benefit plan of the Company or any subsidiary thereof; or (iv) the adoption of any plan or proposal for the liquidation or dissolution of the Company proposed by or on behalf of any Interested Shareholder or any Affiliate of any Interested Shareholder; or (v) any reclassification of securities of the Company (including any reverse share split), recapitalization of the Company, merger or consolidation of the Company with any of its subsidiaries or other transaction (whether or not with or into or otherwise involving an Interested Shareholder), which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Company or any subsidiary which is directly or indirectly owned by any Interested Shareholder or any Affiliate of any Interested Shareholder (a “**Disproportionate Transaction**”); provided, however, that no such transaction shall be deemed a Disproportionate Transaction if the increase in the proportionate ownership of the Interested Shareholder or Affiliate as a result of such transaction is no greater than the increase experienced by the other stockholders generally.

Zürich, 10. Juni 2016
Zurich, June 10, 2016

Der ad hoc Vorsitzende:
The ad hoc chairperson:

/s/ Andrew R. Etkind

Andrew R. Etkind

GARMIN LTD.

EMPLOYEE STOCK PURCHASE PLAN

as Amended and Restated on October 21, 2016

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GARMIN LTD.
EMPLOYEE STOCK PURCHASE PLAN
(as Amended and Restated on October 21, 2016)

I. Purpose and Effective Date

1.1 The purpose of the Garmin Ltd. Employee Stock Purchase Plan is to provide an opportunity for eligible employees to acquire a proprietary interest in Garmin Ltd. through accumulated payroll deductions. It is the intent of the Company to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan shall be construed to extend and limit participation in a manner consistent with the requirements of Section 423 of the Code.

1.2 The Plan was initially approved by the board of directors of Garmin Ltd., a company incorporated in the Cayman Islands ("Garmin Cayman"), on October 20, 2000 and approved by Garmin Cayman's stockholders on October 24, 2000. The Plan was amended and restated as of January 1, 2010 and again as of June 27, 2010 following the re-domestication transaction on June 27, 2010 pursuant to which the shares of Garmin Cayman were exchanged for shares of the Company and the Company became the public holding company of Garmin Cayman and its subsidiaries. The Plan was amended and restated again on June 5, 2015 and on October 21, 2016. No option shall be granted under the Plan after the date as of which the Plan is terminated by the Board in accordance with Section 11.7 of the Plan.

II. Definitions

The following words and phrases, when used in this Plan, unless their context clearly indicates otherwise, shall have the following respective meanings:

2.1 "Account" means a recordkeeping account maintained for a Participant to which payroll deductions are credited in accordance with Article VIII of the Plan.

2.2 "Administrator" means the persons or committee appointed under Section 3.1 to administer the Plan.

2.3 "Article" means an Article of this Plan.

2.4 "Accumulation Period" means, as to the Company or a Participating Subsidiary, a period of six months commencing with the first regular payroll period commencing on or after each successive January 1 and ending on each successive June 30 and a period of six months commencing with the first regular payroll period commencing on or after each successive July 1 and ending on each successive December 31. The Committee may modify (including increasing or decreasing the length of time covered) or suspend Accumulation Periods at any time and from time to time.

2.5 "Base Earnings" means base salary and wages payable by the Company or a Participating Subsidiary to an Eligible Employee, prior to pre-tax deductions for contributions to qualified or non-qualified (under the Code) benefit plans or arrangements, and excluding bonuses, incentives and overtime pay but including commissions.

2.6 "Board" means the Board of Directors of the Company.

2.7 "Code" means the Internal Revenue Code of 1986, as amended.

2.8 "Company" means Garmin Ltd., a Swiss corporation.

2.9 "Cut-Off Date" means the date established by the Administrator from time to time by which enrollment forms must be received with respect to an Accumulation Period.

2.10 "Eligible Employee" means an Employee, including an employee on an Authorized Leave of Absence (as defined in Section 10.3), eligible to participate in the Plan in accordance with Article V.

2.11 "Employee" means an individual who performs services for the Company or a Participating Subsidiary pursuant to an employment relationship described in Treasury Regulations Section 31.3401(c)-1 or any successor provision, or an individual who would be performing such services but for such individual's Authorized Leave of Absence (as defined in Section 10.3).

2.12 "Enrollment Date" means the first Trading Day of an Accumulation Period beginning on or after January 1, 2000.

2.13 "Exchange Act" means the Securities Exchange Act of 1934.

2.14 "Fair Market Value" means, as of any applicable date:

(a) If the security is listed on any established stock exchange or traded on the Nasdaq Global Select Market or the Nasdaq Global Market (formerly the Nasdaq National Market), the closing price, regular way, of the security on such exchange, or if no such reported sale of the security shall have occurred on such date, on the latest preceding date on which there was such a reported sale, in all cases, as reported in The Wall Street Journal or such other source as the Board deems reliable.

(b) If the security is listed or traded on the Nasdaq Capital Market (formerly the Nasdaq SmallCap Market), the mean between the bid and asked prices for the security on the date of determination, as reported in The Wall Street Journal or such other source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price (or closing bid if no sales were reported) for the security on the date of determination, then the Fair Market Value shall be the mean between the bid and asked prices for the security on the last preceding date for which such quotation exists.

(c) In the absence of such markets for the security, the value determined by the Board in good faith.

2.15 "Participant" means an Eligible Employee who has enrolled in the Plan pursuant to Article VI. A Participant shall remain a Participant until the applicable date set forth in Article X.

2.16 "Participating Subsidiary" means a Subsidiary incorporated under the laws of any state in the United States, a territory of the United States, Puerto Rico, or the District of Columbia, or such foreign Subsidiary approved under Section 3.3, which has adopted the Plan as a Participating Subsidiary by action of its board of directors and which has been designated by the Board in accordance with Section 3.3 as covered by the Plan, subject to the requirements of Section 423 of the Code except as noted in Section 3.3.

2.17 "Plan" means the Garmin Ltd. Employee Stock Purchase Plan, as amended and restated on October 21, 2016, as set forth herein and as from time to time amended.

2.18 "Purchase Date" means the specific Trading Day during an Accumulation Period on which Shares are purchased under the Plan in accordance with Article IX. For each Accumulation Period, the Purchase Date shall be the last Trading Day occurring in such Accumulation Period. The Administrator may, in its discretion, designate a different Purchase Date with respect to any Accumulation Period.

2.19 "Qualified Military Leave" means an absence due to service in the uniformed services of the United States (as defined in Chapter 43 of Title 38 of the United States Code) by an individual employee of the Company or a Participating Subsidiary, provided the individual's rights to reemployment under the Uniformed Services Employment and Reemployment Rights Act of 1994 have not expired or terminated.

2.20 "Section" means a section of this Plan, unless indicated otherwise.

2.21 "Securities Act" means the Securities Act of 1933, as amended.

2.22 "Share" means a share, CHF 0.10 par value, of Garmin Ltd.

2.23 "Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Company if, as of the applicable Enrollment Date, each of the corporations other than the last corporation in the chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

2.24 "Trading Day" means a day the national exchange on which the Shares are listed for trading or, if not so listed, a day the New York Stock Exchange is open for trading.

III. Administration

3.1 Subject to Section 11.7, the Plan shall be administered by the Board, or committee ("Committee") appointed by the Board. The Committee shall consist of at least one Board member, but may additionally consist of individuals who are not members of the Board. The Committee shall serve at the pleasure of the Board. If the Board does not so appoint a Committee, the Board shall administer the Plan. Any references herein to "Administrator" are, except as the context requires otherwise, references to the Board or the Committee, as applicable.

3.2 If appointed under Section 3.1, the Committee may select one of its members as chairman and may appoint a secretary. The Committee shall make such rules and regulations for the conduct of its business as it shall deem advisable; provided, however, that all determinations of the Committee shall be made by a majority of its members.

3.3 The Administrator shall have the power, in addition to the powers set forth elsewhere in the Plan, and subject to and within the limits of the express provisions of the Plan, to construe and interpret the Plan and options granted under it; to establish, amend and revoke rules and regulations for administration of the Plan; to determine all questions of policy and expediency that may arise in the administration of the Plan; to allocate and delegate such of its powers as it deems desirable to facilitate the administration and operation of the Plan; and, generally, to exercise such powers and perform such acts as it deems necessary or expedient to promote the best interests of the Company. The Administrator's determinations as to the interpretation and operation of this Plan shall be final and conclusive.

The Board may designate from time to time which Subsidiaries of the Company shall be Participating Subsidiaries. Without amending the Plan, the Board may adopt special or different rules for the operation of the Plan which allow employees of any foreign Subsidiary to participate in the purposes of the Plan. In furtherance of such purposes, the Board may approve such modifications, procedures, rules or sub-plans as it deems necessary or desirable, including those deemed necessary or desirable to comply with any foreign laws or to realize tax benefits under foreign law. Any such different or special rules for employees of any foreign Subsidiary shall not be subject to Code Section 423 and for purposes of the Code shall be treated as separate and apart from the balance of the Plan.

3.4 This Article III relating to the administration of the Plan may be amended by the Board from time to time as may be desirable to satisfy any requirements of or under the federal securities and/or other applicable laws of the United States, or to obtain any exemption under such laws.

IV. Number of Shares

4.1 Six million (6,000,000) Shares are reserved for sales and authorized for issuance pursuant to the Plan. Shares sold under the Plan may be newly-issued Shares, outstanding Shares reacquired in private transactions or open market purchases, or any combination of the foregoing. If any option granted under the Plan shall for any reason terminate without having been exercised, the Shares not purchased under such option shall again become available for the Plan.

4.2 In the event of any reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, acquisition of property or shares, separation, asset spin-off, stock rights offering, liquidation or other similar change in the capital structure of the Company, the Board shall make such adjustment, if any, as it deems appropriate in the number, kind and purchase price of the Shares available for purchase under the Plan. In the event that, at a time when options are outstanding hereunder, there occurs a dissolution or liquidation of the Company, except pursuant to a transaction to which Section 424(a) of the Code applies, each option to purchase Shares shall terminate, but the Participant holding such option shall have the right to exercise his or her option prior to such termination of the option upon the dissolution or liquidation. The Company reserves the right to reduce the number of Shares which Employees may purchase pursuant to their enrollment in the Plan.

V. Eligibility Requirements

5.1 Except as provided in Section 5.2, each individual who is an Eligible Employee of the Company or a Participating Subsidiary on the applicable Cut-Off Date shall become eligible to participate in the Plan in accordance with Article VI as of the first Enrollment Date following the date the individual becomes an Employee of the Company or a Participating Subsidiary, provided that the individual remains an Eligible Employee on the first day of the Accumulation Period associated with such Enrollment Date. Participation in the Plan is entirely voluntary.

5.2 Employees meeting any of the following restrictions are not eligible to participate in the Plan:

(a) Employees who, immediately upon enrollment in the Plan or upon grant of an Option would own directly or indirectly, or hold options or rights to acquire, an aggregate of 5% or more of the total combined voting power or value of all outstanding shares of all classes of stock of the Company or any Subsidiary (and for purposes of this paragraph, the rules of Code Section 424(d) shall apply, and stock which the Employee may

purchase under outstanding options shall be treated as stock owned by the Employee);

(b) Employees (other than individuals on Authorized Leave of Absence (as defined in Section 10.3)) who are customarily employed by the Company or a Participating Subsidiary for not more than 20 hours per week; or

(c) Employees (other than individuals on Authorized Leave of Absence (as defined in Section 10.3)) who are customarily employed by the Company or a Participating Subsidiary for not more than five (5) months in any calendar year.

5.3 The Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the options shall be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and the options granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

VI. Enrollment

6.1 Eligible Employees will be automatically enrolled in the Plan on the first day of each Accumulation Period. Any Eligible Employee may consent to enrollment in the Plan for an Accumulation Period by completing and signing an enrollment form (which authorizes payroll deductions during such Accumulation Period in accordance with Section 8.1) and submitting such enrollment form to the Company or the Participating Subsidiary on or before the Cut-Off Date specified by the Administrator. Payroll deductions pursuant to the enrollment form shall be effective as of the first payroll period with a pay day after the Enrollment Date for the Accumulation Period to which the enrollment form relates, and shall continue in effect until the earliest of:

- (a) the end of the last payroll period with a payday in the Accumulation Period;
- (b) the date during the Accumulation Period as of which the Employee elects to cease his or her enrollment in accordance with Section 8.3; and
- (c) the date during the Accumulation Period as of which the Employee withdraws from the Plan or has a termination of employment in accordance with Article X.

VII. Grant of Options on Enrollment

7.1 The automatic enrollment by an Eligible Employee in the Plan as of an Enrollment Date will constitute the grant as of such Enrollment Date by the Company to such Participant of an option to purchase Shares from the Company pursuant to the Plan.

7.2 An option granted to a Participant pursuant to this Plan shall expire, if not terminated earlier for any reason, on the earliest to occur of: (a) the end of the Purchase Date with respect to the Accumulation Period in which such option was granted; (b) the completion of the purchase of Shares under the option under Article IX; or (c) the date on which participation of such Participant in the Plan terminates for any reason.

7.3 As of each Enrollment Date, each Participant shall automatically be granted an option to purchase a maximum number of Shares, subject to the terms of the Plan, equal to the quotient of \$25,000 divided by the Fair Market Value of a Share on the Enrollment Date.

7.4 Notwithstanding any other provision of this Plan, no Employee may be granted an option which permits his or her rights to purchase Shares under the Plan and any other Code Section 423 employee stock purchase plan of the Company or any of its Subsidiaries or parent companies to accrue (when the option first becomes exercisable) at a rate which exceeds \$25,000 of Fair Market Value of such Shares (determined at the time such option is granted) for each

calendar year in which such option is outstanding at any time. For purposes of administering this accrual limitation, the Administrator shall limit purchases under the Plan as follows:

(a) The number of Shares that may be purchasable by an Employee during his or her first Accumulation Period during a calendar year may not exceed a number of Shares determined by dividing \$25,000 by the Fair Market Value of a Share on the Enrollment Date for that Accumulation Period.

(b) The number of Shares that may be purchasable by an Employee during any subsequent Accumulation Period during the same calendar year (if any) shall not exceed the number of Shares determined by performing the calculation below:

(i) First, the number of Shares purchased by the Employee during any previous Accumulation Period during the same calendar year shall be multiplied by the Fair Market Value of a Share on the Enrollment Date of such previous Accumulation Period.

(ii) Second, the amount determined under (i) above shall be subtracted from \$25,000.

(iii) Third, the amount determined under (ii) above shall be divided by the Fair Market Value of a Share on the Enrollment Date for such subsequent Accumulation Period (for which the maximum number of Shares purchasable is being determined by this calculation) occurs. The quotient thus obtained shall be the maximum number of Shares that may be purchased by any Employee for such subsequent Accumulation Period.

VIII. Payroll Deductions

8.1 An Employee who files an enrollment form pursuant to Article VI shall elect and authorize in such form to have deductions made from his or her pay on each payday he or she receives a paycheck during the Accumulation Period to which the enrollment form relates, and he or she shall designate in such form the percentage (in whole percentages) of Base Earnings to be deducted each payday during such Accumulation Period. The minimum an Employee may elect and authorize to have deducted is 1% of his or her Base Earnings paid per pay period in such Accumulation Period, and the maximum is 10% of his or her Base Earnings paid per pay period in such Accumulation Period (or such larger or smaller percentage as the Administrator may designate from time to time).

8.2 Except as provided in the last paragraph of Section 6.1, deductions from a Participant's Base Earnings shall commence upon the first payday on or after the commencement of the Accumulation Period, and shall continue until the date on which such authorization ceases to be effective in accordance with Article VI. The amount of each deduction made for a Participant shall be credited to the Participant's Account. All payroll deductions received or held by the Company or a Participating Subsidiary may be, but are not required to be, used by the Company or Participating Subsidiary for any corporate purpose, and the Company or

Participating Subsidiary shall not be obligated to segregate such payroll deductions, but may do so at the discretion of the Board.

8.3 As of the last day of any month during an Accumulation Period, a Participant may elect to cease (but not to increase or decrease) payroll deductions made on his or her behalf for the remainder of such Accumulation Period by filing the applicable election with the Company or Participating Subsidiary in such form and manner and at such time as may be permitted by the Administrator. A Participant who has ceased payroll deductions may have the amount which was credited to his or her Account prior to such cessation applied to the purchase of Shares as of the Purchase Date, in accordance with Section 9.1, and receive the balance of the Account with respect to which the enrollment is ceased, if any, in cash. A Participant who has ceased payroll deductions may also voluntarily withdraw from the Plan pursuant to Section 10.1. Any Participant who ceases payroll deductions for an Accumulation Period may re-enroll in the Plan on the next subsequent Enrollment Date following the cessation in accordance with the provisions of Article VI. A Participant who ceases to be employed by the Company or any Participating Subsidiary will cease to be a Participant in accordance with Section 10.2.

8.4 A Participant may not make any separate or additional contributions to his Account under the Plan. Neither the Company nor any Participating Subsidiary shall make separate or additional contributions to any Participant's Account under the Plan.

IX. Purchase of Shares

9.1 Subject to Section 9.2, any option held by the Participant which was granted under this Plan and which remains outstanding as of a Purchase Date shall be deemed to have been exercised on such Purchase Date for the purchase of the number of whole Shares which the funds accumulated in his or her Account as of the Purchase Date will purchase at the applicable purchase price (but not in excess of the number of Shares for which options have been granted to the Participant pursuant to Section 7.3). No Shares will be purchased on behalf of any Participant who fails to file an enrollment form authorizing payroll deductions for an Accumulation Period.

9.2 A Participant who holds an outstanding option as of a Purchase Date shall not be deemed to have exercised such option if the Participant elected not to exercise the option by withdrawing from the Plan in accordance with Section 10.1.

9.3 If, after a Participant's exercise of an option under Section 9.1, an amount remains credited to the Participant's Account as of a Purchase Date, then the remaining amount shall be distributed to the Participant in cash as soon as administratively practical after such Purchase Date.

9.4 Except as otherwise set forth in this Section 9.4, the purchase price for each Share purchased under any option shall be 85% of the lower of:

- (a) the Fair Market Value of a Share on the Enrollment Date on which such option is granted; or

(b) the Fair Market Value of a Share on the Purchase Date, but - in the case of newly issued Shares - not lower than the par value of a Share.

Notwithstanding the above, the Board may establish a different purchase price for each Share purchased under any option provided that such purchase price is determined at least thirty (30) days prior to the Accumulation Period for which it is applicable and provided that such purchase price may not be less than (i) the purchase price set forth above and (ii) – in the case of newly issued Shares - than the par value per Share.

9.5 If Shares are purchased by a Participant pursuant to Section 9.1, then such Shares shall be held in non-certificated form at a bank or other appropriate institution selected by the Administrator until the earlier of the Participant's termination of employment or the time a Participant requests delivery of certificates representing such shares, which would only be possible if the Board resolved that share certificates shall be issued. If any law governing corporate or securities matters, or any applicable regulation of the Securities and Exchange Commission or other body having jurisdiction with respect to such matters, shall require that the Company or the Participant take any action in connection with the Shares being purchased under the option, delivery of such Shares shall be postponed until the necessary action shall have been completed, which action shall be taken by the Company at its own expense, without unreasonable delay.

Shares transferred pursuant to this Section 9.5 shall be registered in the name of the Participant or, if the Participant so elects, in the names of the Participant and one or more such other persons as may be designated by the Participant in joint tenancy with rights of survivorship or in tenancy by the entireties or as spousal community property, or in such forms of trust as may be approved by the Administrator, to the extent permitted by law.

9.6 In the case of Participants employed by a Participating Subsidiary, the Board may provide for Shares to be sold through the Subsidiary to such Participants, to the extent consistent with and governed by Section 423 of the Code.

9.7 If the total number of Shares for which an option is exercised on any Purchase Date in accordance with this Article IX, when aggregated with all Shares previously granted under this Plan, exceeds the maximum number of Shares reserved in Section 4.1, the Administrator shall make a pro rata allocation of the Shares available for delivery and distribution in as nearly a uniform manner as shall be practicable and as it shall determine to be equitable, and the balance of the cash amount credited to the Account of each Participant under the Plan shall be returned to him or her as promptly as administratively practical.

9.8 If a Participant or former Participant sells, transfers, or otherwise makes a disposition of Shares purchased pursuant to an option granted under the Plan within two years after the date such option is granted or within one year after the Purchase Date to which such option relates, or if the Participant or former Participant otherwise has a taxable event relating to Shares purchased under the Plan, and if such Participant or former Participant is subject to U.S. federal income tax, then such Participant or former Participant shall notify the Company or

Participating Subsidiary in writing of any such sale, transfer or other disposition within 10 days of the consummation of such sale, transfer or other disposition, and shall remit to the Company or Participating Subsidiary or authorize the Company or Participating Subsidiary to withhold from other sources such amount as the Company may determine to be necessary to satisfy any federal, state or local tax withholding obligations of the Company or Participating Subsidiary. A Participant must reply to a written request, within 10 days of the receipt of such written request, from the Company, Participating Subsidiary, or Administrator regarding whether such a sale, transfer or other disposition has occurred.

The Administrator may from time to time establish rules and procedures (including but not limited to postponing delivery of Shares until the earlier of the expiration of the two-year or one-year period or the disposition of such Shares by the Participant) to cause the withholding requirements to be satisfied.

X. Withdrawal From the Plan; Termination of Employment; Leave of Absence; Death

10.1 Withdrawal from the Plan. Effective as of the last day of any calendar quarter during an Accumulation Period, a Participant may withdraw from the Plan in full (but not in part) by delivering a notice of withdrawal to the Company (in a manner prescribed by the Administrator) at least ten business days prior to the end of such calendar quarter (but in no event later than the June 1 or December 1 immediately preceding the Purchase Date for the Plan's two Accumulation Periods, respectively). Upon such withdrawal from participation in the Plan, all funds then accumulated in the Participant's Account shall not be used to purchase Shares, but shall instead be distributed to the Participant as soon as administratively practical after the end of such calendar quarter, and the Participant's payroll deductions shall cease as of the end of such calendar quarter. An Employee who has withdrawn during an Accumulation Period may not return funds to the Company or a Participating Subsidiary during the same Accumulation Period and require the Company or Participating Subsidiary to apply those funds to the purchase of Shares, nor may such Participant's payroll deductions continue, in accordance with Article VI. Any Eligible Employee who has withdrawn from the Plan may, however, re-enroll in the Plan on the next subsequent Enrollment Date following withdrawal in accordance with the provisions of Article VI.

10.2 Termination of Employment. Participation in the Plan terminates immediately when a Participant ceases to be employed by the Company or any Participating Subsidiary for any reason whatsoever, including but not limited to termination of employment, whether voluntary or involuntary, or on account of disability, or retirement, but not including death, or if the participating Subsidiary employing the Participant ceases for any reason to be a Participating Subsidiary. Participation in the Plan also terminates immediately when a Participant ceases to be an Eligible Employee under Article V or withdraws from the Plan. Upon termination of participation such terminated Participant's outstanding options shall thereupon terminate. As soon as administratively practical after termination of participation, the Company shall pay to the Participant or legal representative all amounts accumulated in the Participant's Account and held by the Company at the time of termination of participation, and any Participating Subsidiary shall pay to the Participant or legal representative all amounts accumulated in the Participant's Account and held by the Participating Subsidiary at the time of termination of participation.

10.3 Leaves of Absence.

(a) If a Participant takes a leave of absence (other than an Authorized Leave of Absence) without terminating employment, such Participant will be deemed to have discontinued contributions to the Plan in accordance with Section 8.3, but will remain a Participant in the Plan through the balance of the Accumulation Period in which his or her leave of absence begins, so long as such leave of absence does not exceed 90 days. If a Participant takes a leave of absence (other than an Authorized Leave of Absence) without terminating employment, such Participant will be deemed to have withdrawn from the Plan in accordance with Section 10.1 if such leave of absence exceeds 90 days.

(b) An Employee on an Authorized Leave of Absence shall remain a Participant in the Plan and, in the case of a paid Authorized Leave of Absence, shall have deductions made under Section 8.1 from payments that would, but for the Authorized Leave of Absence, be Base Earnings. An Employee who does not return from an Authorized Leave of Absence on the scheduled date (or, in the case of Qualified Military Leave, prior to the date such individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 have expired or terminated) shall be deemed to have terminated employment on the last day of such Authorized Leave of Absence (or, in the case of Qualified Military Leave, the date such reemployment rights expire or are terminated).

(c) An "Authorized Leave of Absence" means (a) a Qualified Military Leave, and (b) an Employee's absence of more than 90 days which has been authorized, either pursuant to a policy of the Company or the Participating Subsidiary that employs the Employee, or pursuant to a written agreement between the employer and the Employee, which policy or written agreement guarantees the Employee's rights to return to employment.

10.4 Death. Unless mandatory applicable law provides otherwise as soon as administratively feasible after the death of a Participant, amounts accumulated in his or her Account shall be paid in cash to the beneficiary or beneficiaries designated by the Participant on a beneficiary designation form approved by the Board, but if the Participant does not make an effective beneficiary designation then such amounts shall be paid in cash to the Participant's spouse if the Participant has a spouse, or, if the Participant does not have a spouse, to the executor, administrator or other legal representative of the Participant's estate. Such payment shall relieve the Company and the Participating Subsidiary of further liability with respect to the Plan on account of the deceased Participant. If more than one beneficiary is designated, each beneficiary shall receive an equal portion of the Account unless the Participant has given express contrary instructions. None of the Participant's beneficiary, spouse, executor, administrator or other legal representative of the Participant's estate shall, prior to the death of the Participant by whom he has been designated, acquire any interest in the amounts credited to the Participant's Account under the Plan.

XI. Miscellaneous

11.1 Interest. Interest or earnings will not be paid on any Employee Accounts.

11.2 Restrictions on Transfer. The rights of a Participant under the Plan shall not be assignable or transferable by such Participant, and an option granted under the Plan may not be exercised during a Participant's lifetime other than by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the Plan in accordance with Section 10.1.

11.3 Administrative Assistance. If the Administrator in its discretion so elects, it may retain a brokerage firm, bank, other financial institution or other appropriate agent to assist in the purchase of Shares, delivery of reports or other administrative aspects of the Plan. If the Administrator so elects, each Participant shall (unless prohibited by applicable law) be deemed upon enrollment in the Plan to have authorized the establishment of an account on his or her behalf at such institution. Shares purchased by a Participant under the Plan shall be held in the account in the Participant's name, or if the Participant so indicates in the enrollment form, in the Participant's name together with the name of one or more other persons in joint tenancy with right of survivorship or in tenancy by the entireties or as spousal community property, or in such forms of trust as may be approved by the Administrator, to the extent permitted by law.

11.4 Costs. All costs and expenses incurred in administering the Plan shall be paid by the Company or Participating Subsidiaries, including any brokerage fees on the purchased Shares; excepting that any stamp duties, transfer taxes, fees to issue stock certificates, and any brokerage fees on the sale price applicable to participation in the Plan after the initial purchase of the Shares on the Purchase Date shall be charged to the Account or brokerage account of such Participant.

11.5 Equal Rights and Privileges. All Eligible Employees shall have equal rights and privileges with respect to the Plan so that the Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 or any successor provision of the Code and the related regulations. Notwithstanding the express terms of the Plan, any provision of the Plan which is inconsistent with Section 423 or any successor provision of the Code shall without further act or amendment by the Company or the Board be reformed to comply with the requirements of Code Section 423. This Section 11.5 shall take precedence over all other provisions in the Plan.

11.6 Applicable Law. The Plan shall be governed by the substantive laws (excluding the conflict of laws rules) of the State of Kansas.

11.7 Amendment and Termination. The Board may amend, alter or terminate the Plan at any time; provided, however, that no amendment which would amend or modify the Plan in a manner requiring stockholder approval under Code Section 423 or the requirements of any securities exchange on which the Shares are traded shall be effective unless, within one year after it is adopted by the Board, it is approved by the holders of a majority of the voting power of the Company's outstanding shares. In addition, the Committee (if appointed under Section 3.1) may amend the Plan as provided in Section 3.3, subject to the conditions set forth therein and in this Section 11.7.

If the Plan is terminated, the Board may elect to terminate all outstanding options either prior to their expiration or upon completion of the purchase of Shares on the next Purchase Date, or may elect to permit options to expire in accordance with the terms of this Plan (and participation to continue through such expiration dates). If the options are terminated prior to expiration, all funds accumulated in Participants' Accounts as of the date the options are terminated shall be returned to the Participants as soon as administratively feasible.

11.8 No Right of Employment. Neither the grant nor the exercise of any rights to purchase Shares under this Plan nor anything in this Plan shall impose upon the Company or Participating Subsidiary any obligation to employ or continue to employ any employee. The right of the Company or Participating Subsidiary to terminate any employee shall not be diminished or affected because any rights to purchase Shares have been granted to such employee.

11.9 Requirements of Law. The Company shall not be required to sell, issue, or deliver any Shares under this Plan if such sale, issuance, or delivery might constitute a violation by the Company or the Participant of any provision of law. Unless a registration statement under the Securities Act is in effect with respect to the Shares proposed to be delivered under the Plan, the Company shall not be required to issue such Shares if, in the opinion of the Company or its counsel, such issuance would violate the Securities Act. Regardless of whether such Shares have been registered under the Securities Act or registered or qualified under the securities laws of any state, the Company may impose restrictions upon the hypothecation or further sale or transfer of such shares if, in the judgment of the Company or its counsel, such restrictions are necessary or desirable to achieve compliance with the provisions of the Securities Act, the securities laws of any state, or any other law or are otherwise in the best interests of the Company. Any determination by the Company or its counsel in connection with any of the foregoing shall be final and binding on all parties.

The Company may, but shall not be obligated to, register or qualify any securities covered by the Plan. The Company shall not be obligated to take any other affirmative action in order to cause the grant or exercise of any right or the issuance, sale, or deliver of Shares pursuant to the exercise of any right to comply with any law.

11.10 Gender. When used herein, masculine terms shall be deemed to include the feminine, except when the context indicates to the contrary.

11.11. Data Protection. The Board, the Committee, and any other person or entity empowered by the Board or the Committee to administer the Plan may process, store, transfer or disclose personal data of the Participants to the extent required for the implementation and administration of the Plan. The Board, the Committee and any other person or entity empowered by the Board or the Committee to administer the Restated Plan shall comply with any applicable data protection laws.

11.12 Withholding of Taxes. The Company or Participating Subsidiary may withhold from any purchase of Shares under this Plan or any sale, transfer or other disposition thereof any

local, state, federal or foreign taxes, employment taxes, social taxes or other taxes at such times and from such other amounts as it deems appropriate. The Company or Participating Subsidiary may require the Participant to remit an amount in cash sufficient to satisfy any required withholding amounts to the Company or Participating Subsidiary, as the case may be.

Annex to the Plan for Grantees subject to Swiss inheritance law

1. Section 10.4 shall be replaced with the following:

10.4 Death. After the death of a Participant, amounts accumulated in his or her Account shall be paid to the Participant's estate in accordance with the applicable Swiss inheritance rules.

GARMIN LTD.

2005 EQUITY INCENTIVE PLAN

as amended and restated on October 21, 2016

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GARMIN LTD.
2005 Equity Incentive Plan

as amended and restated on October 21, 2016

Article 1. Establishment, Objectives and Duration

- 1.1. **Establishment and Amendment of the Plan.** The Board of Directors (the "Board") of Garmin Ltd., a Swiss company (the "Company"), hereby establishes the incentive compensation plan to be known as the Garmin Ltd. 2005 Equity Incentive Plan (the "Plan"). The Plan was adopted by the Board of Directors of Garmin Ltd., a Cayman Islands company ("Garmin Cayman"), on March 1, 2005 and was approved by the shareholders of Garmin Cayman on June 3, 2005. The Plan is effective as of June 3, 2005 (the "Effective Date"). In 2006, Garmin Cayman effected a two-for-one stock split of its common Shares (the "Stock Split"). Subject to approval of the shareholders of Garmin Cayman, the Board of Directors of Garmin Cayman adopted an amended and restated plan effective June 5, 2009 with certain amendments reflecting the Stock Split, updated changes in the law and an expanded type of performance-based awards eligible to be granted under the Plan. The Plan was amended and restated on June 27, 2010 following the redomestication transaction on June 27, 2010 pursuant to which the shares of Garmin Cayman were exchanged for shares of the Company and the Company became the public holding company of Garmin Cayman and its subsidiaries. The Plan was amended and restated again on June 7, 2013 and on October 21, 2016.
- 1.2. **Objectives of the Plan.** The Plan is intended to allow employees of the Company and its Subsidiaries to acquire or increase equity ownership in the Company, or to be compensated under the Plan based on growth in the Company's equity value, thereby strengthening their commitment to the success of the Company and stimulating their efforts on behalf of the Company, and to assist the Company and its Subsidiaries in attracting new employees and retaining existing employees. The Plan is also intended to optimize the profitability and growth of the Company through incentives which are consistent with the Company's goals; to provide incentives for excellence in individual performance; and to promote teamwork.
- 1.3. **Duration of the Plan.** The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Article 13 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below:

- 2.1. **"Article"** means an Article of the Plan.

- 2.2. "Award" means Options, Restricted Shares, Bonus Shares, SARs, Restricted Stock Units, Performance Units or Performance Shares granted under the Plan.
- 2.3. "Award Agreement" means a written agreement by which an Award is evidenced.
- 2.4. "Beneficial Owner" has the meaning specified in Rule 13d-3 of the SEC under the Exchange Act.
- 2.5. "Board" means the Board of Directors of the Company..
- 2.6. "Bonus Shares" means Shares that are awarded to a Grantee without cost and without restrictions in recognition of past performance (whether determined by reference to another employee benefit plan of the Company or otherwise) or as an incentive to become an employee of the Company or a Subsidiary.
- 2.7. "Business Criteria" has the meaning set forth in Section 5.8(c).
- 2.8. "Cause" means, unless otherwise defined in an Award Agreement,
 - (a) a Grantee's conviction of, plea of guilty to, or plea of nolo contendere to a felony or other crime that involves fraud, dishonesty or moral turpitude,
 - (b) any willful action or omission by a Grantee which would constitute grounds for immediate dismissal under the employment policies of the Company or the Subsidiary by which Grantee is employed, including but not limited to intoxication with alcohol or illegal drugs while on the premises of the Company or any Subsidiary, or violation of sexual harassment laws or the internal sexual harassment policy of the Company or the Subsidiary by which Grantee is employed, irrespective of whether the applicable law would allow an immediate dismissal in these cases,
 - (c) a Grantee's habitual neglect of duties, including but not limited to repeated absences from work without reasonable excuse, or
 - (d) a Grantee's willful and intentional material misconduct in the performance of his duties that results in financial detriment to the Company or any Subsidiary;

provided, however, that for purposes of clauses (b), (c) and (d), Cause shall not include any one or more of the following: bad judgment, negligence or any act or omission believed by the Grantee in good faith to have been in or not opposed to the interest of the Company (without intent of the Grantee to gain, directly or indirectly, a profit to which the Grantee was not legally entitled). A Grantee who agrees to resign from his affiliation with the Company or a Subsidiary in lieu of being terminated for Cause may be deemed to have been terminated for Cause for purposes of the Plan.

- 2.9. "Change of Control" means, unless otherwise defined in an Award Agreement, any one or more of the following:

- (a) any Person other than (i) a Subsidiary, (ii) any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries or (iii) any Excluded Person, becomes the Beneficial Owner of 35% or more of the shares of the Company representing 35% or more of the combined voting power of the Company (such a person or group, a "35% Owner"), except that (i) no Change of Control shall be deemed to have occurred solely by reason of such beneficial ownership by a corporation with respect to which both more than 60% of the common shares of such corporation and Voting Securities representing more than 60% of the aggregate voting power of such corporation are then owned, directly or indirectly, by the persons who were the direct or indirect owners of the shares of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the shares of the Company, as the case may be and (ii) such corporation shall not be deemed a 35% Owner; or
- (b) the Incumbent Directors (determined using the Effective Date as the baseline date) cease for any reason to constitute at least a majority of the directors of the Company then serving; or
- (c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of a merger, reorganization, consolidation, or similar transaction, or the sale or other disposition of all or substantially all (at least 40%) of the consolidated assets of the Company or a resolution of dissolution of the Company (any of the foregoing transactions, a "Reorganization Transaction") which is not an Exempt Reorganization Transaction.

The definition of "Change of Control" may be amended at any time prior to the occurrence of a Change of Control, and such amended definition shall be applied to all Awards granted under the Plan whether or not outstanding at the time such definition is amended, without requiring the consent of any Grantee. Notwithstanding the occurrence of any of the foregoing events, (a) a Change of Control shall be deemed not to have occurred with respect to any Section 16 Person if such Section 16 Person is, by agreement (written or otherwise), a participant on such Section 16 Person's own behalf in a transaction which causes the Change of Control to occur and (b) a Change of Control shall not occur with respect to a Grantee if, in advance of such event, the Grantee agrees in writing that such event shall not constitute a Change of Control.

- 2.10. "Change of Control Period" has the meaning set forth in Section 5.6(c).
- 2.11. "Change of Control Value" means the Fair Market Value of a Share on the date of a Change of Control.
- 2.12. "Code" means the Internal Revenue Code of 1986, as amended from time to time, and regulations and rulings thereunder. References to a particular section of the

Code include references to successor provisions of the Code or any successor statute.

- 2.13. "Company" has the meaning set forth in Section 1.1.
- 2.14. "Disabled" or "Disability" means an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company-sponsored accident and health plan. Notwithstanding the foregoing, with respect to an Incentive Stock Option, "Disability" means a permanent and total disability, within the meaning of Code Section 22(e)(3), as determined by the Board in good faith, upon receipt of medical advice from one or more individuals, selected by the Board, who are qualified to give professional medical advice.
- 2.15. "Effective Date" has the meaning set forth in Section 1.1.
- 2.16. "Eligible Person" means any employee (including any officer) of the Company or any Subsidiary, including any such employee who is on an approved leave of absence or has been subject to a disability which does not qualify as a Disability.
- 2.17. "Exchange Act" means the Securities Exchange Act of 1934, as amended. References to a particular section of the Exchange Act include references to successor provisions.
- 2.18. "Excluded Person" means any Person who, along with such Person's Affiliates and Associates (as such terms are defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act) is the Beneficial Owner of 15% or more of the Shares outstanding as of the Effective Date.
- 2.19. "Exempt Reorganization Transaction" means a Reorganization Transaction which (i) results in the Persons who were the direct or indirect owners of the outstanding shares of the Company immediately before such Reorganization Transaction becoming, immediately after the consummation of such Reorganization Transaction, the direct or indirect owners of both more than 60% of the then-outstanding common shares of the Surviving Corporation and Voting Securities representing more than 60% of the aggregate voting power of the Surviving Corporation, in substantially the same respective proportions as such Persons' ownership of the shares of the Company immediately before such Reorganization Transaction, or (ii) after such transaction, more than 50% of the members of the board of directors of the Surviving Corporation were Incumbent Directors at the time of the Board's approval of the agreement providing for the Reorganization Transaction or other action of the Board approving the transaction (or whose

election or nomination was approved by a vote of at least two-thirds of the members who were members of the Board at that time).

- 2.20. "Fair Market Value" means, unless otherwise determined or provided by the Board in the circumstances, (A) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Board, and (B) with respect to Shares, (i) the last sale price (also referred to as the closing price) of a Share on such U.S. securities exchange as the Shares are then traded, for the applicable date, (ii) if such U.S. securities exchange is closed for trading on such date, or if the Shares do not trade on such date, then the last sales price used shall be the one on the date the Shares last traded on such U.S. securities exchange, or (iii) in the event that there shall be no public market for the Shares, the fair market value of the Shares as determined in good faith by the Board using a method consistently applied. Notwithstanding the above, for all Options, SARs and Deferred Shares (RSUs) granted before June 5, 2009, Fair Market Value for purposes of establishing Option Prices, Exercise Prices or values of Shares, respectively, was established based on the average of the high and low trading prices on the Nasdaq Global Select Market (or, if no sale of Shares was reported for such date, on the next preceding date on which a sale of Shares was reported).
- 2.21. "Freestanding SAR" means any SAR that is granted independently of any Option.
- 2.22. "Good Reason" means any action by the Company or the Subsidiary employing a Grantee which results in any of the following without the Grantee's consent: (a) a material diminution or other material adverse change in the Grantee's position, authority or duties, (b) requiring the Grantee to be based at any office or location more than 50 miles from the location where he or she was previously based; (c) a material diminution in the Grantee's compensation in the aggregate, other than a diminution applicable to all similarly situated employees. A Grantee shall not have Good Reason to terminate his or her position unless, (1) within 60 days following the event or circumstance set forth above in (a), (b) or (c), the Grantee notifies the Company of such event or circumstance, (2) the Grantee gives the Company 30 days to correct the event or circumstance, and (3) the Company does not correct, in all material respects, such event or circumstance.
- 2.23. "Grant Date" has the meaning set forth in Section 5.2.
- 2.24. "Grantee" means an individual who has been granted an Award.
- 2.25. "Including" or "includes" mean "including, without limitation," or "includes, without limitation", respectively.
- 2.26. "Incumbent Directors" means, as of any specified baseline date, individuals then serving as members of the Board who were members of the Board as of the date immediately preceding such baseline date; *provided* that any subsequently-appointed or elected member of the Board whose election, or nomination for

election by shareholders of the Company or the Surviving Corporation, as applicable, was approved by a vote or written consent of a majority of the directors then comprising the Incumbent Directors shall also thereafter be considered an Incumbent Director, unless the initial assumption of office of such subsequently-elected or appointed director was in connection with (i) an actual or threatened election contest, including a consent solicitation, relating to the election or removal of one or more members of the Board, (ii) a "tender offer" (as such term is used in Section 14(d) of the Exchange Act), or (iii) a proposed Reorganization Transaction.

- 2.27. "Option" means an option granted under Article 6 of the Plan, including an incentive stock option.
- 2.28. "Option Price" means the price at which a Share may be purchased by a Grantee pursuant to an Option.
- 2.29. "Option Term" means the period beginning on the Grant Date of an Option and ending on the expiration date of such Option, as specified in the Award Agreement for such Option and as may, consistent with the provisions of the Plan, be extended from time to time by the Board prior to the expiration date of such Option then in effect.
- 2.30. "Performance Award" means any Award that will be issued, granted, vested, exercisable or payable, as the case may be, upon the achievement of one or more Business Criteria, as set forth in Section 5.8.
- 2.31. "Performance Period" has the meaning set forth in Section 10.2.
- 2.32. "Performance Share" or "Performance Unit" has the meaning set forth in Article 10.
- 2.33. "Period of Restriction" means the period during which the transfer of Restricted Shares is limited in some way (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Board) or the Shares are subject to a substantial risk of forfeiture, as provided in Article 8.
- 2.34. "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.
- 2.35. "Plan" has the meaning set forth in Section 1.1.
- 2.36. "Plan Committee" has the meaning set forth in Section 3.1.
- 2.37. "Reorganization Transaction" has the meaning set forth in Section 2.8(c).

2.38. "Restricted Shares" means Shares that are issued as an Award under the Plan that is subject to Restrictions.

2.39. "Restricted Stock Units" (f/k/a "Deferred Shares") means units awarded to Grantees pursuant to Article 9 hereof, which are convertible into Shares at such time as such units are no longer subject to Restrictions as established by the Board. Restricted Stock Units are the same as "Deferred Shares" previously referred to and granted under the Plan prior to this Amended and Restated Plan becoming effective.

2.40. "Restriction" means any restriction on a Grantee's free enjoyment of the Shares or other rights underlying Awards, including (a) that the Grantee or other holder may not sell, transfer, pledge, or assign a Share or right, and (b) such other restrictions as the Board may impose in the Award Agreement that are permissible under Swiss law. Restrictions may be based on the passage of time or the satisfaction of performance criteria or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Board shall specify. Awards subject to a Restriction shall be forfeited if the Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as the Board shall determine.

2.41. "Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, together with any successor rule, as in effect from time to time.

2.42. "SAR" means a stock appreciation right and includes both Tandem SARs and Freestanding SARs.

2.43. "SAR Term" means the period beginning on the Grant Date of a SAR and ending on the expiration date of such SAR, as specified in the Award Agreement for such SAR and as may, consistent with the provisions of the Plan, be extended from time to time by the Board prior to the expiration date of such SAR then in effect.

2.44. "SEC" means the United States Securities and Exchange Commission, or any successor thereto.

2.45. "Section" means, unless the context otherwise requires, a Section of the Plan.

2.46. "Section 16 Person" means a person who is subject to obligations under Section 16 of the Exchange Act with respect to transactions involving equity securities of the Company.

2.47. "Share" means a registered share, CHF 0.10 par value, of the Company.

2.48. "Subsidiary" means with respect to any Person (a) any corporation of which more than 50% of the Voting Securities are at the time, directly or indirectly, owned by such Person, and (b) any partnership or limited liability company in which such Person has a direct or indirect interest (whether in the form of voting power or

participation in profits or capital contribution) of more than 50%. Solely with respect to a grant of an incentive stock option under the requirements of Section 422 of the Code, "Subsidiary" means a "subsidiary corporation" as defined in Section 424(f) of the Code.

- 2.49. "Substitute Option" has the meaning set forth in Section 6.3.
- 2.50. "Surviving Corporation" means the corporation resulting from a Reorganization Transaction or, if Voting Securities representing at least 50% of the aggregate voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.
- 2.51. "Tandem SAR" means a SAR that is granted in connection with, or related to, an Option, and which requires forfeiture of the right to purchase an equal number of Shares under the related Option upon the exercise of such SAR; or alternatively, which requires the cancellation of an equal amount of SARs upon the purchase of the Shares subject to the Option.
- 2.52. "Tax Withholding" has the meaning set forth in Section 14.1(a).
- 2.53. "Termination of Affiliation" occurs on the first day on which an individual is for any reason no longer providing services to the Company or any Subsidiary in the capacity of an employee, or with respect to an individual who is an employee of a Subsidiary, the first day on which such Subsidiary ceases to be a Subsidiary. A Termination of Affiliation shall have the same meaning as a "separation from service" under Code Section 409A(2)(A)(i).
- 2.54. "Voting Securities" of a corporation means securities of such corporation that are entitled to vote generally in the election of directors, but not including any other class of securities of such corporation that may have voting power by reason of the occurrence of a contingency.

Article 3. Administration

- 3.1. Board and Plan Committee. Subject to Article 13, and to Section 3.2, the Plan shall be administered by the Board, or a committee of the Board appointed by the Board to administer the Plan ("Plan Committee"). To the extent the Board considers it desirable for transactions relating to Awards to be eligible to qualify for an exemption under Rule 16b-3, the Plan Committee shall consist of two or more directors of the Company, all of whom qualify as "non-employee directors" within the meaning of Rule 16b-3. To the extent the Board considers it desirable for compensation delivered pursuant to Awards to be eligible to qualify for an exemption from the limit on tax deductibility of compensation under Section 162(m) of the Code, the Plan Committee shall consist of two or more directors of the Company, all of whom shall qualify as "outside directors" within the meaning of Code Section 162(m). The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, including, but not limited to having exclusive authority to make

certain grants of Awards or to perform such other acts, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 or Code Section 162(m) as then in effect.

Any references herein to "Board" are, except as the context requires otherwise, references to the Board or the Plan Committee, as applicable.

3.2. **Powers of the Board.** Subject to the express provisions of the Plan, the Board has full and final authority and sole discretion as follows:

- (a) taking into consideration the reasonable recommendations of management, to determine when, to whom and in what types and amounts Awards should be granted and the terms and conditions applicable to each Award, including the Option Price, the Option Term, the Restrictions, the benefit payable under any SAR, Performance Unit or Performance Share and whether or not specific Awards shall be granted in connection with other specific Awards, and if so whether they shall be exercisable cumulatively with, or alternatively to, such other specific Awards;
- (b) to determine the amount, if any, that a Grantee shall pay for Restricted Shares, whether and on what terms to permit or require the payment of cash dividends thereon to be deferred, when Restrictions on Restricted Shares (including Restricted Shares acquired upon the exercise of an Option) shall lapse and whether such shares shall be held in escrow;
- (c) to construe and interpret the Plan and to make all determinations necessary or advisable for the administration of the Plan;
- (d) to make, amend, and rescind rules relating to the Plan, including rules with respect to the exercisability and nonforfeitability of Awards and lapse of Restrictions upon the Termination of Affiliation of a Grantee;
- (e) to determine the terms and conditions of all Award Agreements (which need not be identical) and, with the consent of the Grantee, to amend any such Award Agreement at any time, among other things, to permit transfers of such Awards to the extent permitted by the Plan; *provided* that the consent of the Grantee shall not be required for any amendment which (A) does not adversely affect the rights of the Grantee, or (B) is necessary or advisable (as determined by the Board) to carry out the purpose of the Award as a result of any new or change in existing applicable law;
- (f) to cancel, with the consent of the Grantee, outstanding Awards and to grant new Awards in substitution therefor; *provided* that any replacement grant that would be considered a repricing shall be subject to shareholder approval;
- (g) to accelerate the exercisability (including exercisability within a period of less than six months after the Grant Date) of, and to accelerate or waive

any or all of the terms conditions or Restrictions applicable to, any Award or any group of Awards for any reason and at any time, including in connection with a Termination of Affiliation;

- (h) subject to Section 5.3, to extend the time during which any Award or group of Awards may be exercised;
- (i) to make such adjustments or modifications to Awards to Grantees who are working outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law, and to authorize foreign Subsidiaries to adopt plans as provided in Article 15;
- (j) to delegate to any member of the Board or committee of Board members such of its powers as it deems appropriate, including the power to subdelegate, except that only a member of the Board of Directors of the Company (or a committee thereof) may grant Awards from time to time to specified categories of Eligible Persons in amounts and on terms to be specified by the Board; provided that no such grants shall be made other than by the Board or the Plan Committee to individuals who are then Section 16 Persons or other than by the Plan Committee to individuals who are then or are deemed likely to become a "covered employee" within the meaning of Code Section 162(m);
- (k) to delegate to officers, employees or independent contractors of the Company matters involving the routine administration of the Plan and which are not specifically required by any provision of the Plan to be performed by the Board of Directors of the Company;
- (l) to delegate its duties and responsibilities under the Plan with respect to foreign Subsidiary plans, except its duties and responsibilities with respect to Section 16 Persons, and (A) the acts of such delegates shall be treated hereunder as acts of the Board and (B) such delegates shall report to the Board regarding the delegated duties and responsibilities;
- (m) to correct any defect or supply any omission or reconcile any inconsistency, and construe and interpret the Plan, the rules and regulations, any Award Agreement or any other instrument entered into or relating to an Award under the Plan, and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;
- (n) to impose such additional terms and conditions upon the grant, exercise or retention of Awards as the Board may, before or concurrently with the grant thereof, deem appropriate, including limiting the percentage of Awards which may from time to time be exercised by a Grantee; and

- (o) to take any other action with respect to any matters relating to the Plan for which it is responsible.

All determinations on any matter relating to the Plan or any Award Agreement may be made in the sole and absolute discretion of the Board, and to the fullest extent permitted by the applicable law all such determinations of the Board shall be final, conclusive and binding on all Persons. To the fullest extent permitted by the applicable law no member of the Board shall be liable for any action or determination made with respect to the Plan or any Award.

Article 4. Shares Subject to the Plan

4.1. Number of Shares Available.

- (a) *Plan Limit.* Subject to adjustment as provided in Section 4.2, the number of Shares hereby reserved for delivery under the Plan is thirteen million (13,000,000) Shares. The maximum number of Shares that may be delivered pursuant to the exercise of Options (including incentive stock options under Code Section 422) or SARs is ten million (10,000,000) Shares. The maximum number of Shares that may be delivered as Restricted Shares or pursuant to Performance Units or Restricted Stock Units is six million (6,000,000) Shares. The maximum number of Bonus Shares that may be awarded is one million (1,000,000) Shares. If any Shares subject to an Award granted hereunder are forfeited or an Award or any portion thereof otherwise terminates or is settled without the issuance of Shares, the Shares subject to such Award, to the extent of any such forfeiture, termination or settlement, shall again be available for grant under the Plan. The Board may from time to time determine the appropriate methodology for calculating the number of Shares issued pursuant to the Plan.
- (b) *Individual Limit.* No individual Grantee may be granted Options, SARs, Restricted Shares, Restricted Stock Units, Bonus Shares, Performance Units or Performance Shares in Shares, or in any combination thereof, relating to an aggregate number of Shares under the Plan that exceeds two million (2,000,000) Shares in any 5-year period. If a previously granted Option, SAR, Restricted Stock Unit, Performance Unit, or Performance Share is forfeited, canceled or repriced, such forfeited, canceled or repriced Award as the case may be, shall continue to be counted against the maximum number of Shares subject to Awards that may be delivered to any Grantee under this Section 4.1(b).

4.2. Adjustments in Shares.

- (a) *Adjustment Principle.* In the event that the Board determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, share split, reverse share split, subdivision, consolidation or reduction of capital, reorganization,

merger, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Shares or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that any adjustment is determined by the Board to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Board shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property of the Company or any Person that is a party to a Reorganization Transaction with the Company) with respect to which Awards may be granted, (ii) the number and type of Shares (or other securities or property of the Company or any Person that is a party to a Reorganization Transaction with the Company) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award or the substitution of other property for Shares subject to an outstanding Award; provided, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

(b) *Example.* By way of illustration, and not by way of limitation, the following illustrates how the foregoing adjustment principles would apply in the context of a stock split: Assume a Grantee holds an Option to purchase 1,000 shares of Company stock at an Option Price of \$50 per share. Assume further that the Company completes a two-for-one share split such that every shareholder on the requisite record date receives two Shares for every one Share held on the record date. Pursuant to the adjustment principles set forth above in Section 4.2(a), the Grantee's Option would be adjusted such that, after such adjustment, the Grantee would hold an Option to purchase 2,000 Shares at an Option Price of \$25 per Share. All other terms and conditions of the Option would remain the same. Similar adjustment principles would apply to SARs, Performance Shares, Performance Units, Bonus Shares and Deferred Shares. This Section 4.2(b) is for illustrative purposes only, assumes hypothetical facts, and shall not, under any event or circumstance, be interpreted as the adjustment outcome with respect to specific factual situations.

Article 5. Eligibility and General Conditions of Awards

- 5.1. **Eligibility.** The Board may grant Awards to any Eligible Person, whether or not he or she has previously received an Award.
- 5.2. **Grant Date.** The Grant Date of an Award shall be the date on which the Board grants the Award or such later date as specified by the Board (i) in the Board's

resolutions or minutes addressing the Award grants or (ii) in the Award Agreement.

- 5.3. **Maximum Term.** Subject to the following proviso, the Option Term or other period during which an Award may be outstanding shall not extend more than 10 years after the Grant Date, and shall be subject to earlier termination as herein specified.
- 5.4. **Award Agreement.** To the extent not set forth in the Plan, the terms and conditions of each Award (which need not be the same for each grant or for each Grantee) shall be set forth in an Award Agreement.
- 5.5. **Restrictions on Share Transferability.** The Board may include in the Award Agreement such restrictions on any Shares acquired pursuant to the exercise or vesting of an Award as it may deem advisable, including restrictions under applicable federal securities laws.
- 5.6. **Termination of Affiliation.** Except as otherwise provided in an Award Agreement (including an Award Agreement as amended by the Board pursuant to Section 3.2), and subject to the provisions of Section 13.1, the extent to which the Grantee shall have the right to exercise, vest in, or receive payment in respect of an Award following Termination of Affiliation shall be determined in accordance with the following provisions of this Section 5.6.
 - (a) **For Cause.** If a Grantee has a Termination of Affiliation for Cause:
 - (i) the Grantee's Restricted Shares that are forfeitable immediately before such Termination of Affiliation shall automatically be forfeited on such date, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;
 - (ii) the Grantee's Restricted Stock Units shall automatically be forfeited; and
 - (iii) any unexercised Option or SAR, and any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation, shall terminate effective immediately upon such Termination of Affiliation.
 - (b) **On Account of Death or Disability.** If a Grantee has a Termination of Affiliation on account of death or Disability:
 - (i) the Grantee's Restricted Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become nonforfeitable;

- (ii) the Grantee's Restricted Stock Units shall immediately be settled in accordance with Section 9.4;
- (iii) any unexercised Option or SAR, whether or not exercisable immediately before such Termination of Affiliation, shall be fully exercisable and may be exercised, in whole or in part, at any time up to one year after such Termination of Affiliation (but only during the Option Term or SAR Term, respectively) by the Grantee or, after his or her death, by (A) his or her personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (B) the Grantee's beneficiary designated in accordance with Article 11; and
- (iv) the benefit payable with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation on account of death or Disability shall be equal to the product of the Fair Market Value of a Share as of the date of such Termination of Affiliation or the value of the Performance Unit specified in the Award Agreement (determined as of the date of such Termination of Affiliation), as applicable, multiplied successively by each of the following:
 - (A) a fraction, the numerator of which is the number of months (including as a whole month any partial month) that have elapsed since the beginning of such Performance Period until the date of such Termination of Affiliation and the denominator of which is the number of months (including as a whole month any partial month) in the Performance Period; and
 - (B) a percentage determined by the Plan Committee that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period, or, if the Board elects to compute the benefit after the end of the Performance Period, the Performance percentage, as determined by the Board, attained during the Performance Period.

(c) Change of Control Period. If a Grantee has a Termination of Affiliation during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then

- (i) the Grantee's Restricted Shares that were forfeitable shall thereupon become nonforfeitable;
- (ii) the Grantee's Restricted Stock Units shall immediately be settled in accordance with Section 9.4;
- (iii) any unexercised Option or SAR, whether or not exercisable on the date of such Termination of Affiliation, shall thereupon be fully exercisable and may be exercised, in whole or in part for ninety (90) days following such Termination of Affiliation (but only during the Option Term or SAR Term, respectively); and
- (iv) the Company shall immediately pay to the Grantee, with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation, a cash payment equal to the product of (A) in the case of a Performance Share, the Change of Control Value or (B) in the case of a Performance Unit, the value of the Performance Unit specified in the Award Agreement, as applicable, multiplied successively by each of the following:
 - (A) a fraction, the numerator of which is the number of whole and partial months that have elapsed between the beginning of such Performance Period and the date of such Termination of Affiliation and the denominator of which is the number of whole and partial months in the Performance Period; and
 - (B) a percentage equal to a greater of (x) the target percentage, if any, specified in the applicable Award Agreement or (y) the maximum percentage, if any, that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period.

(d) Any Other Reason. If a Grantee has a Termination of Affiliation for any reason other than for Cause, death or Disability, and other than under the circumstances described in Section 5.6(c), then:

- (i) the Grantee's Restricted Shares, to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;
- (ii) the Grantee's Restricted Stock Units shall automatically be forfeited;
- (iii) any unexercised Option or SAR, to the extent exercisable immediately before such Termination of Affiliation, shall remain

exercisable in whole or in part for ninety (90) days after such Termination of Affiliation (but only during the Option Term or SAR Term, respectively) by the Grantee or, after his or her death, by (A) his or her personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (B) the Grantee's beneficiary designated in accordance with Article 11; and

- (iv) any Performance Shares or Performance Units with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation shall terminate immediately upon such Termination of Affiliation.

5.7. Nontransferability of Awards.

- (a) Except as provided in Section 5.7(c) below, each Award, and each right under any Award, shall be exercisable only by the Grantee during the Grantee's lifetime, or, if permissible under applicable law, by the Grantee's guardian or legal representative.
- (b) Except as provided in Section 5.7(c) below, no Award (prior to the time, if applicable, Shares are issued in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Grantee otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Subsidiary; *provided*, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.
- (c) To the extent and in the manner permitted by the Board, and subject to such terms and conditions as may be prescribed by the Board, a Grantee may transfer an Award to (a) a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Grantee, (including adoptive relationships), (b) any person sharing the Grantee's household (other than a tenant or employee), (c) a trust in which persons described in (a) or (b) have more than 50% of the beneficial interest, (d) a foundation in which persons described in (a) or (b) or the Grantee own more than 50% of the voting interests; provided such transfer is not for value. The following shall not be considered transfers for value: (i) a transfer under a domestic relations order in settlement of marital property rights; and (ii) a transfer to an entity in which more than 50% of the voting interests are owned by persons described in (a) or (b) above or the Grantee, in exchange for an interest in that entity.

5.8. Section 162(m) Performance Awards.

- (a) General. Any type of Award that is eligible to be granted under the Plan may be granted to officers and employees as awards intended to satisfy the requirements of "performance-based compensation" within the meaning of Section 162(m) of the Code ("Performance Awards"). The grant, vesting, exercisability or payment of Performance Awards may depend on the degree of achievement of one or more performance goals relative to a preestablished target level or levels using one or more of the Business Criteria set forth below.
- (b) Class. The eligible class of persons to receive Performance Awards shall be any hourly or salaried officer or employee of the Company or one of its subsidiaries. The Plan Committee approving Performance Awards or making any certification required pursuant to Section 5.8(c) must be constituted as provided for in Section 3.1 for awards that are intended as performance-based compensation under Section 162(m) of the Code.
- (c) Performance Goals. The specific performance goals for Performance Awards shall be, on an absolute or relative basis, established based on one or more of the following business criteria ("Business Criteria") for the Company on a segregated or consolidated basis or for one or more of the Company's subsidiaries, segments, divisions, or business units, as selected by the Plan Committee:
 - (i) Earnings (either in the aggregate or on a per-Share basis);
 - (ii) Operating profit (either in the aggregate or on a per-Share basis);
 - (iii) Operating income (either in the aggregate or on a per-Share basis);
 - (iv) Net earnings on either a LIFO or FIFO basis (either in the aggregate or on a per-Share basis);
 - (v) Net income or loss (either in the aggregate or on a per-Share basis);
 - (vi) Ratio of debt to debt plus equity;
 - (vii) Net borrowing;
 - (viii) Credit quality or debt ratings;
 - (ix) Inventory levels, inventory turn or shrinkage;
 - (x) Cash flow provided by operations (either in the aggregate or on a per-Share basis);

- (xi) Free cash flow (either in the aggregate or on a per-Share basis);
- (xii) Reductions in expense levels, determined either on a Company-wide basis or in respect of any one or more business units;
- (xiii) Operating and maintenance cost management and employee productivity;
- (xiv) Gross margin;
- (xv) Return measures (including return on assets, equity, or sales);
- (xvi) Productivity increases;
- (xvii) Share price (including attainment of a specified per-Share price during the relevant performance period; growth measures and total shareholder return or attainment by the Shares of a specified price for a specified period of time);
- (xviii) Where applicable, growth or rate of growth of any of the above Business Criteria set forth in this Section 5.8(c);
- (xix) Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, and goals relating to acquisitions or divestitures;
- (xx) Achievement of business or operational goals such as market share and/or business development; and/or
- (xxi) Accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions;

provided that applicable Business Criteria may be applied on a pre- or post-tax basis; and provided further that the Plan Committee may, when the applicable performance goals are established, provide that the formula for such goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain or loss. As established by the Plan Committee, the Business Criteria may include, without limitation, GAAP and non-GAAP financial measures. In addition to the foregoing performance goals, the performance goals shall also include any performance goals which are set forth in a Company bonus or incentive plan, if any, which has been approved by the Company's shareholders, which are incorporated herein by reference. Such performance goals shall be set by the Plan Committee within the time period prescribed by, and shall otherwise comply with the requirements of, Code Section 162(m).

(d) Flexibility as to Timing, Weighting, Applicable Business Unit. For Awards intended to comply with the performance-based exception to Code Section 162(m), the Plan Committee shall set the Business Criteria within the time period prescribed by Section 162(m) of the Code. The levels of performance required with respect to Business Criteria may be expressed in absolute or relative levels and may be based upon a set increase, set positive result, maintenance of the status quo, set decrease or set negative result. Business Criteria may differ for Awards to different Grantees. The Plan Committee shall specify the weighting (which may be the same or different for multiple objectives) to be given to each performance objective for purposes of determining the final amount payable with respect to any such Award. Any one or more of the Business Criteria may apply to a Grantee, to the Company as a whole, to one or more Subsidiaries or to a department, unit, division or function within the Company, within any one or more Subsidiaries or any one or more joint ventures of which the Company is a party, and may apply either alone or relative to the performance of other businesses or individuals (including industry or general market indices).

(e) Discretion to Adjust. The Plan Committee shall have the discretion to adjust the determinations of the degree of attainment of the pre-established performance goals; provided, however, that Awards which are designed to qualify for the performance-based exception under Code Section 162(m) may not (unless the Plan Committee determines to amend the Award so that it no longer qualifies for such performance-based exception) be adjusted upward. The Plan Committee shall retain the discretion to adjust such Awards downward. The Plan Committee may not, unless the Plan Committee determines to amend the Award so that it no longer qualifies for the performance-based exception, delegate any responsibility with respect to Awards intended to qualify for such performance-based exception. All determinations by the Plan Committee as to the achievement of the Business Criteria shall be certified in writing prior to payment of the Award.

(f) Alteration of Performance Measures. In the event that applicable laws allow an Award to qualify for the performance-based exception to Code Section 162(m) even if the Plan Committee alters the governing Business Criteria without obtaining shareholder approval, the Plan Committee shall have sole discretion to make such changes without obtaining shareholder approval.

Article 6. Stock Options

6.1. Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to any Eligible Person in such number, and upon such terms, and at any time and from time to time as shall be determined by the Board. Without limiting the generality of the foregoing, the Board may grant to any Eligible

Person, or permit any Eligible Person to elect to receive, an Option in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under the Plan or otherwise) which such Eligible Person may be eligible to receive from the Company or a Subsidiary, which Option may have a value (as determined by the Board under Black-Scholes or any other option valuation method) that is equal to or greater than the amount of such other compensation.

- 6.2. **Award Agreement.** Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the Option Term, the number of shares to which the Option pertains, the time or times at which such Option shall be exercisable and such other provisions as the Board shall determine.
- 6.3. **Option Price.** The Option Price of an Option under the Plan shall be determined by the Board, and shall be the higher of 100% of the Fair Market Value of a Share on the Grant Date or 100% of the par value of a Share; *provided, however,* that any Option ("Substitute Option") that is (x) granted to a Grantee in connection with the acquisition ("Acquisition"), however effected, by the Company of another corporation or entity ("Acquired Entity") or the assets thereof, (y) associated with an option to purchase shares of stock or other equity interest of the Acquired Entity or an affiliate thereof ("Acquired Entity Option") held by such Grantee immediately prior to such Acquisition, and (z) intended to preserve for the Grantee the economic value of all or a portion of such Acquired Entity Option, shall be granted such that such option substitution is completed in conformity with the rules set forth in Section 424(a) of the Code.
- 6.4. **Grant of Incentive Stock Options.**
 - (a) At the time of the grant of any Option to an Eligible Person who is an employee of the Company or a Subsidiary, the Board may designate that such option shall be made subject to additional restrictions to permit it to qualify as an "incentive stock option" under the requirements of Section 422 of the Code. Any option designated as an incentive stock option:
 - (i) shall not be granted to a person who owns shares (including shares treated as owned under Section 424(d) of the Code) possessing more than 10% of the total combined voting power of all classes of shares of the Company;
 - (ii) shall be for a term of not more than 10 years from the Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Award Agreement;
 - (iii) shall not have an aggregate Fair Market Value (determined for each incentive stock option at its Grant Date) of Shares with respect to which incentive stock options are exercisable for the first time by such Grantee during any calendar year (under the Plan and

any other employee stock option plan of the Grantee's employer or any parent or Subsidiary thereof ("Other Plans"), determined in accordance with the provisions of Section 422 of the Code, which exceeds \$100,000 (the "\$100,000 Limit");

(iv) shall, if the aggregate Fair Market Value of a Share (determined on the Grant Date) with respect to the portion of such grant which is exercisable for the first time during any calendar year ("Current Grant") and all incentive stock options previously granted under the Plan and any Other Plans which are exercisable for the first time during a calendar year ("Prior Grants") would exceed the \$100,000 Limit, be exercisable as follows:

(A) the portion of the Current Grant which would, when added to any Prior Grants, be exercisable with respect to Shares which would have an aggregate Fair Market Value (determined as of the respective Grant Date for such options) in excess of the \$100,000 Limit shall, notwithstanding the terms of the Current Grant, be exercisable for the first time by the Grantee in the first subsequent calendar year or years in which it could be exercisable for the first time by the Grantee when added to all Prior Grants without exceeding the \$100,000 Limit; and

(B) if, viewed as of the date of the Current Grant, any portion of a Current Grant could not be exercised under the preceding provisions of this Subsection (iv) during any calendar year commencing with the calendar year in which it is first exercisable through and including the last calendar year in which it may by its terms be exercised, such portion of the Current Grant shall not be an incentive stock option, but shall be exercisable as a separate Option at such date or dates as are provided in the Current Grant;

(v) shall be granted within 10 years from the earlier of the date the Plan is adopted or the date the Plan is approved by the shareholders of the Company;

(vi) shall require the Grantee to notify the Board of any disposition of any Shares issued pursuant to the exercise of the incentive stock option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), within 10 days of such disposition; and

(vii) shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Grantee's lifetime, only by the Grantee; provided, however, that the Grantee may, to the extent provided in the Plan in any manner specified by the Board, designate in writing a beneficiary to exercise such incentive stock option after the Grantee's death.

Notwithstanding the foregoing, the Board may, without the consent of the Grantee, at any time before the exercise of an option (whether or not an incentive stock option), take any action necessary to prevent such option from being treated as an incentive stock option.

6.5. Exercise of Options. Options shall be exercised by the delivery of a written notice of exercise to the Company or its designee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares as instructed by the Board or, subject to the approval of the Board pursuant to procedures approved by the Board,

- (a) through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay for such Shares, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by Grantee by reason of such exercise,
- (b) through simultaneous sale through a broker of Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board,
- (c) by transfer to the Company of the number of Shares then owned by the Grantee, the Fair Market Value of which equals the purchase price of the Shares purchased in connection with the Option exercise, properly endorsed for transfer to the Company; provided however, that Shares used for this purpose must have been held by the Grantee for such minimum period of time as may be established from time to time by the Board; and provided further that the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Options shall be the Fair Market Value as of the exercise date, which shall be the date of delivery of the certificates for the Stock used as payment of the exercise price. For purposes of this Section 6.5(c), in lieu of actually transferring to the Company the number of Shares then owned by the Grantee, the Board may, in its discretion permit the Grantee to submit to the Company a statement affirming ownership by the Grantee of such number of Shares and request that such Shares, although not actually transferred, be deemed to have been transferred by the Grantee as payment of the exercise price, or
- (d) by a "net exercise" arrangement pursuant to which the Company will not require a payment of the Option Price but will reduce the number of Shares upon the exercise by the largest number of whole shares that has a Fair Market Value on the date of exercise that does not exceed the aggregate Option Price. With respect to any remaining balance of the aggregate option price, the Company will accept a cash payment from the Grantee. Notwithstanding the foregoing, a "net exercise" arrangement will not be an eligible exercise method for incentive stock options unless and

until the Company and its advisors conclude that such method of exercise may be utilized without resulting in a disqualification of the incentive stock option.

Article 7. Stock Appreciation Rights

- 7.1. **Grant of SARs.** Subject to the terms and conditions of the Plan, SARs may be granted to any Eligible Person at any time and from time to time as shall be determined by the Board in its sole discretion. The Board may grant Freestanding SARs or Tandem SARs, or any combination thereof.
 - (a) **Number of Shares.** The Board shall have complete discretion to determine the number of SARs granted to any Grantee, subject to the limitations imposed in the Plan and by applicable law.
 - (b) **Exercise Price and Other Terms.** All SARs shall be granted with an exercise price no less than the Fair Market Value of the underlying Shares on the SARs' Grant Date. The Board, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan. The exercise price per Share of Tandem SARs shall equal the exercise price per Share of the related Option.
- 7.2. **SAR Award Agreement.** Each SAR granted under the Plan shall be evidenced by a written SAR Award Agreement which shall be entered into by the Company and the Grantee to whom the SAR is granted and which shall specify the exercise price per share, the SAR Term, the conditions of exercise, and such other terms and conditions as the Board in its sole discretion shall determine.
- 7.3. **Exercise of SARs.** SARs shall be exercised by the delivery of a written notice of exercise to the Company or its designee, setting forth the number of Shares over which the SAR is to be exercised. Tandem SARs (a) may be exercised with respect to all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option; (b) may be exercised only with respect to the Shares for which its related Option is then exercisable; and (c) may be exercised only when the Fair Market Value of the Shares subject to the Option exceeds the Option Price of the Option. The value of the payment with respect to the Tandem SAR may be no more than 100% of the difference between the Option Price of the underlying Option and the Fair Market Value of the Shares subject to the underlying Option at the time the Tandem SAR is exercised.
- 7.4. **Expiration of SARs.** A SAR granted under the Plan shall expire on the date set forth in the SAR Award Agreement, which date shall be determined by the Board in its sole discretion. Unless otherwise specifically provided for in the SAR Award agreement, a Tandem SAR granted under the Plan shall be exercisable at such time or times and only to the extent that the related Option is exercisable.

The Tandem SAR shall terminate and no longer be exercisable upon the termination or exercise of the related Options, except that Tandem SARs granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SARs.

7.5. **Payment of SAR Amount.** Upon exercise of a SAR, a Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the positive difference between the Fair Market Value of a Share on the date of exercise over the exercise price per Share by (ii) the number of Shares with respect to which the SAR is exercised. The payment upon a SAR exercise shall be solely in whole Shares of equivalent value. Fractional Shares shall be rounded down to the nearest whole Share with no cash consideration being paid upon exercise.

Article 8. Restricted Shares and Bonus Shares

8.1. **Grant of Restricted Shares.** Subject to the terms and provisions of the Plan, the Board, at any time and from time to time, may grant Restricted Shares to any Eligible Person in such amounts as the Board shall determine.

8.2. **Bonus Shares.** Subject to the terms of the Plan, the Board may grant Bonus Shares to any Eligible Person, in such amount and upon such terms and at any time and from time to time as shall be determined by the Board. Bonus Shares shall be Shares issued without any Restriction.

8.3. **Award Agreement.** Each grant of Restricted Shares shall be evidenced by an Award Agreement, which shall specify the Restrictions and the Period(s) of Restriction, the number of Restricted Shares granted, and such other provisions as the Board shall determine. The Board may impose such Restrictions on any Restricted Shares as it may deem advisable, including Restrictions based upon the achievement of specific performance goals (Company-wide, divisional, Subsidiary or individual), time-based Restrictions on vesting or Restrictions under applicable securities laws; provided that in all cases, the Restricted Shares shall be subject to a minimum two-year graduated vesting schedule (50% each year), except, if as provided in the Award Agreement, in the event of death, disability, Change of Control, Termination of Affiliation with Good Reason, or Termination of Affiliation by the Employer other than for Cause.

8.4. **Consideration.** The Board shall determine the amount, if any, that a Grantee shall pay for Restricted Shares or Bonus Shares. Such payment shall be made in full by the Grantee before the delivery of the shares and in any event no later than 10 business days after the Grant Date for such shares.

8.5. **Effect of Forfeiture.** If Restricted Shares are forfeited, and if the Grantee was required to pay for such shares or acquired such Restricted Shares upon the exercise of an Option, the Grantee shall resell such Restricted Shares to the

Company at a price equal to the lesser of (x) the amount paid by the Grantee for such Restricted Shares, or (y) the Fair Market Value of a Share on the date of such forfeiture. The Company shall pay to the Grantee the required amount as soon as is administratively practical.

8.6. Escrow. The Board may provide that any Restricted Shares or Bonus Shares shall be represented by, at the option of the Board, either book entry registration or by a stock certificate or certificates. If the shares of Restricted Shares are represented by a certificate or certificates, such shares shall be held (together with an assignment or endorsement executed in blank by the Grantee) in escrow by an escrow agent until such Restricted Shares become nonforfeitable or are forfeited.

Article 9. Restricted Stock Units (f/k/a "Deferred Shares")

9.1. Grant of Restricted Stock Units. Subject to and consistent with the provisions of the Plan and Code Sections 409A(a)(2), (3) and (4), the Board, at any time and from time to time, may grant Restricted Stock Units to any Eligible Person, in such amount and upon such terms as the Board shall determine. A Grantee shall have no voting rights in Restricted Stock Units.

9.2. Award Agreement. Each grant of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the Restrictions, the number of Shares subject to the Restricted Stock Units granted, and such other provisions as the Plan Committee shall determine in accordance with the Plan and Code Section 409A. The Plan Committee may impose such Restrictions on Restricted Stock Units, including time-based Restrictions, Restrictions based on the achievement of specific performance goals, time-based Restrictions following the achievement of specific performance goals, Restrictions based on the occurrence of a specified event, and/or restrictions under applicable securities laws; provided that in all cases the Restricted Stock Units shall be subject to a minimum two-year graduated vesting schedule (50% each year), except, if as provided in the Award Agreement, in the event of death, Disability, Change of Control, Termination of Affiliation with Good Reason, or Termination of Affiliation by the Employer other than for Cause.

9.3. Crediting Restricted Stock Units. The Company shall establish an account ("RSU Account") on its books for each Eligible Person who receives a grant of Restricted Stock Units. Restricted Stock Units shall be credited to the Grantee's RSU Account as of the Grant Date of such Restricted Stock Units. RSU Accounts shall be maintained for recordkeeping purposes only and the Company shall not be obligated to segregate or set aside assets representing securities or other amounts credited to RSU Accounts. The obligation to make distributions of securities or other amounts credited to RSU Accounts shall be an unfunded, unsecured obligation of the Company.

9.4. Settlement of RSU Accounts. The Company shall settle an RSU Account by delivering to the holder thereof (which may be the Grantee or his or her Beneficiary, as applicable) a number of Shares equal to the whole number of Shares underlying the Restricted Stock Units then credited to the Grantee's RSU Account (or a specified portion in the event of any partial settlement); provided that any fractional Shares underlying Restricted Stock Units

remaining in the RSU Account on the Settlement Date shall be distributed in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Restricted Share Unit. The "Settlement Date" for all Restricted Stock Units credited to a Grantee's RSU Account shall be the date when Restrictions applicable to an Award of Restricted Stock Units have lapsed.

Article 10. Performance Units and Performance Shares

- 10.1. Grant of Performance Units and Performance Shares. Subject to the terms of the Plan, Performance Units or Performance Shares may be granted to any Eligible Person in such amounts and upon such terms, and at any time and from time to time, as the Board shall determine. Each grant of Performance Units or Performance Shares shall be evidenced by an Award Agreement which shall specify the terms and conditions applicable to the Performance Units or Performance Shares, as the Board determines.
- 10.2. Value/Performance Goals. Each Performance Unit shall have an initial value that is established by the Board at the time of grant, that is equal to the Fair Market Value of a Share on the Grant Date. The Board shall set the Business Criteria which, depending on the extent to which they are met, will determine the number or value of Performance Units or Performance Shares that will be paid to the Grantee. For purposes of this Article 10, the time period during which the performance goals must be met shall be called a "Performance Period." The Board shall have complete discretion to establish the performance goals.
- 10.3. Payment of Performance Units and Performance Shares. Subject to the terms of the Plan, after the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payment based on the number and value of Performance Units or Performance Shares earned by the Grantee over the Performance Period, determined as a function of the extent to which the corresponding performance goals have been achieved.

If a Grantee is promoted, demoted or transferred to a different business unit of the Company during a Performance Period, then, to the extent the Board determines appropriate, the Board may adjust, change or eliminate the performance goals or the applicable Performance Period as it deems appropriate in order to make them appropriate and comparable to the initial performance goals or Performance Period.

- 10.4. Form and Timing of Payment of Performance Units and Performance Shares. Payment of earned Performance Units or Performance Shares shall be made in a lump sum following the close of the applicable Performance Period. The Board may cause earned Performance Units or Performance Shares to be paid in cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares at the close of the applicable Performance Period. Such Shares may be granted subject to any restrictions deemed appropriate by the Board. The form of payout

of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

As determined by the Board, a Grantee may be entitled to receive any dividends declared with respect to Shares which have been earned in connection with grants of Performance Units or Performance Shares but not yet distributed to the Grantee. In addition, a Grantee may, as determined by the Board, be entitled to exercise his or her voting rights with respect to such Shares.

Article 11. Beneficiary Designation

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Grantee's death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Company, and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

Article 12. Rights of Employees

- 12.1. Employment. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Grantee's employment at any time, nor confer upon any Grantee the right to continue in the employ of the Company.
- 12.2. Participation. No employee shall have the right to be selected to receive an Award, or, having been so selected, to be selected to receive a future Award.

Article 13. Amendment, Modification, and Termination

- 13.1. Amendment, Modification, and Termination. Subject to the terms of the Plan, the Board of Directors of the Company may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part without the approval of the Company's shareholders, except to the extent the Board of Directors of the Company determines it is desirable to obtain approval of the Company's shareholders, to retain eligibility for exemption from the limitations of Code Section 162(m), to have available the ability for Options to qualify as ISOs, to comply with the requirements for listing on any exchange where the Company's Shares are listed, or for any other purpose the Board of Directors of the Company deems appropriate.
- 13.2. Adjustments Upon Certain Unusual or Nonrecurring Events. The Board may make adjustments in the terms and conditions of Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.2) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Board determines that such adjustments are appropriate in order to prevent dilution or

enlargement of the benefits or potential benefits intended to be made available under the Plan.

- 13.3. **Awards Previously Granted.** Notwithstanding any other provision of the Plan to the contrary (but subject to Section 2.8 and Section 13.2), no termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Grantee of such Award. Any adjustment, modification, extension or renewal of an Option shall be effected such that the Option is either exempt from, or is compliant with, Code section 409A.
- 13.4. **Adjustments in Connection with Change of Control.** In the event the Company undergoes a Change of Control or in the event of a separation, spin-off, sale of a material portion of the Company's assets or any "going private" transaction under Rule 13e-3 promulgated pursuant to the Exchange Act and in which a Change of Control does not occur, the Board, or the board of directors of any corporation assuming the obligations of the Company, shall have the full power and discretion to prescribe and amend the terms and conditions for the exercise, or modification, of any outstanding Awards granted hereunder in the manner as agreed to by the Board as set forth in the definitive agreement relating to the transaction. Without limitation, the Board or Plan Committee may:
 - (a) remove restrictions on Restricted Shares and Restricted Stock Units;
 - (b) modify the performance requirements for any other Awards;
 - (c) provide that Options or other Awards granted hereunder must be exercised in connection with the closing of such transactions, and that if not so exercised such Awards will expire;
 - (d) provide for the purchase by the Company of any such Award, upon the Grantee's request, for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Grantee's rights had such Award been currently exercisable or payable;
 - (e) make such adjustment to any such Award then outstanding as the Board deems appropriate to reflect such Change of Control;
 - (f) cause any such Award then outstanding to be assumed, or new rights substituted therefore, by the acquiring or surviving corporation after such Change of Control. Any such determinations by the Board may be made generally with respect to all Participants, or may be made on a case-by-case basis with respect to particular Participants.

Notwithstanding the foregoing, any transaction undertaken for the purpose of reincorporating the Company under the laws of another jurisdiction, if such transaction does not materially affect the beneficial ownership of the Company's Shares, such

transaction shall not constitute a merger, consolidation, major acquisition of property for stock, separation, reorganization, liquidation, or Change of Control.

13.5. Prohibition on Repricings. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for cash, other Awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval.

Article 14. Withholding

14.1. Mandatory Tax Withholding.

(a) Whenever under the Plan, Shares are to be delivered upon exercise or payment of an Award, or upon the lapse of Restrictions on an Award, or any other event with respect to rights and benefits hereunder (the exercise date, date such Restrictions lapse or such payment of any other benefit or right occurs hereinafter referred to as the "Tax Date"), the Company shall be entitled to require and may accommodate the Grantee's request if so requested, to satisfy all federal, state, local and foreign tax withholding requirements, including Social Security and Medicare ("FICA") taxes related thereto ("Tax Withholding"), by one or a combination of the following methods:

- (i) Payment of an amount in cash equal to the amount to be withheld;
- (ii) Requesting the Company to withhold from those Shares that would otherwise be received upon exercise of the Option or the SAR payable in Shares, upon the lapse of Restrictions on an Award, a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or
- (iii) withholding from compensation otherwise due to the Grantee.

The Board in its sole discretion may provide that the maximum amount of tax withholding to be satisfied by withholding Shares pursuant to clause (ii) above shall not exceed the minimum amount of taxes, including FICA taxes, required to be withheld under federal, state and local law. An election by Grantee under this subsection is irrevocable. Any fractional share amount and any additional withholding not paid by the withholding or surrender of Shares must be paid in cash. If no timely election is made, the Grantee must deliver cash to satisfy all tax withholding requirements.

(b) Any Grantee who makes a disqualifying disposition of an incentive stock option granted under the Plan or who makes an election under Section 83(b) of the Code shall remit to the Company an amount sufficient to satisfy all resulting Tax Withholding; *provided* that, in lieu of or in addition to the foregoing, the Company shall have the right to withhold such Tax Withholding from compensation otherwise due to the Grantee or from any Shares or other payment due to the Grantee under the Plan.

14.2. Notification under Code Section 83(b). If the Grantee, in connection with the exercise of any Option, or the grant of Restricted Shares, makes the election permitted under Section 83(b) of the Code to include in such Grantee's gross income in the year of transfer the amounts specified in Section 83(b) of the Code, then such Grantee shall notify the Company of such election within 10 days of filing the notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code. The Board may, in connection with the grant of an Award or at any time thereafter prior to such an election being made, prohibit a Grantee from making the election described above.

Article 15. Equity Incentive Plans of Foreign Subsidiaries

The Board may authorize any foreign Subsidiary to adopt a plan for granting Awards ("Foreign Equity Incentive Plan"). All awards granted under such Foreign Equity Incentive Plans shall be treated as grants under the Plan. Such Foreign Equity Incentive Plans shall have such terms and provisions as the Board permits not inconsistent with the provisions of the Plan and which may be more restrictive than those contained in the Plan. Awards granted under such Foreign Equity Incentive Plans shall be governed by the terms of the Plan except to the extent that the provisions of the Foreign Equity Incentive Plans are more restrictive than the terms of the Plan, in which case such terms of the Foreign Equity Incentive Plans shall control.

Article 16. Additional Provisions

16.1. Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business or assets of the Company.

16.2. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

16.3. Severability. If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will

give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

- 16.4. **Requirements of Law.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges as may be required. Notwithstanding any provision of the Plan or any Award, Grantees shall not be entitled to exercise, or receive benefits under, any Award, and the Company shall not be obligated to deliver any Shares or other benefits to a Grantee, if such exercise or delivery would constitute a violation by the Grantee or the Company of any applicable law or regulation.
- 16.5. **Securities Law Compliance.**
 - (a) If the Board deems it necessary to comply with any applicable securities law, or the requirements of any stock exchange upon which Shares may be listed, the Board may impose any restriction on Shares acquired pursuant to Awards under the Plan as it may deem advisable. All Shares transferred under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under the rules, regulations and other requirements of the SEC, any stock exchange upon which Shares are then listed, any applicable securities law. If so requested by the Company, the Grantee shall represent to the Company in writing that he or she will not sell or offer to sell any Shares unless a registration statement shall be in effect with respect to such Shares under the Securities Act of 1933 or unless he or she shall have furnished to the Company evidence satisfactory to the Company that such registration is not required.
 - (b) If the Board determines that the exercise of, or delivery of benefits pursuant to, any Award would violate any applicable provision of securities laws or the listing requirements of any stock exchange upon which any of the Company's equity securities are then listed, then the Board may postpone any such exercise or delivery, as applicable, but the Company shall use all reasonable efforts to cause such exercise or delivery to comply with all such provisions at the earliest practicable date.

- 16.6. **No Rights as a Shareholder.** A Grantee shall not have any rights as a shareholder with respect to the Shares (other than Restricted Shares) which may be deliverable upon exercise or payment of such Award until such shares have been delivered to him or her. Restricted Shares, whether held by a Grantee or in escrow by the escrow agent, shall confer on the Grantee all rights of a shareholder of the Company, except as otherwise provided in the Plan or Award Agreement. Unless otherwise determined by the Board at the time of a grant of Restricted Shares, any cash dividends that become payable on Restricted Shares shall be deferred and, if the Board so determines, reinvested in additional Restricted Shares. Except as otherwise provided in an Award Agreement, any share dividends and deferred

cash dividends issued with respect to Restricted Shares shall be subject to the same restrictions and other terms as apply to the Restricted Shares with respect to which such dividends are issued. The Board may provide for payment of interest on deferred cash dividends.

- 16.7. Nature of Payments. Awards shall be special incentive payments to the Grantee and shall not be taken into account in computing the amount of salary or compensation of the Grantee for purposes of determining any pension, retirement, death or other benefit under (a) any pension, retirement, profit-sharing, bonus, insurance or other employee benefit plan of the Company or any Subsidiary or (b) any agreement between (i) the Company or any Subsidiary and (ii) the Grantee, except as such plan or agreement shall otherwise expressly provide.
- 16.8. Military Service. Awards shall be administered in accordance with Section 414(u) of the Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.
- 16.9. Data Protection. The Board, the Plan Committee and any other person or entity empowered by the Board or the Plan Committee to administer the Plan may process, store, transfer or disclose personal data of the Grantees to the extent required for the implementation and administration of the Plan. The Board, the Plan Committee and any other person or entity empowered by the Board or the Plan Committee to administer the Plan shall comply with any applicable data protection laws.
- 16.10. Governing Law. The Plan and the rights of any Grantee receiving an Award thereunder shall be construed and interpreted in accordance with and governed by the laws of the State of Kansas without giving effect to the principles of the conflict of laws to the contrary.

Annex to the Plan for Swiss based Grantees and Grantees subject to Swiss inheritance law

1. Section 5.6(a)(i) shall be replaced with the following:

- (i) to the extent permitted by the applicable Swiss law the Grantee's Restricted Shares that are forfeitable immediately before such Termination of Affiliation shall automatically be forfeited on such date, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;

2. Section 5.6(a)(ii) shall be replaced with the following:

- (ii) to the extent permitted by the applicable Swiss law the Grantee's Restricted Stock Units shall automatically be forfeited;

3. Section 5.6(a)(iii) shall be replaced with the following:

- (iii) to the extent permitted by the applicable Swiss law any unexercised Option or SAR, and any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation, shall terminate effective immediately upon such Termination of Affiliation.

4. Section 5.6(d)(i) shall be replaced with the following:

- (i) to the extent permitted by the applicable Swiss law the Grantee's Restricted Shares and Deferred Shares, to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited, subject in the case of Restricted Shares to the provisions of Section 8.4 regarding repayment of certain amounts to the Grantee;

5. Section 5.6(d)(ii) shall be replaced with the following:

- (ii) to the extent permitted by the applicable Swiss law the Grantee's Restricted Stock Units shall automatically be forfeited;

6. Section 5.6(d)(iv) shall be replaced with the following:

- (iv) to the extent permitted by the applicable Swiss law any Performance Shares or Performance Units with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation shall terminate immediately upon such Termination of Affiliation.

7. Section 6.1 shall be replaced with the following:

6.1 **Grant of Options.** Subject to the terms and provisions of the Plan, Options may be granted to any Eligible Person in such number, and upon such terms, and at any time and from time to time as shall be determined by the Board. Without limiting the generality of the foregoing and to the extent permitted by the applicable Swiss law, the Board may grant to any Eligible Person, or permit any Eligible Person to elect to receive, an Option in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under the Plan or otherwise) which such Eligible Person may be eligible to receive from the Company or a Subsidiary, which Option may have a value (as determined by the Board under Black-Scholes or any other option valuation method) that is equal to or greater than the amount of such other compensation.

8. Article 11. shall be replaced with the following:

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Grantee's death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form and procedure prescribed by the applicable Swiss inheritance law. Irrespective of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

GARMIN LTD.

**2011 NON-EMPLOYEE DIRECTORS' EQUITY
INCENTIVE PLAN**

as amended and restated on October 21, 2016

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GARMIN LTD.
2011 Non-Employee Directors' Equity Incentive Plan

Article 1. Establishment, Objectives and Duration

- 1.1. **Establishment and Amendment of the Plan.** The Board of Directors (the "Board") of Garmin Ltd., a Swiss company (the "Company"), hereby establishes the incentive compensation plan to be known as the Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan (the "Plan"). Subject to approval of the shareholders of the Company, the Plan was adopted by the Board of Directors on February 11, 2011 to be effective on the date the Plan is approved by the shareholders of the Company. The Plan was amended and restated on October 21, 2016.
- 1.2. **Objectives of the Plan.** The Plan is intended to allow Eligible Directors of the Company to acquire or increase equity ownership in the Company, or to be compensated under the Plan based on growth in the Company's equity value, thereby strengthening their commitment to the success of the Company, aligning their interests with those of the shareholders of the Company, and to assist the Company in attracting and retaining experienced and knowledgeable individuals to serve as directors.
- 1.3. **Reallocation of Shares from Amended and Restated 2000 Non-Employee Directors' Option Plan.** From and after the Effective Date, the following Shares from the Garmin Ltd. Amended and Restated 2000 Non-Employee Directors' Option Plan (the "2000 Plan") shall be available for issuance pursuant to the Plan: (i) all Shares available for the grant of options under the 2000 Plan as of the Effective Date and (ii) with respect to outstanding options under the 2000 Plan as of the Effective Date that for any reason expire or are cancelled or terminated thereafter without having been exercised or vested in full, as the case may be, all Shares allocable to the unexercised or unvested portion of each such option (collectively, the "2000 Plan Shares"). Following the Effective Date, no additional options shall be granted under the 2000 Plan. From and after the Effective Date, all outstanding options granted under the 2000 Plan shall remain subject to the terms of the 2000 Plan. All Awards granted on or after the Effective Date of this Plan will be subject to the terms of this Plan.
- 1.4. **Duration of the Plan.** The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Article 12 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below:

- 2.1. **"Article"** means an Article of the Plan.

- 2.2. "Award" means Options, Restricted Shares, Bonus Shares, SARs, Restricted Stock Units, Performance Units or Performance Shares granted under the Plan.
- 2.3. "Award Agreement" means a written agreement by which an Award is evidenced.
- 2.4. "Beneficial Owner" has the meaning specified in Rule 13d-3 of the SEC under the Exchange Act.
- 2.5. "Board" means the Board of Directors of the Company.
- 2.6. "Bonus Shares" means Shares that are awarded to a Grantee without cost and without restrictions in recognition of past performance.
- 2.7. "Business Criteria" has the meaning set forth in Section 5.8(c).
- 2.8. "Cause" means, (i) an Eligible Director's conviction of a felony or other crime involving fraud, dishonesty or moral turpitude; (ii) willful or reckless material misconduct in an Eligible Director's performance of his or her duties as a Director; or (iii) an Eligible Director's habitual neglect of duties; provided, that an Eligible Director who agrees to resign from his or her position on the Board in lieu of being removed for Cause, may be deemed to have been removed for Cause for purposes of this Plan.
- 2.9. "Change of Control" means, unless otherwise defined in an Award Agreement, any one or more of the following:
 - (a) any Person other than (i) a Subsidiary, (ii) any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries or (iii) any Excluded Person, becomes the Beneficial Owner of 35% or more of the shares of the Company representing 35% or more of the combined voting power of the Company (such a person or group, a "35% Owner"), except that (i) no Change of Control shall be deemed to have occurred solely by reason of such beneficial ownership by a corporation with respect to which both more than 60% of the common shares of such corporation and Voting Securities representing more than 60% of the aggregate voting power of such corporation are then owned, directly or indirectly, by the persons who were the direct or indirect owners of the shares of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the shares of the Company, as the case may be and (ii) such corporation shall not be deemed a 35% Owner; or
 - (b) the Incumbent Directors (determined using the Effective Date as the baseline date) cease for any reason to constitute at least a majority of the directors of the Company then serving; or
 - (c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more

intermediaries) of a merger, reorganization, consolidation, or similar transaction, or the sale or other disposition of all or substantially all (at least 40%) of the consolidated assets of the Company or a resolution of dissolution of the Company (any of the foregoing transactions, a "Reorganization Transaction") which is not an Exempt Reorganization Transaction.

The definition of "Change of Control" may be amended at any time prior to the occurrence of a Change of Control, and such amended definition shall be applied to all Awards granted under the Plan whether or not outstanding at the time such definition is amended, without requiring the consent of any Grantee. Notwithstanding the occurrence of any of the foregoing events, (a) a Change of Control shall be deemed not to have occurred with respect to any Section 16 Person if such Section 16 Person is, by agreement (written or otherwise), a participant on such Section 16 Person's own behalf in a transaction which causes the Change of Control to occur and (b) a Change of Control shall not occur with respect to a Grantee if, in advance of such event, the Grantee agrees in writing that such event shall not constitute a Change of Control.

- 2.10. "Change of Control Value" means the Fair Market Value of a Share on the date of a Change of Control.
- 2.11. "Code" means the Internal Revenue Code of 1986, as amended from time to time, and regulations and rulings thereunder. References to a particular section of the Code include references to successor provisions of the Code or any successor statute.
- 2.12. "Company" has the meaning set forth in Section 1.1.
- 2.13. "Disabled" or "Disability" means an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company-sponsored accident and health plan.
- 2.14. "Effective Date" has the meaning set forth in Section 1.1.
- 2.15. "Eligible Director" means any individual serving as a director on the Board. A director who is an officer of the Company or a Subsidiary or otherwise employed by the Company or a Subsidiary shall not be an Eligible Director; provided, however, an individual who, but for this sentence is otherwise an Eligible Director, ceases providing services as a Director and immediately begins providing services as an employee of the Company or a Subsidiary shall be ineligible to receive any new Awards under this Plan but, with respect to any existing Award held by such individual, shall be deemed to continue to be an Eligible Director under this Plan until he or she experiences a Termination of Affiliation.

2.16. "Exchange Act" means the Securities Exchange Act of 1934, as amended. References to a particular section of the Exchange Act include references to successor provisions.

2.17. "Excluded Person" means any Person who, along with such Person's Affiliates and Associates (as such terms are defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act) is the Beneficial Owner of 15% or more of the Shares outstanding as of the Effective Date.

2.18. "Exempt Reorganization Transaction" means a Reorganization Transaction which (i) results in the Persons who were the direct or indirect owners of the outstanding shares of the Company immediately before such Reorganization Transaction becoming, immediately after the consummation of such Reorganization Transaction, the direct or indirect owners of both more than 60% of the then-outstanding common shares of the Surviving Corporation and Voting Securities representing more than 60% of the aggregate voting power of the Surviving Corporation, in substantially the same respective proportions as such Persons' ownership of the shares of the Company immediately before such Reorganization Transaction, or (ii) after such transaction, more than 50% of the members of the board of directors of the Surviving Corporation were Incumbent Directors at the time of the Board's approval of the agreement providing for the Reorganization Transaction or other action of the Board approving the transaction (or whose election or nomination was approved by a vote of at least two-thirds of the members who were members of the Board at that time).

2.19. "Fair Market Value" means, unless otherwise determined or provided by the Board in the circumstances, (A) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Board, and (B) with respect to Shares, (i) the last sale price (also referred to as the closing price) of a Share on such U.S. securities exchange as the Shares are then traded, for the applicable date, (ii) if such U.S. securities exchange is closed for trading on such date, or if the Shares do not trade on such date, then the last sales price used shall be the one on the date the Shares last traded on such U.S. securities exchange, or (iii) in the event that there shall be no public market for the Shares, the fair market value of the Shares as determined in good faith by the Board using a method consistently applied.

2.20. "Freestanding SAR" means any SAR that is granted independently of any Option.

2.21. "Grant Date" has the meaning set forth in Section 5.2.

2.22. "Grantee" means an Eligible Director who has been granted an Award.

2.23. "Including" or "includes" mean "including, without limitation," or "includes, without limitation", respectively.

2.24. "Incumbent Directors" means, as of any specified baseline date, individuals then serving as members of the Board who were members of the Board as of the date

immediately preceding such baseline date; provided that any subsequently-appointed or elected member of the Board whose election, or nomination for election by shareholders of the Company or the Surviving Corporation, as applicable, was approved by a vote or written consent of a majority of the directors then comprising the Incumbent Directors shall also thereafter be considered an Incumbent Director, unless the initial assumption of office of such subsequently-elected or appointed director was in connection with (i) an actual or threatened election contest, including a consent solicitation, relating to the election or removal of one or more members of the Board, (ii) a "tender offer" (as such term is used in Section 14(d) of the Exchange Act), or (iii) a proposed Reorganization Transaction.

- 2.25. "Mandatory Retirement Age" means the age for mandatory retirement according to the policy of the Board, if any, in place from time to time.
- 2.26. "Option" means an option granted under Article 6 of the Plan.
- 2.27. "Option Price" means the price at which a Share may be purchased by a Grantee pursuant to an Option.
- 2.28. "Option Term" means the period beginning on the Grant Date of an Option and ending on the expiration date of such Option, as specified in the Award Agreement for such Option and as may, consistent with the provisions of the Plan, be extended from time to time by the Board prior to the expiration date of such Option then in effect.
- 2.29. "Performance Award" means any Award that will be issued, granted, vested, exercisable or payable, as the case may be, upon the achievement of one or more Business Criteria, as set forth in Section 5.8.
- 2.30. "Performance Period" has the meaning set forth in Section 10.2.
- 2.31. "Performance Share" or "Performance Unit" means the Awards described in Article 10.
- 2.32. "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.
- 2.33. "Plan" has the meaning set forth in Section 1.1.
- 2.34. "Plan Committee" has the meaning set forth in Section 3.1.
- 2.35. "Reorganization Transaction" has the meaning set forth in Section 2.9(c).
- 2.36. "Restricted Shares" means Shares that are issued as an Award under the Plan that is subject to Restrictions.

2.37. "Restricted Stock Units" means units awarded to Grantees pursuant to Article 9 hereof, which are convertible into Shares at such time as such units are no longer subject to Restrictions as established by the Board.

2.38. "Restriction" means any restriction on a Grantee's free enjoyment of the Shares or other rights underlying Awards, including (a) that the Grantee or other holder may not sell, transfer, pledge, or assign a Share or right, and (b) such other restrictions as the Board may impose in the Award Agreement that are permissible under Swiss law. Restrictions may be based on the passage of time or the satisfaction of performance criteria or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Board shall specify. Awards subject to a Restriction shall be forfeited if the Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as the Board shall determine.

2.39. "Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, together with any successor rule, as in effect from time to time.

2.40. "SAR" means a stock appreciation right and includes both Tandem SARs and Freestanding SARs.

2.41. "SAR Term" means the period beginning on the Grant Date of a SAR and ending on the expiration date of such SAR, as specified in the Award Agreement for such SAR and as may, consistent with the provisions of the Plan, be extended from time to time by the Board prior to the expiration date of such SAR then in effect.

2.42. "SEC" means the United States Securities and Exchange Commission, or any successor thereto.

2.43. "Section" means, unless the context otherwise requires, a Section of the Plan.

2.44. "Section 16 Person" means a person who is subject to obligations under Section 16 of the Exchange Act with respect to transactions involving equity securities of the Company.

2.45. "Share" means a registered share, CHF 0.10 par value, of the Company.

2.46. "Subsidiary" means with respect to any Person (a) any corporation of which more than 50% of the Voting Securities are at the time, directly or indirectly, owned by such Person, and (b) any partnership or limited liability company in which such Person has a direct or indirect interest (whether in the form of voting power or participation in profits or capital contribution) of more than 50%.

2.47. "Substitute Option" has the meaning set forth in Section 6.3.

2.48. "Surviving Corporation" means the corporation resulting from a Reorganization Transaction or, if Voting Securities representing at least 50% of the aggregate

voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.

- 2.49. "Tandem SAR" means a SAR that is granted in connection with, or related to, an Option, and which requires forfeiture of the right to purchase an equal number of Shares under the related Option upon the exercise of such SAR; or alternatively, which requires the cancellation of an equal amount of SARs upon the purchase of the Shares subject to the Option.
- 2.50. "Termination of Affiliation" occurs on the first day on which an individual is for any reason no longer providing services to the Company in the capacity as an Eligible Director; provided, however, if an Eligible Director ceases providing services as a Director and immediately begins providing services as an employee, the individual will not be considered to have a Termination of Affiliation unless otherwise determined by the Board and as permitted under Code Section 409A. A Termination of Affiliation shall have the same meaning as a "separation from service" under Code Section 409A(2)(A)(i).
- 2.51. "Voting Securities" of a corporation means securities of such corporation that are entitled to vote generally in the election of directors, but not including any other class of securities of such corporation that may have voting power by reason of the occurrence of a contingency.
- 2.52. "2000 Plan" shall have the meaning set forth in Section 1.03.
- 2.53. "2000 Plan Shares" shall have the meaning set forth in Section 1.03.

Article 3. Administration

- 3.1. Board and Plan Committee. Subject to Article 12, and to Section 3.2, the Plan shall be administered by the Board, or a committee of the Board appointed by the Board to administer the Plan ("Plan Committee"). To the extent the Board considers it desirable for transactions relating to Awards to be eligible to qualify for an exemption under Rule 16b-3, the Plan Committee shall consist of two or more directors of the Company, all of whom qualify as "non-employee directors" within the meaning of Rule 16b-3. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, including, but not limited to having exclusive authority to make certain grants of Awards or to perform such other acts, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 as then in effect.

Any references herein to "Board" are, except as the context requires otherwise, references to the Board or the Plan Committee, as applicable.

- 3.2. Powers of the Board. Subject to the express provisions of the Plan, the Board has full and final authority and sole discretion as follows:

- (a) taking into consideration the reasonable recommendations of management, to determine when, to whom and in what types and amounts Awards should be granted and the terms and conditions applicable to each Award, including the Option Price, the Option Term, the Restrictions, the benefit payable under any SAR, Performance Unit or Performance Share and whether or not specific Awards shall be granted in connection with other specific Awards, and if so whether they shall be exercisable cumulatively with, or alternatively to, such other specific Awards;
- (b) to determine the amount, if any, that a Grantee shall pay for Restricted Shares, whether and on what terms to permit or require the payment of cash dividends thereon to be deferred, when Restrictions on Restricted Shares (including Restricted Shares acquired upon the exercise of an Option) shall lapse and whether such shares shall be held in escrow;
- (c) to construe and interpret the Plan and to make all determinations necessary or advisable for the administration of the Plan;
- (d) to make, amend, and rescind rules relating to the Plan, including rules with respect to the exercisability and nonforfeitability of Awards and lapse of Restrictions upon the Termination of Affiliation of a Grantee;
- (e) to determine the terms and conditions of all Award Agreements (which need not be identical) and, with the consent of the Grantee, to amend any such Award Agreement at any time, among other things, to permit transfers of such Awards to the extent permitted by the Plan; *provided* that the consent of the Grantee shall not be required for any amendment which (A) does not adversely affect the rights of the Grantee, or (B) is necessary or advisable (as determined by the Board) to carry out the purpose of the Award as a result of any new or change in existing applicable law;
- (f) to cancel, with the consent of the Grantee, outstanding Awards and to grant new Awards in substitution therefor; *provided* that any replacement grant that would be considered a repricing shall be subject to shareholder approval;
- (g) to accelerate the exercisability (including exercisability within a period of less than six months after the Grant Date) of, and to accelerate or waive any or all of the terms conditions or Restrictions applicable to, any Award or any group of Awards for any reason and at any time, including in connection with a Termination of Affiliation;
- (h) subject to Section 5.3, to extend the time during which any Award or group of Awards may be exercised;
- (i) to make such adjustments or modifications to Awards to Grantees who are located outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law;

- (j) to delegate to any member of the Board or committee of Board members such of its powers as it deems appropriate, including the power to subdelegate, except that only a member of the Board of Directors of the Company (or a committee thereof) may grant Awards from time to time to specified categories of Eligible Directors in amounts and on terms to be specified by the Board; provided that no such grants shall be made other than by the Board or the Plan Committee to individuals who are then Section 16 Persons;
- (k) to delegate to officers, employees or independent contractors of the Company matters involving the routine administration of the Plan and which are not specifically required by any provision of the Plan to be performed by the Board of Directors of the Company;
- (l) to correct any defect or supply any omission or reconcile any inconsistency, and construe and interpret the Plan, the rules and regulations, any Award Agreement or any other instrument entered into or relating to an Award under the Plan, and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;
- (m) to impose such additional terms and conditions upon the grant, exercise or retention of Awards as the Board may, before or concurrently with the grant thereof, deem appropriate, including limiting the percentage of Awards which may from time to time be exercised by a Grantee; and
- (n) to take any other action with respect to any matters relating to the Plan for which it is responsible.

All determinations on any matter relating to the Plan or any Award Agreement may be made in the sole and absolute discretion of the Board, and to the fullest extent permitted by the applicable law all such determinations of the Board shall be final, conclusive and binding on all Persons. To the fullest extent permitted by the applicable law no member of the Board shall be liable for any action or determination made with respect to the Plan or any Award.

Article 4. Shares Subject to the Plan

- 4.1. **Number of Shares Available.** Subject to adjustment as provided in Section 4.2, the Shares reserved for delivery under the Plan shall consist of the 2000 Plan Shares. If any Shares subject to an Award granted hereunder are forfeited or an Award or any portion thereof otherwise terminates or is settled without the issuance of Shares, the Shares subject to such Award, to the extent of any such forfeiture, termination or settlement, shall again be available for grant under the Plan. The Board may from time to time determine the appropriate methodology for calculating the number of Shares issued pursuant to the Plan.
- 4.2. **Adjustments in Shares.**

(a) *Adjustment Principle.* In the event that the Board determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, share split, reverse share split, subdivision, consolidation or reduction of capital, reorganization, merger, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Shares or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that any adjustment is determined by the Board to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Board shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property of the Company or any Person that is a party to a Reorganization Transaction with the Company) with respect to which Awards may be granted, (ii) the number and type of Shares (or other securities or property of the Company or any Person that is a party to a Reorganization Transaction with the Company) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award or the substitution of other property for Shares subject to an outstanding Award; provided, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

Article 5. Eligibility and General Conditions of Awards

- 5.1. Eligibility. The Board may grant Awards to any Eligible Director, whether or not he or she has previously received an Award.
- 5.2. Grant Date. The Grant Date of an Award shall be the date on which the Board grants the Award or such later date as specified by the Board (i) in the Board's resolutions or minutes addressing the Award grants or (ii) in the Award Agreement.
- 5.3. Maximum Term. Subject to the following proviso, the Option Term or other period during which an Award may be outstanding shall not extend more than 10 years after the Grant Date, and shall be subject to earlier termination as herein specified.
- 5.4. Award Agreement. To the extent not set forth in the Plan, the terms and conditions of each Award (which need not be the same for each grant or for each Grantee) shall be set forth in an Award Agreement.
- 5.5. Restrictions on Share Transferability. The Board may include in the Award Agreement such restrictions on any Shares acquired pursuant to the exercise or vesting of an Award as it may deem advisable, including restrictions under applicable federal securities laws.

5.6. **Termination of Affiliation.** Except as otherwise provided in an Award Agreement (including an Award Agreement as amended by the Board pursuant to Section 3.2), and subject to the provisions of Section 12.1, the extent to which the Grantee shall have the right to exercise, vest in, or receive payment in respect of an Award following Termination of Affiliation shall be determined in accordance with the following provisions of this Section 5.6.

(a) **For Cause.** If a Grantee has a Termination of Affiliation for Cause:

- (i) the Grantee's Restricted Shares that are forfeitable immediately before such Termination of Affiliation shall automatically be forfeited on such date, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;
- (ii) the Grantee's Restricted Stock Units shall automatically be forfeited; and
- (iii) any unexercised Option or SAR, and any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation, shall terminate effective immediately upon such Termination of Affiliation.

(b) **On Account of Death, Disability, Retirement or Mandatory Retirement.** If a Grantee has a Termination of Affiliation on account of death, Disability or retirement on or after attaining Mandatory Retirement Age:

- (i) the Grantee's Restricted Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become nonforfeitable;
- (ii) the Grantee's Restricted Stock Units shall immediately be settled in accordance with Section 9.4;
- (iii) any unexercised Option or SAR, whether or not exercisable immediately before such Termination of Affiliation, shall be fully exercisable and may be exercised, in whole or in part, at any time up to one year after such Termination of Affiliation (but only during the Option Term or SAR Term, respectively) by the Grantee or, after his or her death, by (A) his or her legal personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (B) the Grantee's beneficiary designated in accordance with Article 11; and
- (iv) the benefit payable with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation on

account of death or Disability shall be equal to the product of the Fair Market Value of a Share as of the date of such Termination of Affiliation or the value of the Performance Unit specified in the Award Agreement (determined as of the date of such Termination of Affiliation), as applicable, multiplied successively by each of the following:

- (A) a fraction, the numerator of which is the number of months (including as a whole month any partial month) that have elapsed since the beginning of such Performance Period until the date of such Termination of Affiliation and the denominator of which is the number of months (including as a whole month any partial month) in the Performance Period; and
- (B) a percentage determined by the Board that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period, or, if the Board elects to compute the benefit after the end of the Performance Period, the performance percentage, as determined by the Board, attained during the Performance Period.

(c) Involuntary Removal. If an Eligible Director is removed by the Company other than for Cause including, but not limited to, the Company's decision not to slate such Eligible Director for reelection, then:

- (i) the Grantee's Restricted Shares that were forfeitable shall thereupon become nonforfeitable;
- (ii) the Grantee's Restricted Stock Units shall immediately be settled in accordance with Section 9.4;
- (iii) any unexercised Option or SAR, whether or not exercisable on the date of such Termination of Affiliation, shall thereupon be fully exercisable and may be exercised, in whole or in part for ninety (90) days following such Termination of Affiliation (but only during the Option Term or SAR Term, respectively); and
- (iv) the Company shall immediately pay to the Grantee, with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation, a cash payment equal to the product of (A) with respect to a Performance Share either (I) in the case of an Involuntary Removal occurring within the one-year period

immediately following a Change of Control, the Change of Control Value or (II) in the case of an Involuntary Removal outside of the one-year period immediately following a Change of Control, the Fair Market Value on the effective date of the Grantee's Termination of Affiliation, or (B) in the case of a Performance Unit, the value of the Performance Unit specified in the Award Agreement, as applicable, multiplied successively by each of the following:

- (A) a fraction, the numerator of which is the number of whole and partial months that have elapsed between the beginning of such Performance Period and the date of such Termination of Affiliation and the denominator of which is the number of whole and partial months in the Performance Period; and
- (B) a percentage equal to a greater of (x) the target percentage, if any, specified in the applicable Award Agreement or (y) the maximum percentage, if any, that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period.

(d) Any Other Reason. If an Eligible Director has a Termination of Affiliation for any other reason including, but not limited to, failure to be reelected to the Board or voluntary resignation (including failure to run for reelection), then:

- (i) the Grantee's Restricted Shares, to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;
- (ii) the Grantee's Restricted Stock Units shall automatically be forfeited;
- (iii) any unexercised Option or SAR, to the extent exercisable immediately before such Termination of Affiliation, shall remain exercisable in whole or in part for ninety (90) days after such Termination of Affiliation (but only during the Option Term or SAR Term, respectively) by the Grantee or, after his or her death, by (A) his or her legal personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (B) the Grantee's beneficiary designated in accordance with Article 11; and

- (iv) any Performance Shares or Performance Units with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation shall terminate immediately upon such Termination of Affiliation.

5.7. Nontransferability of Awards.

- (a) Except as provided in Section 5.7(c) below, each Award, and each right under any Award, shall be exercisable only by the Grantee during the Grantee's lifetime, or, if permissible under applicable law, by the Grantee's guardian or legal personal representative.
- (b) Except as provided in Section 5.7(c) below, no Award (prior to the time, if applicable, Shares are issued in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Grantee otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Subsidiary; *provided*, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.
- (c) To the extent and in the manner permitted by the Board, and subject to such terms and conditions as may be prescribed by the Board, a Grantee may transfer an Award to (i) a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Grantee, (including adoptive relationships), (ii) any person sharing the Grantee's household (other than a tenant or employee), (iii) a trust in which persons described in (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in (i) or (ii) or the Grantee own more than 50% of the voting interests; provided such transfer is not for value. The following shall not be considered transfers for value: (I) a transfer under a domestic relations order in settlement of marital property rights; and (II) a transfer to an entity in which more than 50% of the voting interests are owned by persons described in (i) or (ii) above or the Grantee, in exchange for an interest in that entity.

5.8. Performance Awards.

- (a) General. Any type of Award that is eligible to be granted under the Plan may be granted to Eligible Directors subject to or conditional upon one or more performance conditions ("Performance Awards"). The grant, vesting, exercisability or payment of Performance Awards may depend on the degree of achievement of one or more performance goals relative to a preestablished target level or levels using one or more of the Business Criteria set forth below.

(b) Class. All Eligible Directors are eligible to receive Performance Awards.

(c) Performance Goals. The specific performance goals for Performance Awards shall be, on an absolute or relative basis, established based on one or more of the following business criteria ("Business Criteria") for the Company on a segregated or consolidated basis or for one or more of the Company's subsidiaries, segments, divisions, or business units, as selected by the Board:

- (i) Earnings (either in the aggregate or on a per-Share basis);
- (ii) Operating profit (either in the aggregate or on a per-Share basis);
- (iii) Operating income (either in the aggregate or on a per-Share basis);
- (iv) Net earnings on either a LIFO or FIFO basis (either in the aggregate or on a per-Share basis);
- (v) Net income or loss (either in the aggregate or on a per-Share basis);
- (vi) Ratio of debt to debt plus equity;
- (vii) Net borrowing;
- (viii) Credit quality or debt ratings;
- (ix) Inventory levels, inventory turn or shrinkage;
- (x) Cash flow provided by operations (either in the aggregate or on a per-Share basis);
- (xi) Free cash flow (either in the aggregate or on a per-Share basis);
- (xii) Reductions in expense levels, determined either on a Company-wide basis or in respect of any one or more business units;
- (xiii) Operating and maintenance cost management and employee productivity;
- (xiv) Gross margin;
- (xv) Return measures (including return on assets, equity, or sales);
- (xvi) Productivity increases;
- (xvii) Share price (including attainment of a specified per-Share price during the relevant performance period; growth measures and total shareholder return or attainment by the Shares of a specified price for a specified period of time);

- (xviii) Where applicable, growth or rate of growth of any of the above Business Criteria set forth in this Section 5.8(c);
- (xix) Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, and goals relating to acquisitions or divestitures;
- (xx) Achievement of business or operational goals such as market share and/or business development; and/or
- (xxi) Accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions;
- (xxii) provided that applicable Business Criteria may be applied on a pre- or post-tax basis; and provided further that the Board may, when the applicable performance goals are established, provide that the formula for such goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain or loss. As established by the Board, the Business Criteria may include, without limitation, GAAP and non-GAAP financial measures. In addition to the foregoing performance goals, the performance goals shall also include any performance goals which are set forth in a Company bonus or incentive plan, if any, which are incorporated herein by reference.

(d) Flexibility as to Timing, Weighting, Applicable Business Unit. The Board shall have full discretion as to when the applicable Business Criteria are established. The levels of performance required with respect to Business Criteria may be expressed in absolute or relative levels and may be based upon a set increase, set positive result, maintenance of the status quo, set decrease or set negative result. Business Criteria may differ for Awards to different Grantees. The Board shall specify the weighting (which may be the same or different for multiple objectives) to be given to each performance objective for purposes of determining the final amount payable with respect to any such Award. Any one or more of the Business Criteria may apply to a Grantee, to the Company as a whole, to one or more Subsidiaries or to a department, unit, division or function within the Company, within any one or more Subsidiaries or any one or more joint ventures of which the Company is a party, and may apply either alone or relative to the performance of other businesses or individuals (including industry or general market indices).

(e) Discretion to Adjust. The Board shall have full discretion to adjust the determinations of the degree of attainment of the performance goals or to alter the governing Business Criteria applicable to any Award at any time.

Article 6. Stock Options

6.1. Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to any Eligible Director in such number, and upon such terms, and at any time and from time to time as shall be determined by the Board. Without limiting the generality of the foregoing, the Board may grant to any Eligible Director, or permit any Eligible Director to elect to receive, an Option in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under the Plan or otherwise) which such Eligible Director may be eligible to receive from the Company, which Option may have a value (as determined by the Board under Black-Scholes or any other option valuation method) that is equal to or greater than the amount of such other compensation.

6.2. Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the Option Term, the number of shares to which the Option pertains, the time or times at which such Option shall be exercisable and such other provisions as the Board shall determine.

6.3. Option Price. The Option Price of an Option under the Plan shall be determined by the Board, and shall be the higher of 100% of the Fair Market Value of a Share on the Grant Date or 100% of the par value of a Share; provided, however, that any Option ("Substitute Option") that is (x) granted to a Grantee in connection with the acquisition ("Acquisition"), however effected, by the Company of another corporation or entity ("Acquired Entity") or the assets thereof, (y) associated with an option to purchase shares of stock or other equity interest of the Acquired Entity or an affiliate thereof ("Acquired Entity Option") held by such Grantee immediately prior to such Acquisition, and (z) intended to preserve for the Grantee the economic value of all or a portion of such Acquired Entity Option, shall be granted such that such option substitution is completed in conformity with the rules set forth in Section 424(a) of the Code.

6.4. Exercise of Options. Options shall be exercised by the delivery of a written notice of exercise to the Company or its designee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares as instructed by the Board or, subject to the approval of the Board pursuant to procedures approved by the Board,

(a) through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay for such Shares, together with, if requested by the Company, the amount of federal, state,

local or foreign withholding taxes payable by Grantee by reason of such exercise,

- (b) through simultaneous sale through a broker of Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board,
- (c) by transfer to the Company of the number of Shares then owned by the Grantee, the Fair Market Value of which equals the purchase price of the Shares purchased in connection with the Option exercise, properly endorsed for transfer to the Company; *provided however*, that Shares used for this purpose must have been held by the Grantee for such minimum period of time as may be established from time to time by the Board; and provided further that the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Options shall be the Fair Market Value as of the exercise date, which shall be the date of delivery of the certificates for the Stock used as payment of the exercise price. For purposes of this Section 6.4, in lieu of actually transferring to the Company the number of Shares then owned by the Grantee, the Board may, in its discretion permit the Grantee to submit to the Company a statement affirming ownership by the Grantee of such number of Shares and request that such Shares, although not actually transferred, be deemed to have been transferred by the Grantee as payment of the exercise price, or
- (d) by a "net exercise" arrangement pursuant to which the Company will not require a payment of the Option Price but will reduce the number of Shares upon the exercise by the largest number of whole shares that has a Fair Market Value on the date of exercise that does not exceed the aggregate Option Price. With respect to any remaining balance of the aggregate option price, the Company will accept a cash payment from the Grantee.

Article 7. Stock Appreciation Rights

- 7.1. **Grant of SARs.** Subject to the terms and conditions of the Plan, SARs may be granted to any Eligible Director at any time and from time to time as shall be determined by the Board in its sole discretion. The Board may grant Freestanding SARs or Tandem SARs, or any combination thereof.
 - (a) **Number of Shares.** The Board shall have complete discretion to determine the number of SARs granted to any Grantee, subject to the limitations imposed in the Plan and by applicable law.
 - (b) **Exercise Price and Other Terms.** All SARs shall be granted with an exercise price no less than the Fair Market Value of the underlying Shares on the SARs' Grant Date. The Board, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan. The exercise price per Share of Tandem SARs shall equal the exercise price per Share of the related Option.

- 7.2. **SAR Award Agreement.** Each SAR granted under the Plan shall be evidenced by a written SAR Award Agreement which shall be entered into by the Company and the Grantee to whom the SAR is granted and which shall specify the exercise price per share, the SAR Term, the conditions of exercise, and such other terms and conditions as the Board in its sole discretion shall determine.
- 7.3. **Exercise of SARs.** SARs shall be exercised by the delivery of a written notice of exercise to the Company or its designee, setting forth the number of Shares over which the SAR is to be exercised. Tandem SARs (a) may be exercised with respect to all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option; (b) may be exercised only with respect to the Shares for which its related Option is then exercisable; and (c) may be exercised only when the Fair Market Value of the Shares subject to the Option exceeds the Option Price of the Option. The value of the payment with respect to the Tandem SAR may be no more than 100% of the difference between the Option Price of the underlying Option and the Fair Market Value of the Shares subject to the underlying Option at the time the Tandem SAR is exercised.
- 7.4. **Expiration of SARs.** A SAR granted under the Plan shall expire on the date set forth in the SAR Award Agreement, which date shall be determined by the Board in its sole discretion. Unless otherwise specifically provided for in the SAR Award agreement, a Tandem SAR granted under the Plan shall be exercisable at such time or times and only to the extent that the related Option is exercisable. The Tandem SAR shall terminate and no longer be exercisable upon the termination or exercise of the related Options, except that Tandem SARs granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SARs.
- 7.5. **Payment of SAR Amount.** Upon exercise of a SAR, a Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the positive difference between the Fair Market Value of a Share on the date of exercise over the exercise price per Share by (ii) the number of Shares with respect to which the SAR is exercised. The payment upon a SAR exercise shall be solely in whole Shares of equivalent value. Fractional Shares shall be rounded down to the nearest whole Share with no cash consideration being paid upon exercise.

Article 8. Restricted Shares and Bonus Shares

- 8.1. **Grant of Restricted Shares.** Subject to the terms and provisions of the Plan, the Board, at any time and from time to time, may grant Restricted Shares to any Eligible Director in such amounts as the Board shall determine.
- 8.2. **Bonus Shares.** Subject to the terms of the Plan, the Board may grant Bonus Shares to any Eligible Director, in such amount and upon such terms and at any time and from time to time as shall be determined by the Board. Bonus Shares shall be Shares issued without any Restriction.

- 8.3. Award Agreement. Each grant of Restricted Shares shall be evidenced by an Award Agreement, which shall specify the Restrictions and the Period(s) of Restriction, the number of Restricted Shares granted, and such other provisions as the Board shall determine. The Board may impose such Restrictions on any Restricted Shares as it may deem advisable, including Restrictions based upon the achievement of specific performance goals (Company-wide, divisional, Subsidiary or individual), time-based Restrictions on vesting or Restrictions under applicable securities laws; provided that in all cases, the Restricted Shares shall be subject to a minimum two-year graduated vesting schedule (50% each year), except, if as provided in the Award Agreement, in the event of death, disability, retirement or Mandatory Retirement, or Termination of Affiliation by the Company other than for Cause.
- 8.4. Consideration. The Board shall determine the amount, if any, that a Grantee shall pay for Restricted Shares or Bonus Shares. Such payment shall be made in full by the Grantee before the delivery of the shares and in any event no later than 10 business days after the Grant Date for such shares.
- 8.5. Effect of Forfeiture. If Restricted Shares are forfeited, and if the Grantee was required to pay for such shares or acquired such Restricted Shares upon the exercise of an Option, the Grantee shall resell such Restricted Shares to the Company at a price equal to the lesser of (x) the amount paid by the Grantee for such Restricted Shares, or (y) the Fair Market Value of a Share on the date of such forfeiture. The Company shall pay to the Grantee the required amount as soon as is administratively practical.
- 8.6. Escrow. The Board may provide that any Restricted Shares or Bonus Shares shall be represented by, at the option of the Board, either book entry registration or by a stock certificate or certificates. If the shares of Restricted Shares are represented by a certificate or certificates, such shares shall be held (together with an assignment or endorsement executed in blank by the Grantee) in escrow by an escrow agent until such Restricted Shares become nonforfeitable or are forfeited.
- 8.7. Notification under Code Section 83(b). If the Grantee, in connection with the exercise of any Option, or the grant of Restricted Shares, makes the election permitted under Section 83(b) of the Code to include in such Grantee's gross income in the year of transfer the amounts specified in Section 83(b) of the Code, then such Grantee shall notify the Company of such election within 10 days of filing the notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code. The Board may, in connection with the grant of an Award or at any time thereafter prior to such an election being made, prohibit a Grantee from making the election described above.

Article 9. Restricted Stock Units

- 9.1. Grant of Restricted Stock Units. Subject to and consistent with the provisions of the Plan and Code Sections 409A(a)(2), (3) and (4), the Board, at any time and from time to time, may grant Restricted Stock Units to any Eligible Director, in such amount and upon such terms as the Board shall determine. A Grantee shall have no voting rights in Restricted Stock Units.
- 9.2. Award Agreement. Each grant of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the Restrictions, the number of Shares subject to the Restricted Stock Units granted, and such other provisions as the Board shall determine in accordance with the Plan and Code Section 409A. The Board may impose such Restrictions on Restricted Stock Units, including time-based Restrictions, Restrictions based on the achievement of specific performance goals, time-based Restrictions following the achievement of specific performance goals, Restrictions based on the occurrence of a specified event, and/or restrictions under applicable securities laws; provided that in all cases the Restricted Stock Units shall be subject to a minimum two-year graduated vesting schedule (50% each year), except, if as provided in the Award Agreement, in the event of death, disability, retirement or Mandatory Retirement, or Termination of Affiliation by the Company other than for Cause.
- 9.3. Crediting Restricted Stock Units. The Company shall establish an account ("RSU Account") on its books for each Eligible Director who receives a grant of Restricted Stock Units. Restricted Stock Units shall be credited to the Grantee's RSU Account as of the Grant Date of such Restricted Stock Units. RSU Accounts shall be maintained for recordkeeping purposes only and the Company shall not be obligated to segregate or set aside assets representing securities or other amounts credited to RSU Accounts. The obligation to make distributions of securities or other amounts credited to RSU Accounts shall be an unfunded, unsecured obligation of the Company.
- 9.4. Settlement of RSU Accounts. The Company shall settle an RSU Account by delivering to the holder thereof (which may be the Grantee or his or her Beneficiary, as applicable) a number of Shares equal to the whole number of Shares underlying the Restricted Stock Units then credited to the Grantee's RSU Account (or a specified portion in the event of any partial settlement); provided that any fractional Shares underlying Restricted Stock Units remaining in the RSU Account on the Settlement Date shall be distributed in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Restricted Share Unit. The "Settlement Date" for all Restricted Stock Units credited to a Grantee's RSU Account shall be the date when Restrictions applicable to an Award of Restricted Stock Units have lapsed.

Article 10. Performance Units and Performance Shares

- 10.1. **Grant of Performance Units and Performance Shares.** Subject to the terms of the Plan, Performance Units or Performance Shares may be granted to any Eligible Director in such amounts and upon such terms, and at any time and from time to time, as the Board shall determine. Each grant of Performance Units or Performance Shares shall be evidenced by an Award Agreement which shall specify the terms and conditions applicable to the Performance Units or Performance Shares, as the Board determines.
- 10.2. **Value/Performance Goals.** Each Performance Unit shall have an initial value that is established by the Board at the time of grant, that is equal to the Fair Market Value of a Share on the Grant Date. The Board shall set the Business Criteria which, depending on the extent to which they are met, will determine the number or value of Performance Units or Performance Shares that will be paid to the Grantee. For purposes of this Article 10, the time period during which the performance goals must be met shall be called a "Performance Period." The Board shall have complete discretion to establish the performance goals.
- 10.3. **Payment of Performance Units and Performance Shares.** Subject to the terms of the Plan, after the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payment based on the number and value of Performance Units or Performance Shares earned by the Grantee over the Performance Period, determined as a function of the extent to which the corresponding performance goals have been achieved.
- 10.4. **Form and Timing of Payment of Performance Units and Performance Shares.** Payment of earned Performance Units or Performance Shares shall be made in a lump sum following the close of the applicable Performance Period. The Board may cause earned Performance Units or Performance Shares to be paid in cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares at the close of the applicable Performance Period. Such Shares may be granted subject to any restrictions deemed appropriate by the Board. The form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

As determined by the Board, a Grantee may be entitled to receive any dividends declared with respect to Shares which have been earned in connection with grants of Performance Units or Performance Shares but not yet distributed to the Grantee. In addition, a Grantee may, as determined by the Board, be entitled to exercise his or her voting rights with respect to such Shares.

Article 11. Beneficiary Designation

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Grantee's death before he or she receives any or all of such benefit. Each such

designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Company, and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

Article 12. Amendment, Modification, and Termination

- 12.1. **Amendment, Modification, and Termination.** Subject to the terms of the Plan, the Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part without the approval of the Company's shareholders, except to the extent the Board determines it is desirable to obtain approval of the Company's shareholders, to comply with the requirements for listing on any exchange where the Company's Shares are listed, or for any other purpose the Board deems appropriate.
- 12.2. **Adjustments Upon Certain Unusual or Nonrecurring Events.** The Board may make adjustments in the terms and conditions of Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.2) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Board determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.
- 12.3. **Awards Previously Granted.** Notwithstanding any other provision of the Plan to the contrary (but subject to Section 2.8 (amendments in connection with a Change of Control) and Section 12.2), no termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Grantee of such Award. Any adjustment, modification, extension or renewal of an Award shall be effected such that the Award, at all times, is either exempt from, or is compliant with, Code section 409A.
- 12.4. **Adjustments in Connection with Change of Control.** In the event the Company undergoes a Change of Control or in the event of a separation, spin-off, sale of a material portion of the Company's assets or any "going private" transaction under Rule 13e-3 promulgated pursuant to the Exchange Act and in which a Change of Control does not occur, the Board, or the board of directors of any corporation assuming the obligations of the Company, shall have the full power and discretion to prescribe and amend the terms and conditions for the exercise, or modification, of any outstanding Awards granted hereunder in the manner as agreed to by the Board as set forth in the definitive agreement relating to the transaction. Without limitation, the Board may:
 - (a) remove restrictions on Restricted Shares and Restricted Stock Units;
 - (b) modify the performance requirements for any other Awards;

- (c) provide that Options or other Awards granted hereunder must be exercised in connection with the closing of such transactions, and that if not so exercised such Awards will expire;
- (d) provide for the purchase by the Company of any such Award, upon the Grantee's request, for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Grantee's rights had such Award been currently exercisable or payable;
- (e) make such adjustment to any such Award then outstanding as the Board deems appropriate to reflect such Change of Control;
- (f) cause any such Award then outstanding to be assumed, or new rights substituted therefore, by the acquiring or surviving corporation after such Change of Control. Any such determinations by the Board may be made generally with respect to all Grantees, or may be made on a case-by-case basis with respect to particular Grantees.

Notwithstanding the foregoing, any transaction undertaken for the purpose of reincorporating the Company under the laws of another jurisdiction, if such transaction does not materially affect the beneficial ownership of the Company's Shares, such transaction shall not constitute a merger, consolidation, major acquisition of property for stock, separation, reorganization, liquidation, or Change of Control.

12.5. Prohibition on Repricings. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for cash, other Awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval.

Article 13. Withholding Tax

To the extent applicable under applicable tax laws, whenever under the Plan, Shares are to be delivered upon exercise or payment of an Award, or upon the lapse of Restrictions on an Award, or any other event with respect to rights and benefits hereunder (the exercise date, date such Restrictions lapse or such payment of any other benefit or right occurs hereinafter referred to as the "Tax Date"), the Company shall be entitled to require and may accommodate the Eligible Director's request if so requested, to satisfy all Federal and Cantonal withholding taxes, including Social Security taxes related thereto ("Tax Withholding"), by one or a combination of the following methods:

- (i) Payment of an amount in cash equal to the amount to be withheld;

- (ii) Requesting the Company to withhold from those Shares that would otherwise be received upon exercise of the Option or the SAR payable in Shares, upon the lapse of Restrictions on an Award, a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or
- (iii) Withholding from compensation otherwise due to the Eligible Director.

Any fractional share amount and any additional withholding not paid by the withholding or surrender of Shares must be paid in cash. If no timely election is made, the Grantee must deliver cash to satisfy all tax withholding requirements.

Article 14. Additional Provisions

- 14.1. **Successors.** All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business or assets of the Company.
- 14.2. **Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine and vice-versa; the plural shall include the singular and the singular shall include the plural.
- 14.3. **Severability.** If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.
- 14.4. **Requirements of Law.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges as may be required. Notwithstanding any provision of the Plan or any Award, Grantees shall not be entitled to exercise, or receive benefits under, any Award, and the Company shall not be obligated to deliver any Shares or other benefits to a Grantee, if such exercise or delivery would constitute a violation by the Grantee or the Company of any applicable law or regulation.
- 14.5. **Securities Law Compliance.**

- (a) If the Board deems it necessary to comply with any applicable securities law, or the requirements of any stock exchange upon which Shares may be listed, the Board may impose any restriction on Shares acquired pursuant to Awards under the Plan as it may deem advisable. All Shares transferred under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under the rules, regulations and other requirements of the SEC,

any stock exchange upon which Shares are then listed, and any applicable securities law. If so requested by the Company, the Grantee shall represent to the Company in writing that he or she will not sell or offer to sell any Shares unless a registration statement shall be in effect with respect to such Shares under the Securities Act of 1933 or unless he or she shall have furnished to the Company evidence satisfactory to the Company that such registration is not required.

- (b) If the Board determines that the exercise of, or delivery of benefits pursuant to, any Award would violate any applicable provision of securities laws or the listing requirements of any stock exchange upon which any of the Company's equity securities are then listed, then the Board may postpone any such exercise or delivery, as applicable, but the Company shall use all reasonable efforts to cause such exercise or delivery to comply with all such provisions at the earliest practicable date.

14.6. **No Rights as a Shareholder.** A Grantee shall not have any rights as a shareholder with respect to the Shares (other than Restricted Shares) which may be deliverable upon exercise or payment of such Award until such shares have been delivered to him or her. Restricted Shares, whether held by a Grantee or in escrow by the escrow agent, shall confer on the Grantee all rights of a shareholder of the Company, except as otherwise provided in the Plan or Award Agreement. Unless otherwise determined by the Board at the time of a grant of Restricted Shares, any cash dividends that become payable on Restricted Shares shall be deferred and, if the Board so determines, reinvested in additional Restricted Shares. Except as otherwise provided in an Award Agreement, any share dividends and deferred cash dividends issued with respect to Restricted Shares shall be subject to the same restrictions and other terms as apply to the Restricted Shares with respect to which such dividends are issued. The Board may provide for payment of interest on deferred cash dividends.

14.7. **Compliance with Code Section 409A.**

- (a) All Awards granted under the Plan are intended to comply with Section 409A of the Code and the Treasury regulations and guidance issued thereunder ("Section 409A") and that the Plan be interpreted and operated consistent with such requirements of Section 409A in order to avoid the application of additive income taxes under Section 409A ("409A Penalties"). To the extent that an Award is subject to Section 409A, except as the Grantee and Company may otherwise determine in writing, all Awards shall be created in a manner that will meet the requirements of Section 409A, such that the Grantees of such Awards are not subject to the 409A Penalties.
- (b) To extent that a Grantee would otherwise be entitled to any payment under the Plan that (i) constitutes "deferred compensation" subject to Section 409A, (ii) is payable on account of the Grantee's "separation from service"

(within the meaning of Section 409A), and (iii) that if paid during the six months beginning on the date of the Grantee's termination of employment would be subject the 409A Penalties because the Grantee is a "specified employee" of the Company (within the meaning of Section 409A and as determined from time to time by the Plan Committee), the payment will be paid to the Grantee on the earliest of the six-month anniversary of the termination of employment, a change in ownership or effective control of the Company (within the meaning of Section 409A) or the Grantee's death.

- (c) Notwithstanding any provision of the Plan to the contrary, the Plan shall not be amended in any manner that would cause (i) the Plan or any amounts or benefits payable hereunder to fail to comply with the requirements of Section 409A, to the extent applicable, or (ii) any amounts or benefits payable hereunder that are not subject to Section 409A to become subject thereto (unless they also are in compliance therewith), and the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Plan.
- (d) Notwithstanding any other provision in the Plan, the Board, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify the Plan or any Award granted thereunder to reflect the intention that the Plan (and any Award) qualifies for exemption from or complies with Section 409A in a manner that as closely as practicable achieves the original intent of the Plan and with the least reduction, if any, in overall benefit to the Grantee to comply with Section 409A on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A; provided, however, that neither the Company, the Board, nor any of their officers or individual directors make any representation that the Plan or any Award shall be exempt from or comply with Section 409A and make no undertaking to preclude Section 409A from applying to the Plan or any Award.

- 14.8. Nature of Payments. Awards shall be special incentive payments to the Grantee and shall not be taken into account for any other Company compensatory plan, arrangement or contract relating to the Grantee except as such plan, arrangement or agreement shall otherwise expressly provide.
- 14.9. Military Service. Awards shall be administered in accordance with Section 414(u) of the Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.
- 14.10. Data Protection. The Board and any other person or entity empowered by the Board to administer the Plan may process, store, transfer or disclose personal data of the Grantees to the extent required for the implementation and administration of the Plan. The Board and any other person or entity empowered by the Board to administer the Plan shall comply with any applicable data protection laws.

14.11. Governing Law. The Plan and the rights of any Grantee receiving an Award thereunder shall be construed and interpreted in accordance with and governed by the laws of the State of Kansas without giving effect to the principles of the conflict of laws to the contrary.

Annex to the Plan for Swiss based Grantees and Grantees subject to Swiss inheritance law

1. Article 11. shall be replaced with the following:

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Grantee's death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form and procedure prescribed by the applicable Swiss inheritance law. Irrespective of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

GARMIN LTD.
2011 NON-EMPLOYEE DIRECTORS' EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

To: _____ ("you" or the "Grantee")

Date of Grant: _____

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan, as amended and restated on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, provided you satisfy the conditions set forth in this Notice of Grant and Exhibit A, the Company agrees to pay you Shares as follows:

<u>Number of RSUs Granted</u>	<u>Dates Payable</u>	<u>Date Grantee Must Be a Director To Receive Award</u>
_____ Shares	_____, 2016	_____, 2016
_____ Shares	_____, 2017	_____, 2017
_____ Shares	_____, 2018	_____, 2018

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of capitalized terms used in this Agreement.

By accepting these RSUs, you are also agreeing to be bound by Exhibit A.

GARMIN LTD.

By: _____
 Name: Clifton A. Pemble
 Title: President and CEO

Grantee:

 Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive that number of unrestricted Shares identified below the heading "Number of RSUs Granted" on the Notice of Grant (the "RSUs"). Provided you are a member of the Company's Board of Directors (and at all times since the Date of Grant have been a member of the Company's Board of Directors) and unless your right to receive the RSUs has been forfeited pursuant to Section 3 below, then (subject to Section 11 below) you will be paid a number of unrestricted Shares equal to the aggregate number of your remaining RSUs on the dates above identified below the heading "Dates Payable" on the Notice of Grant. If a date under "Dates Payable" is a Saturday or Sunday or any other non-business day, then you will be paid the Shares payable on that date on the next business day.

Section 3. Effect of Termination of Affiliation

If you have a Termination of Affiliation for any reason, the effect of such Termination of Affiliation on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death, Disability, retirement on or after attaining Mandatory Retirement Age, a "Retirement" as defined below, or your removal by the Company other than for Cause (including without limitation the Company's decision not to slate you for reelection), your RSUs that were forfeitable immediately before such Termination of Affiliation, if any, shall thereupon become nonforfeitable and the Company shall, promptly settle all RSUs by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining RSUs. A "Retirement" for purposes of this Award Agreement means the Grantee's ceasing to be a member of the Company's Board of Directors other than for Cause after 5 years of service on the Board
- (b) If you have a Termination of Affiliation for Cause or for any reason other than under the circumstances described immediately above in Section 3(a) (including without limitation your failure to be reelected to the Company's Board of Directors, your voluntary resignation or your failure to run for reelection to the Company's Board of Directors), your RSUs, to the extent forfeitable immediately before such Termination

of Affiliation, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 4. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of RSUs shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 5. Nontransferability of RSUs

No rights under this Award Agreement relating to the RSUs may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 6. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (a) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs and (b) does not have nor may he or she exercise any voting rights with respect to any of the RSUs, in both cases (a) and (b) above, unless and until the actual Shares underlying the RSUs have been delivered pursuant to this Award Agreement.

Section 7. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 8. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 9. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 10. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 9 or 10 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 11. Withholding

To the extent applicable under applicable tax laws, whenever Shares are to be delivered to you upon payment of this Award (the date such Shares are delivered to you is hereinafter referred to as the "Tax Date"), the Company shall be entitled to require and may accommodate your request if so requested, to satisfy all Federal and Cantonal withholding taxes, including Social Security taxes related thereto, by one or a combination of the following methods:

- (a) Your payment of an amount in cash equal to the amount to be withheld;
- (b) Withholding from those Shares that would otherwise be delivered to you under the Award a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or
- (c) Withholding from compensation otherwise due to you.

Any fractional share amount and any additional withholding not paid by the withholding or surrender of Shares must be paid in cash. If no timely election is made, the Grantee must deliver cash to satisfy all tax withholding requirements.

Section 12. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing by (a) personal delivery, or (b) expedited, recognized delivery service with proof of delivery, or (c)

United States Mail, postage prepaid, certified mail, return receipt requested, or (d) telecopy or email (provided that the telecopy or email is confirmed). Any notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date which it was personally delivered, sent to the intended addressee, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 12.

Section 13. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

Section 14. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 15. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

(For Swiss Grantees)

To: _____ ("you" or the "Grantee")

Date of Grant: _____

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on June 5, 2009, on June 27, 2010, on June 7, 2013, and on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, provided you satisfy the conditions set forth in this Notice of Grant and Exhibit A, the Company agrees to pay you Shares as follows:

<u>Number of RSUs Granted</u>	<u>Dates Payable</u>	<u>Date Grantee Must Be Employed To Receive Award</u>
_____ Shares	_____, 2016	_____, 2016
_____ Shares	_____, 2017	_____, 2017
_____ Shares	_____, 2018	_____, 2018

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of capitalized terms used in this Agreement.

By accepting these RSUs, you are also agreeing to be bound by Exhibit A, including the restrictive covenants in Section 6 of Exhibit A.

GARMIN LTD.

By: _____
 Name: Clifton A. Pemble
 Title: President and CEO

Grantee:

 Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive that number of unrestricted Shares identified below the heading "Number of RSUs Granted" on the Notice of Grant (the "RSUs"). Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the RSUs has been forfeited pursuant to Section 3 below, then (subject to Section 12 below) you will be paid a number of unrestricted Shares equal to the aggregate number of your remaining RSUs on the dates above identified below the heading "Dates Payable" on the Notice of Grant. If a date under "Dates Payable" is a Saturday or Sunday or any other non-business day, then you will be paid the Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause, voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability, your RSUs that were forfeitable immediately before such Termination of Affiliation, if any, shall thereupon become nonforfeitable and the Company shall, promptly settle all RSUs by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining RSUs;

- (b) If you have a Termination of Affiliation during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then your RSUs that were forfeitable shall thereupon become nonforfeitable and the Company shall immediately settle all RSUs by delivery to you a number of unrestricted Shares equal to the aggregate number of your remaining RSUs;
- (c) If you have a Termination of Affiliation for Cause or for any reason other than for, death or Disability, or under the circumstances described in immediately above in Section 3(b), your RSUs, to the extent forfeitable immediately before such Termination of Affiliation and to the extent permitted by the applicable Swiss law, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;
- (d) If you cease to be employed on a Full-Time Basis for any reason other than for death or Disability, your RSUs, to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis and to the extent permitted by applicable Swiss law, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 4. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of RSUs shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 5. Nontransferability of RSUs

No rights under this Award Agreement relating to the RSUs may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 6. Restrictive Covenants

As a condition of this Award Agreement, the Grantee's right to the RSUs, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

- (a) ***Nondisclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 6(a).
- (b) ***Noncompetition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not perform services as an employee, director, officer, consultant, independent contractor or advisor, or invest in, whether in the form of equity or debt, or otherwise have an ownership interest in any company, entity or person that directly competes anywhere in the United States, the United Kingdom, Taiwan, or in any other location outside the United States, the United Kingdom or Taiwan where the Company or a Subsidiary conducts or (to the Grantee's knowledge) plans to conduct business. Nothing in this Section 6(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.
- (c) ***Noninterference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.
- (d) ***Nonsolicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.
- (e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company

and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 6(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.

(f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) ***Remedy.*** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 6) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 6, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any RSUs to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any RSUs (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 7. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs,

in both cases (i) and (ii) above, unless and until the actual Shares underlying the RSUs have been delivered pursuant to this Award Agreement.

Section 8. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 9. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 10. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 11. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 9 or 10 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 12. Withholding

At the time the RSUs are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding and social taxes on your behalf. Accordingly, the Company shall have the power to withhold, or require you to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding tax or social tax requirements. At the Company's discretion, withholding may be taken from other compensation payable to you or may be satisfied by reducing the number of RSUs deliverable to you. If the Company elects to reduce the number of RSUs deliverable to you and less than the full value of an RSU is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional RSU.

Section 13. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing by (a) personal delivery, or (b) expedited, recognized delivery service with proof of delivery, or (c) United States Mail, postage prepaid, certified mail, return receipt requested, or (d) telecopy or email (provided that the telecopy or email is confirmed). Any notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date which it was personally delivered, sent to the intended addressee, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 13.

Section 14. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 6 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 15. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 16. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

(For Canadian Grantees)

To: _____ ("you" or the "Grantee")

Date of Grant: _____

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the registered shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares") subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated effective October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, provided you satisfy the conditions set forth in this Notice of Grant and Exhibit A, the Company agrees to pay you Shares as follows:

<u>Number of RSUs Granted</u>	<u>Dates Payable</u>	<u>Date Grantee Must Be Employed To Receive Award</u>
_____ Shares	_____, 2016	_____, 2016
_____ Shares	_____, 2017	_____, 2017
_____ Shares	_____, 2018	_____, 2018

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of capitalized terms used in this Agreement.

To properly accept these RSUs, you must click the "Accept" button. Acceptances shall be made electronically within ten (10) days of your receipt of this Notice and Award Agreement. **By accepting these RSUs, you are also agreeing to be bound by Exhibit A, including the restrictive covenants in Section 6 of Exhibit A.**

GARMIN LTD.

By: _____

Name: Clifton A. Pemble

Title: President and CEO

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of Restricted Stock Units

As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive that number of unrestricted Shares identified below the heading "Number of RSUs Granted" on the Notice of Grant (the "RSUs"). Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the RSUs has been forfeited pursuant to Section 3 below, then (subject to Section 12 below) you will be paid a number of unrestricted Shares equal to the aggregate number of your remaining RSUs on the dates above identified below the heading "Dates Payable" on the Notice of Grant. If a date under "Dates Payable" is a Saturday or Sunday or any other non-business day, then the Shares payable to you on that date will be paid to you on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause (as defined below in this Section 3) voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability, your RSUs that were forfeitable immediately before such Termination of Affiliation, if any, shall thereupon become nonforfeitable and the Company shall, promptly settle all RSUs by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining RSUs;
- (b) If you have a Termination of Affiliation during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary

other than for Cause, or initiated by the Grantee for Good Reason, then your RSUs that were forfeitable shall thereupon become nonforfeitable and the Company shall immediately settle all RSUs by delivery to you a number of unrestricted Shares equal to the aggregate number of your remaining RSUs;

- (c) If you have a Termination of Affiliation for Cause or for any reason other than for, death or Disability, or under the circumstances described in immediately above in Section 3(b), your RSUs, to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;
- (d) If you cease to be employed on a Full-Time Basis for any reason other than for death or Disability, your RSUs, to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;
- (e) Notwithstanding the definition of "Cause" set forth in the Plan, for purposes of this Award Agreement, the term "Cause" means, without in any way limiting its definition under common law (which is expressly included in this definition), any improper conduct by you which is materially detrimental to the Company or any Subsidiary including, but not limited to:
 1. Your conviction of, or a plea of guilty to, any indictable offence or other crime that involves fraud, dishonesty or moral turpitude;
 2. Any willful action or omission by you which would constitute grounds for immediate dismissal under the employment policies of the Company or the Subsidiary by which you are employed, including but not limited to intoxication with alcohol or illegal drugs while on the premises on the Company or any Subsidiary, or any violation of applicable sexual harassment laws or the internal sexual harassment policy of the Company or the Subsidiary by which you are employed;
 3. Your habitual neglect of duties, including but not limited to, repeated unauthorized absences from work without reasonable excuse; or
 4. Your willful or intentional material misconduct in the performance of your duties that results in financial detriment to the Company or any Subsidiary.

Section 4. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of RSUs shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. If the Board so determines, any share certificates issued pursuant to this Award Agreement shall bear a legend to the effect that the Shares have been so acquired. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or

transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the common shares of the Company are then listed.

The Grantee also acknowledges and agrees that the Shares acquired pursuant to the vesting of one or more tranches of RSUs will not be able to be transferred or resold in Canada pursuant to the securities legislation of the Provinces and Territories of Canada except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law.

Section 5. Nontransferability of RSUs

No rights under this Award Agreement relating to the RSUs may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 6. Restrictive Covenants

As a condition of this Award Agreement, the Grantee's right to the RSUs, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

- (a) ***Nondisclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 6(a).
- (b) ***Noncompetition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, directly or indirectly, own, manage, operate or control, or participate in the ownership, management, operation or control of, or be connected with or have any interest in (whether as a shareholder, partner, member, director, officer, employee, agent, consultant, or in any other capacity) any company or organization with activities, products or services involving:
 1. Personal and team activity monitoring systems, including speed, distance and cadence monitoring systems, motion analysis systems and associated watch displays and other displays and heart rate monitoring systems and associated watch displays and other displays and prosthetics monitoring and control systems; or
 2. Wireless communications systems and protocols designed for low power

applications;

in any province, state or country in which the Company or any Subsidiary conducts business (or, to the knowledge of the Grantee any additional location in which the Company or any Subsidiary intends to conduct business).

Nothing in this Section 6(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.

- (c) ***Noninterference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.
- (d) ***Nonsolicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.
- (e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company and its subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 6(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.
- (f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or any Subsidiary, about any product or service provided

by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) **Remedy.** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 6) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 6, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any RSUs to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any RSUs (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 7. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any certificates for Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs, in both cases (i) and (ii) above, unless and until the actual Shares underlying the RSUs have been delivered pursuant to this Award Agreement.

Section 8. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 9. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to

accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 10. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 11. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 9 or 10 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 12. Withholding

Notwithstanding Article 14 of the Plan, this Section 12 will apply to the Company's withholding obligations related to this Award Agreement. At the time the RSUs are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding taxes on your behalf. Accordingly, and at the Company's discretion, such Federal, Provincial, local or foreign withholding tax requirements may be satisfied by you providing specific written authorization to deduct, from any earnings owed or accruing to you, the appropriate sum of money required for such withholding or remittance or, at the Company's discretion, such withholdings may be satisfied by reducing the number of RSUs delivered to you. In the event of your neglect or refusal to provide the Company with your personal authorization in writing to deduct the appropriate withholdings from your earnings, the Company shall have no obligation to deliver the relevant RSUs to you. If the Company reduces the number of RSUs deliverable to you and less than the full value of an RSU is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional RSU.

Section 13. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing by (a) personal delivery, or (b) expedited, recognized delivery service with proof of delivery, or (c) United States Mail, postage prepaid, certified mail, return receipt requested, or (d) telecopy or email (provided that the telecopy or email is confirmed). Any notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date which it was personally delivered, sent to the intended addressee, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last

known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 13.

Section 14. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 6 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 15. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 16. Governing Law

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary.

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

To: _____ ("you" or the "Grantee")

Date of Grant: _____

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on June 5, 2009, on June 27, 2010, on June 7, 2013, and on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, provided you satisfy the conditions set forth in this Notice of Grant and Exhibit A, the Company agrees to pay you Shares as follows:

<u>Number of RSUs Granted</u>	<u>Dates Payable</u>	<u>Date Grantee Must Be Employed To Receive Award</u>
_____ Shares	_____, 2016	_____, 2016
_____ Shares	_____, 2017	_____, 2017
_____ Shares	_____, 2018	_____, 2018

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of capitalized terms used in this Agreement.

By accepting these RSUs, you are also agreeing to be bound by Exhibit A, including the restrictive covenants in Section 6 of Exhibit A.

GARMIN LTD.

By: _____
 Name: Clifton A. Pemble
 Title: President and CEO

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive that number of unrestricted Shares identified below the heading "Number of RSUs Granted" on the Notice of Grant (the "RSUs"). Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the RSUs has been forfeited pursuant to Section 3 below, then (subject to Section 12 below) you will be paid a number of unrestricted Shares equal to the aggregate number of your remaining RSUs on the dates above identified below the heading "Dates Payable" on the Notice of Grant. If a date under "Dates Payable" is a Saturday or Sunday or any other non-business day, then you will be paid the Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause, voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability, your RSUs that were forfeitable immediately before such Termination of Affiliation, if any, shall thereupon become nonforfeitable and the Company shall, promptly settle all RSUs by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining RSUs;

- (b) If you have a Termination of Affiliation during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then your RSUs that were forfeitable shall thereupon become nonforfeitable and the Company shall immediately settle all RSUs by delivery to you a number of unrestricted Shares equal to the aggregate number of your remaining RSUs;
- (c) If you have a Termination of Affiliation for Cause or for any reason other than for, death or Disability, or under the circumstances described in immediately above in Section 3(b), your RSUs, to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;
- (d) If you cease to be employed on a Full-Time Basis for any reason other than for death or Disability, your RSUs, to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 4. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of RSUs shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 5. Nontransferability of RSUs

No rights under this Award Agreement relating to the RSUs may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 6. Restrictive Covenants

As a condition of this Award Agreement, the Grantee's right to the RSUs, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

- (a) ***Nondisclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 6(a).
- (b) ***Noncompetition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not perform services as an employee, director, officer, consultant, independent contractor or advisor, or invest in, whether in the form of equity or debt, or otherwise have an ownership interest in any company, entity or person that directly competes anywhere in the United States, the United Kingdom, Taiwan, or in any other location outside the United States, the United Kingdom or Taiwan where the Company or a Subsidiary conducts or (to the Grantee's knowledge) plans to conduct business. Nothing in this Section 6(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.
- (c) ***Noninterference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.
- (d) ***Nonsolicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.
- (e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company

and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 6(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.

(f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) ***Remedy.*** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 6) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 6, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any RSUs to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any RSUs (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 7. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs,

in both cases (i) and (ii) above, unless and until the actual Shares underlying the RSUs have been delivered pursuant to this Award Agreement.

Section 8. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 9. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 10. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 11. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 9 or 10 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 12. Withholding

At the time the RSUs are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding and social taxes on your behalf. Accordingly, the Company shall have the power to withhold, or require you to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding tax or social tax requirements. At the Company's discretion, withholding may be taken from other compensation payable to you or may be satisfied by reducing the number of RSUs deliverable to you. If the Company elects to reduce the number of RSUs deliverable to you and less than the full value of an RSU is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional RSU.

Section 13. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing by (a) personal delivery, or (b) expedited, recognized delivery service with proof of delivery, or (c) United States Mail, postage prepaid, certified mail, return receipt requested, or (d) telecopy or email (provided that the telecopy or email is confirmed). Any notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date which it was personally delivered, sent to the intended addressee, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 13.

Section 14. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 6 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 15. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 16. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

**(Performance-Based and Time-Based Vesting)
(For Executive Officers - Switzerland)**

To: _____ ("you" or the "Grantee")

Date of Grant: _____

Performance Year: _____

Total Shares Subject to RSUs: _____ (the "Eligible Shares")

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on June 5, 2009, on June 27, 2010, on June 7, 2013, and on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, based on the satisfaction of the applicable performance-based and time-based vesting conditions set forth in this Notice of Grant, Exhibit A and Exhibit B, the Company agrees to pay you Shares as follows:

- The number of Shares that may be issued under this Agreement is a percentage (ranging from 0% to 100%) of the Eligible Shares. The percentage of the Eligible Shares eligible to be issued, if any (the "Earned Shares"), is based on the satisfaction of one or more of the preestablished performance goals (the "Performance Goals") for the Company's fiscal year listed above opposite the heading "Performance Year" and the applicable weighting percentage of each such goal. The performance goals and applicable weighting percentages for each goal are set forth and described in Exhibit B to this Agreement.
- At a meeting of the Company's Compensation Committee following the end of the Performance Year (the "Certification Date"), the Company's Compensation Committee will assess the achieved level of performance and certify the goal(s) achievement.
- Any Earned Shares will be issued in three equal installments commencing within 30 days of the Certification Date and each anniversary thereof, provided you are employed with the Company on each such date.

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of otherwise undefined capitalized terms used in this Agreement.

By accepting these RSUs, you are also agreeing to be bound by Exhibits A and B, including the restrictive covenants in Section 7 of Exhibit A.

GARMIN LTD.

By: _____
Name: Clifton A. Pemble
Title: President and CEO

Grantee:

Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

- (a) Calculation of Earned Shares. As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive the product of (i) the Eligible Shares and (ii) the "Aggregate Vesting Percentage" as calculated under Section 3, such product the "Earned Shares". If the application of this Section 2(a) results in a fractional Earned Share, the number of Earned Shares shall be rounded up to the nearest whole Share.
- (b) Vesting and Delivery of Earned Shares. Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the Earned Shares has been forfeited pursuant to Sections 3 or 4 below, then (subject to Section 13 below) you will be paid one-third (1/3) of the Earned Shares within 30 days of the Certification Date (as defined on the Notice of Grant), one-third (1/3) of the Earned Shares on the first anniversary of the Certification Date and one-third of the Earned Shares on the second anniversary of the Certification Date. If any of the first or second anniversaries of the Certification Date is a Saturday or Sunday or any other non-business day, then you will be paid the Earned Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Calculation of Aggregate Vesting Percentage; Forfeiture of Unearned Shares

The "Aggregate Vesting Percentage" is the total of the individual vesting percentages for each of the achieved Performance Goals for the Performance Year as set forth on Exhibit B. All Eligible Shares, if any, which, due to the Aggregate Vesting Percentage being less than 100% do not become Earned Shares, shall be immediately forfeited as of the Certification Date.

Section 4. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause, voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability after the Certification Date, any Earned Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become nonforfeitable and the Company shall, promptly settle all such Earned Shares by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (b) If you have a Termination of Affiliation on account of death or Disability before the Certification Date, within 30 days following the Certification Date the Company shall settle that number of your Eligible Shares which would have become Earned Shares as of the Certification Date but for your death or Disability;
- (c) If you have a Termination of Affiliation after the Certification Date and during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then any Earned Shares that were forfeitable at the time of such Termination of Affiliation shall thereupon become nonforfeitable and the Company shall immediately settle all Earned Shares by delivery to you of a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (d) If you have a Termination of Affiliation before the Certification Date and during the Change of Control Period, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then all of your Eligible Shares that would have become Earned Shares as of the Certification Date but for such Termination of Affiliation shall thereupon become Earned Shares and nonforfeitable and the Company shall within 30 days of the Certification Date settle all such Earned Shares by delivery to you a number of unrestricted Shares equal to the aggregate number of your Earned Shares;
- (e) If you have a Termination of Affiliation for Cause or for any reason other than for (i) death or Disability or (ii) under the circumstances described above in Section 4(c) or (d), then your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such Termination of Affiliation and to the extent permitted by the applicable Swiss law, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;

(f) If you cease to be employed on a Full-Time Basis for any reason other than as provided above in Sections 4(c) or (d), your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis and to the extent permitted by applicable Swiss law, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 5. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of Earned Shares shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 6. Nontransferability of RSUs, Eligible Shares and Earned Shares

No rights under this Award Agreement relating to the RSUs or any undelivered Eligible Shares or Earned Shares may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs or any undelivered Eligible Shares or Earned Shares granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 7. Restrictive Covenants

To the extent permitted by applicable law, as a condition of this Award Agreement, the Grantee's right to the RSUs or any Eligible Shares or Earned Shares, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

(a) ***Nondisclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 7(a).

(b) ***Noncompetition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not perform services as an employee, director, officer, consultant, independent contractor or advisor, or invest in, whether in the form of equity or debt, or otherwise have an ownership interest in any company, entity or person that directly competes anywhere in the United States, the United Kingdom, Taiwan, or in any other location outside the United States, the United Kingdom or Taiwan where the Company or a Subsidiary conducts or (to the Grantee's knowledge) plans to conduct business. Nothing in this Section 7(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.

(c) ***Noninterference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.

(d) ***Nonsolicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.

(e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 7(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.

(f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) ***Remedy.*** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 7) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 7, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any Earned Shares to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any Earned Shares (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 8. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs or any undelivered Eligible Shares or Earned Shares, and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs or any undelivered Eligible Shares or Earned Shares, in both cases (i) and (ii) above, unless and until the actual Shares underlying any Earned Shares have been delivered pursuant to this Award Agreement.

Section 9. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 10. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 11. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 12. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 10 or 11 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 13. Withholding

At the time any of the Earned Shares are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding and social taxes on your behalf. Accordingly, the Company shall have the power to withhold, or require you to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding tax or social tax requirements. At the Company's discretion, withholding may be taken from other compensation payable to you or may be satisfied by reducing the number of Shares deliverable to you. If the Company elects to reduce the number of Shares deliverable to you and less than the full value of a Share is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Share.

Section 14. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing. Any notice required or permitted to be delivered hereunder shall be effective upon receipt thereof by the addressee. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 14.

Section 15. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 7 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 16. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 17. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

Section 18. Shareholder Approval and Company Clawback or Recoupment Policies

You acknowledge that any award under the Notice of Grant may be subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”) that could require the Company to recover certain amounts of incentive compensation paid to certain executive officers if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirements under any applicable securities laws. By accepting this grant, whether or not any compensation is ultimately paid hereunder, you agree and consent to any forfeiture or required recovery or reimbursement obligations of the Company with respect to any compensation paid to you that is forfeitable or recoverable by the Company pursuant to Dodd-Frank and in accordance with any Company policies and procedures adopted by the Compensation Committee in order to comply with Dodd Frank, as the same may be amended from time to time.

EXHIBIT B

PERFORMANCE GOALS AND WEIGHTING PERCENTAGE

<u>Applicable Performance Goal</u>	<u>Goal Level</u>	<u>Goal Percentage Weighting</u>	<u>Actual Percentage Achieved</u>
Performance Year Revenue	[_____]	40%	40% if goal achieved; 0% if not
Performance Year Operating Income \$	[_____] ¹	30%	30% if goal achieved; 0% if not
Performance Year Operating Income %	[_____] ¹	30%	30% if goal achieved; 0% if not
<hr/> <hr/> <hr/>			Aggregate Vesting Percentage*

*Aggregate Vesting Percentage is the sum of all Actual Percentages Achieved based on Goal Level achievement. 100% is maximum possible Aggregate Vesting Percentage if each Applicable Performance Goal is achieved.

¹ According to Generally Accepted Accounting Principles (GAAP), measures of profitability such as operating income and operating margin must include the anticipated expense of these performance-based awards for the purpose of determining if those goals are achieved. If the profitability goals are not achieved when factoring in the expense of these awards, no awards for the profitability goals will be earned. Thus, it is possible for Garmin to report operating income and operating margin that exceed the objectives, yet not achieve the performance objectives as outlined above.

Performance Year means the fiscal year commencing on December, _____ and ending on December, _____

Performance Year Revenue means the consolidated net sales of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income \$ means the consolidated operating income of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income % means the Performance Year Operating Income \$ divided by the Performance Year Revenue

APPENDIX TO RESTRICTED STOCK AWARD AGREEMENT

This Appendix includes additional terms and conditions that govern the Restricted Stock Unit awards if the Grantee is a member of the Company's Executive Management.

You acknowledge that any award under this Notice of Grant is, to the extent required by applicable Swiss law and the articles of association of the Company subject to approval by the general meeting of shareholders of the Company and subject to recovery, forfeiture or clawback by the Company if and to the extent (i) the award is granted prior to approval by the general meeting of shareholders and (ii) the first general meeting of shareholders to whom the Company's board of directors submits for approval the proposed amount of compensation for the period for which the awards have been granted does not approve the proposal.

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

(Performance-Based and Time-Based Vesting)
(For Swiss Grantees)

To: _____ ("you" or the "Grantee")

Date of Grant: _____

Performance Year: _____

Total Shares Subject to RSUs: _____ (the "Eligible Shares")

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on June 5, 2009, on June 27, 2010, on June 7, 2013, and on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, based on the satisfaction of the applicable performance-based and time-based vesting conditions set forth in this Notice of Grant, Exhibit A and Exhibit B, the Company agrees to pay you Shares as follows:

- The number of Shares that may be issued under this Agreement is a percentage (ranging from 0% to 100%) of the Eligible Shares. The percentage of the Eligible Shares eligible to be issued, if any (the "Earned Shares"), is based on the satisfaction of one or more of the pre-established performance goals (the "Performance Goals") for the Company's fiscal year listed above opposite the heading "Performance Year" and the applicable weighting percentage of each such goal. The performance goals and applicable weighting percentages for each goal are set forth and described in Exhibit B to this Agreement.
- At a meeting of the Company's Compensation Committee following the end of the Performance Year (the "Certification Date"), the Company's Compensation Committee will assess the achieved level of performance and certify the goal(s) achievement.
- Any Earned Shares will be issued in three equal installments commencing within 30 days of the Certification Date and each anniversary thereof, provided you are employed with the Company on each such date.

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of otherwise undefined capitalized terms used in this Agreement.

By accepting these RSUs, you are also agreeing to be bound by Exhibits A and B, including the restrictive covenants in Section 7 of Exhibit A.

GARMIN LTD.

By: _____
Name: Clifton A. Pemble
Title: President and CEO

Grantee:

Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

- (a) Calculation of Earned Shares. As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive the product of (i) the Eligible Shares and (ii) the "Aggregate Vesting Percentage" as calculated under Section 3, such product the "Earned Shares". If the application of this Section 2(a) results in a fractional Earned Share, the number of Earned Shares shall be rounded up to the nearest whole Share.
- (b) Vesting and Delivery of Earned Shares. Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the Earned Shares has been forfeited pursuant to Sections 3 or 4 below, then (subject to Section 13 below) you will be paid one-third (1/3) of the Earned Shares within 30 days of the Certification Date (as defined on the Notice of Grant), one-third (1/3) of the Earned Shares on the first anniversary of the Certification Date and one-third of the Earned Shares on the second anniversary of the Certification Date. If any of the first or second anniversaries of the Certification Date is a Saturday or Sunday or any other non-business day, then you will be paid the Earned Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Calculation of Aggregate Vesting Percentage; Forfeiture of Unearned Shares

The "Aggregate Vesting Percentage" is the total of the individual vesting percentages for each of the achieved Performance Goals for the Performance Year as set forth on Exhibit B. All Eligible Shares, if any, which, due to the Aggregate Vesting Percentage being less than 100% do not become Earned Shares, shall be immediately forfeited as of the Certification Date.

Section 4. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause, voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability after the Certification Date, any Earned Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become non-forfeitable and the Company shall, promptly settle all such Earned Shares by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (b) If you have a Termination of Affiliation on account of death or Disability before the Certification Date, within 30 days following the Certification Date the Company shall settle that number of your Eligible Shares which would have become Earned Shares as of the Certification Date but for your death or Disability;
- (c) If you have a Termination of Affiliation after the Certification Date and during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then any Earned Shares that were forfeitable at the time of such Termination of Affiliation shall thereupon become non-forfeitable and the Company shall immediately settle all Earned Shares by delivery to you of a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (d) If you have a Termination of Affiliation before the Certification Date and during the Change of Control Period, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then all of your Eligible Shares that would have become Earned Shares as of the Certification Date but for such Termination of Affiliation shall thereupon become Earned Shares and non-forfeitable and the Company shall within 30 days of the Certification Date settle all such Earned Shares by delivery to you a number of unrestricted Shares equal to the aggregate number of your Earned Shares;
- (e) If you have a Termination of Affiliation for Cause or for any reason other than for (i) death or Disability or (ii) under the circumstances described above in Section 4(c) or (d), then your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such Termination of Affiliation and to the extent permitted by the applicable Swiss law, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;

(f) If you cease to be employed on a Full-Time Basis for any reason other than as provided above in Sections 4(c) or (d), your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis and to the extent permitted by applicable Swiss law, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 5. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of Earned Shares shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 6. Non-transferability of RSUs, Eligible Shares and Earned Shares

No rights under this Award Agreement relating to the RSUs or any undelivered Eligible Shares or Earned Shares may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs or any undelivered Eligible Shares or Earned Shares granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 7. Restrictive Covenants

To the extent permitted by applicable law, as a condition of this Award Agreement, the Grantee's right to the RSUs or any Eligible Shares or Earned Shares, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

(a) ***Non-disclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 7(a).

(b) ***Non-competition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not perform services as an employee, director, officer, consultant, independent contractor or advisor, or invest in, whether in the form of equity or debt, or otherwise have an ownership interest in any company, entity or person that directly competes anywhere in the United States, the United Kingdom, Taiwan, or in any other location outside the United States, the United Kingdom or Taiwan where the Company or a Subsidiary conducts or (to the Grantee's knowledge) plans to conduct business. Nothing in this Section 7(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.

(c) ***Non-interference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.

(d) ***Non-solicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.

(e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 7(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.

(f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) ***Remedy.*** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 7) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 7, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any Earned Shares to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any Earned Shares (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 8. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs or any undelivered Eligible Shares or Earned Shares, and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs or any undelivered Eligible Shares or Earned Shares, in both cases (i) and (ii) above, unless and until the actual Shares underlying any Earned Shares have been delivered pursuant to this Award Agreement.

Section 9. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 10. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 11. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 12. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 10 or 11 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 13. Withholding

At the time any of the Earned Shares are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding and social taxes on your behalf. Accordingly, the Company shall have the power to withhold, or require you to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding tax or social tax requirements. At the Company's discretion, withholding may be taken from other compensation payable to you or may be satisfied by reducing the number of Shares deliverable to you. If the Company elects to reduce the number of Shares deliverable to you and less than the full value of a Share is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Share.

Section 14. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing. Any notice required or permitted to be delivered hereunder shall be effective upon receipt thereof by the addressee. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 14.

Section 15. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 7 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 16. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 17. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

EXHIBIT B

PERFORMANCE GOALS AND WEIGHTING PERCENTAGE

<u>Applicable Performance Goal</u>	<u>Goal Level</u>	<u>Goal Percentage Weighting</u>	<u>Actual Percentage Achieved</u>
Performance Year Revenue	[_____]	40%	40% if goal achieved; 0% if not
Performance Year Operating Income \$	[_____] ¹	30%	30% if goal achieved; 0% if not
Performance Year Operating Income %	[_____] ¹	30%	30% if goal achieved; 0% if not
<hr/> <hr/> <hr/>			Aggregate Vesting Percentage*

*Aggregate Vesting Percentage is the sum of all Actual Percentages Achieved based on Goal Level achievement. 100% is maximum possible Aggregate Vesting Percentage if each Applicable Performance Goal is achieved.

¹ According to Generally Accepted Accounting Principles (GAAP), measures of profitability such as operating income and operating margin must include the anticipated expense of these performance-based awards for the purpose of determining if those goals are achieved. If the profitability goals are not achieved when factoring in the expense of these awards, no awards for the profitability goals will be earned. Thus, it is possible for Garmin to report operating income and operating margin that exceed the objectives, yet not achieve the performance objectives as outlined above.

Performance Year means the fiscal year commencing on December, _____ and ending on December, _____

Performance Year Revenue means the consolidated net sales of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income \$ means the consolidated operating income of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income % means the Performance Year Operating Income \$ divided by the Performance Year Revenue

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

(Performance-Based and Time-Based Vesting)
(For Canadian Grantees)

To: _____ ("you" or the "Grantee")

Date of Grant: _____

Performance Year: _____

Total Shares Subject to RSUs: _____ (the "Eligible Shares")

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the registered shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated effective October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, based on the satisfaction of the applicable performance-based and time-based vesting conditions set forth in this Notice of Grant, Exhibit A and Exhibit B, the Company agrees to pay you Shares as follows:

- The number of Shares that may be issued under this Agreement is a percentage (ranging from 0% to 100%) of the Eligible Shares. The percentage of the Eligible Shares eligible to be issued, if any (the "Earned Shares"), is based on the satisfaction of one or more of the pre-established performance goals (the "Performance Goals") for the Company's fiscal year listed above opposite the heading "Performance Year" and the applicable weighting percentage of each such goal. The performance goals and applicable weighting percentages for each goal are set forth and described in Exhibit B to this Agreement.
- At a meeting of the Company's Compensation Committee following the end of the Performance Year (the "Certification Date"), the Company's Compensation Committee will assess the achieved level of performance and certify the goal(s) achievement.
- Any Earned Shares will be issued in three equal installments commencing within 30 days of the Certification Date and each anniversary thereof, provided you are employed with the Company on each such date.

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of otherwise undefined capitalized terms used in this Agreement.

To properly accept these RSUs, you must click the "Accept" button. Acceptances shall be made electronically within ten (10) days of your receipt of this Notice and Award Agreement. **By accepting these RSUs, you are also agreeing to be bound by Exhibits A and B, including the restrictive covenants in Section 7 of Exhibit A.**

GARMIN LTD.

By: _____
Name: Clifton A. Pemble
Title: President and CEO

Grantee:

Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

- (a) Calculation of Earned Shares. As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive the product of (i) the Eligible Shares and (ii) the "Aggregate Vesting Percentage" as calculated under Section 3, such product the "Earned Shares". If the application of this Section 2(a) results in a fractional Earned Share, the number of Earned Shares shall be rounded up to the nearest whole Share.
- (b) Vesting and Delivery of Earned Shares. Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the Earned Shares has been forfeited pursuant to Sections 3 or 4 below, then (subject to Section 13 below) one-third (1/3) of the Earned Shares will be paid to you within 30 days of the Certification Date (as defined on the Notice of Grant), one-third (1/3) of the Earned Shares will be paid to you on the first anniversary of the Certification Date and one-third of the Earned Shares will be paid to you on the second anniversary of the Certification Date. If any of the first or second anniversaries of the Certification Date is a Saturday or Sunday or any other non-business day, then you will be paid the Earned Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Calculation of Aggregate Vesting Percentage; Forfeiture of Unearned Shares

The "Aggregate Vesting Percentage" is the total of the individual vesting percentages for each of the achieved Performance Goals for the Performance Year as set forth on Exhibit B. All Eligible Shares, if any, which, due to the Aggregate Vesting Percentage being less than 100% do not become Earned Shares, shall be immediately forfeited as of the Certification Date.

Section 4. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause (as defined in this Section 4), voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability after the Certification Date, any Earned Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become non-forfeitable and the Company shall, promptly settle all such Earned Shares by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (b) If you have a Termination of Affiliation on account of death or Disability before the Certification Date, within 30 days following the Certification Date the Company shall settle that number of your Eligible Shares which would have become Earned Shares as of the Certification Date but for your death or Disability;
- (c) If you have a Termination of Affiliation after the Certification Date and during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then any Earned Shares that were forfeitable at the time of such Termination of Affiliation shall thereupon become non-forfeitable and the Company shall immediately settle all Earned Shares by delivery to you of a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (d) If you have a Termination of Affiliation before the Certification Date and during the Change of Control Period, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then all of your Eligible Shares that would have become Earned Shares as of the Certification Date but for such Termination of Affiliation shall thereupon become Earned Shares and non-forfeitable and the Company shall within 30 days of the Certification Date settle all such Earned Shares by delivery to you a number of unrestricted Shares equal to the aggregate number of your Earned Shares;
- (e) If you have a Termination of Affiliation for Cause or for any reason other than for (i) death or Disability or (ii) under the circumstances described above in Section 4(c) or (d), then your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;

(f) If you cease to be employed on a Full-Time Basis for any reason other than as provided above in Sections 4(c) or (d), your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

(g) Notwithstanding the definition of "Cause" set forth in the Plan, for purposes of this Award Agreement, the term "Cause" means, without in any way limiting its definition under common law (which is expressly included in this definition), any improper conduct by you which is materially detrimental to the Company or any Subsidiary including, but not limited to:

1. Your conviction of, or a plea of guilty to, any indictable offence or other crime that involves fraud, dishonesty or moral turpitude;
2. Any willful action or omission by you which would constitute grounds for immediate dismissal under the employment policies of the Company or the Subsidiary by which you are employed, including but not limited to intoxication with alcohol or illegal drugs while on the premises on the Company or any Subsidiary, or any violation of applicable sexual harassment laws or the internal sexual harassment policy of the Company or the Subsidiary by which you are employed;
3. Your habitual neglect of duties, including but not limited to, repeated unauthorized absences from work without reasonable excuse; or
4. Your willful or intentional material misconduct in the performance of your duties that results in financial detriment to the Company or any Subsidiary.

Section 5. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of Earned Shares shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. If the Board so determines, any share certificates issued pursuant to this Award Agreement shall bear a legend to the effect that the Shares have been so acquired. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not

make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

The Grantee also acknowledges and agrees that the Shares acquired pursuant to the vesting of one or more tranches of Earned Shares will not be able to be transferred or resold in Canada pursuant to the securities legislation of the Provinces and Territories of Canada except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law.

Section 6. Non-transferability of RSUs, Eligible Shares and Earned Shares

No rights under this Award Agreement relating to the RSUs or any undelivered Eligible Shares or Earned Shares may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs or any undelivered Eligible Shares or Earned Shares granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 7. Restrictive Covenants

To the extent permitted by applicable law, as a condition of this Award Agreement, the Grantee's right to the RSUs or any Eligible Shares or Earned Shares, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

- (a) ***Non-disclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 7(a).
- (b) ***Non-competition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, directly or indirectly, own, manage, operate or control, or participate in the ownership, management, operation or control of, or be connected with or have any interest in (whether as a shareholder, partner, member, director, officer, employee, agent, consultant, or in any other capacity) any company or organization with activities, products or services involving:
 1. Personal and team activity monitoring systems, including speed, distance and cadence monitoring systems, motion analysis systems and associated watch displays and other displays and heart rate monitoring systems and associated watch displays and other displays and prosthetics monitoring and control systems; or
 2. Wireless communications systems and protocols designed for low power applications;

in any province, state or country in which the Company or any Subsidiary conducts business (or, to the knowledge of the Grantee, any additional location in which the Company or any Subsidiary intends to conduct business).

Nothing in this Section 7(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.

- (c) ***Non-interference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.
- (d) ***Non-solicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.
- (e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 7(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.
- (f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) **Remedy.** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 7) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 7, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any Earned Shares to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any Earned Shares (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 8. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any certificates for Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs or any undelivered Eligible Shares or Earned Shares, and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs or any undelivered Eligible Shares or Earned Shares, in both cases (i) and (ii) above, unless and until the actual Shares underlying any Earned Shares have been delivered pursuant to this Award Agreement.

Section 9. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 10. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall

be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 11. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 12. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 10 or 11 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 13. Withholding

Notwithstanding Article 14 of the Plan, this Section 12 will apply to the Company's withholding obligations related to this Award Agreement. At the time any of the Earned Shares are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding on your behalf. Accordingly, and at the Company's discretion, such Federal, Provincial, local or foreign withholding tax requirements may be satisfied by you providing specific written authorization to deduct from any earnings owed or accruing to you, the appropriate sum of money required for such withholding or remittance or, at the Company's discretion, such withholdings may be satisfied by reducing the number of Shares delivered to you. In the event of your neglect or refusal to provide the Company with your personal authorization in writing to deduct the appropriate withholdings from your earnings, the Company shall have no obligation to deliver the relevant Shares to you. If the Company reduces the number of Shares deliverable to you and less than the full value of a Share is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Share.

Section 14. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing. Any notice required or permitted to be delivered hereunder shall be effective upon receipt thereof by the addressee. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 14.

Section 15. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 7 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 16. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 17. Governing Law

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary.

EXHIBIT B

PERFORMANCE GOALS AND WEIGHTING PERCENTAGE

<u>Applicable Performance Goal</u>	<u>Goal Level</u>	<u>Goal Percentage Weighting</u>	<u>Actual Percentage Achieved</u>
Performance Year Revenue	[_____]	40%	40% if goal achieved; 0% if not
Performance Year Operating Income \$	[_____] ¹	30%	30% if goal achieved; 0% if not
Performance Year Operating Income %	[_____] ¹	30%	30% if goal achieved; 0% if not
<hr/> <hr/> <hr/>			Aggregate Vesting Percentage*

*Aggregate Vesting Percentage is the sum of all Actual Percentages Achieved based on Goal Level achievement. 100% is maximum possible Aggregate Vesting Percentage if each Applicable Performance Goal is achieved.

¹ According to Generally Accepted Accounting Principles (GAAP), measures of profitability such as operating income and operating margin must include the anticipated expense of these performance-based awards for the purpose of determining if those goals are achieved. If the profitability goals are not achieved when factoring in the expense of these awards, no awards for the profitability goals will be earned. Thus, it is possible for Garmin to report operating income and operating margin that exceed the objectives, yet not achieve the performance objectives as outlined above.

Performance Year means the fiscal year commencing on December, _____ and ending on December, _____

Performance Year Revenue means the consolidated net sales of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income \$ means the consolidated operating income of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income % means the Performance Year Operating Income \$ divided by the Performance Year Revenue

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

(Performance-Based and Time-Based Vesting)
(For Executive Officers)

To: _____ ("you" or the "Grantee")

Date of Grant: _____

Performance Year: _____

Total Shares Subject to RSUs: _____ (the "Eligible Shares")

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on June 5, 2009, on June 27, 2010, on June 7, 2013, and on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, based on the satisfaction of the applicable performance-based and time-based vesting conditions set forth in this Notice of Grant, Exhibit A and Exhibit B, the Company agrees to pay you Shares as follows:

- The number of Shares that may be issued under this Agreement is a percentage (ranging from 0% to 100%) of the Eligible Shares. The percentage of the Eligible Shares eligible to be issued, if any (the "Earned Shares"), is based on the satisfaction of one or more of the preestablished performance goals (the "Performance Goals") for the Company's fiscal year listed above opposite the heading "Performance Year" and the applicable weighting percentage of each such goal. The performance goals and applicable weighting percentages for each goal are set forth and described in Exhibit B to this Agreement.
- At a meeting of the Company's Compensation Committee following the end of the Performance Year (the "Certification Date"), the Company's Compensation Committee will assess the achieved level of performance and certify the goal(s) achievement.
- Any Earned Shares will be issued in three equal installments commencing within 30 days of the Certification Date and each anniversary thereof, provided you are employed with the Company on each such date.

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of otherwise undefined capitalized terms used in this Agreement.

By accepting these RSUs, you are also agreeing to be bound by Exhibits A and B, including the restrictive covenants in Section 7 of Exhibit A.

GARMIN LTD.

By: _____
Name: Clifton A. Pemble
Title: President and CEO

Grantee:

Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

- (a) Calculation of Earned Shares. As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive the product of (i) the Eligible Shares and (ii) the "Aggregate Vesting Percentage" as calculated under Section 3, such product the "Earned Shares". If the application of this Section 2(a) results in a fractional Earned Share, the number of Earned Shares shall be rounded up to the nearest whole Share.
- (b) Vesting and Delivery of Earned Shares. Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the Earned Shares has been forfeited pursuant to Sections 3 or 4 below, then (subject to Section 13 below) you will be paid one-third (1/3) of the Earned Shares within 30 days of the Certification Date (as defined on the Notice of Grant), one-third (1/3) of the Earned Shares on the first anniversary of the Certification Date and one-third of the Earned Shares on the second anniversary of the Certification Date. If any of the first or second anniversaries of the Certification Date is a Saturday or Sunday or any other non-business day, then you will be paid the Earned Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Calculation of Aggregate Vesting Percentage; Forfeiture of Unearned Shares

The "Aggregate Vesting Percentage" is the total of the individual vesting percentages for each of the achieved Performance Goals for the Performance Year as set forth on Exhibit B. All Eligible Shares, if any, which, due to the Aggregate Vesting Percentage being less than 100% do not become Earned Shares, shall be immediately forfeited as of the Certification Date.

Section 4. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause, voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability after the Certification Date, any Earned Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become nonforfeitable and the Company shall, promptly settle all such Earned Shares by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (b) If you have a Termination of Affiliation on account of death or Disability before the Certification Date, within 30 days following the Certification Date the Company shall settle that number of your Eligible Shares which would have become Earned Shares as of the Certification Date but for your death or Disability;
- (c) If you have a Termination of Affiliation after the Certification Date and during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then any Earned Shares that were forfeitable at the time of such Termination of Affiliation shall thereupon become nonforfeitable and the Company shall immediately settle all Earned Shares by delivery to you of a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (d) If you have a Termination of Affiliation before the Certification Date and during the Change of Control Period, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then all of your Eligible Shares that would have become Earned Shares as of the Certification Date but for such Termination of Affiliation shall thereupon become Earned Shares and nonforfeitable and the Company shall within 30 days of the Certification Date settle all such Earned Shares by delivery to you a number of unrestricted Shares equal to the aggregate number of your Earned Shares;
- (e) If you have a Termination of Affiliation for Cause or for any reason other than for (i) death or Disability or (ii) under the circumstances described above in Section 4(c) or (d), then your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;

(f) If you cease to be employed on a Full-Time Basis for any reason other than as provided above in Sections 4(c) or (d), your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 5. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of Earned Shares shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 6. Nontransferability of RSUs, Eligible Shares and Earned Shares

No rights under this Award Agreement relating to the RSUs or any undelivered Eligible Shares or Earned Shares may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs or any undelivered Eligible Shares or Earned Shares granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 7. Restrictive Covenants

To the extent permitted by applicable law, as a condition of this Award Agreement, the Grantee's right to the RSUs or any Eligible Shares or Earned Shares, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

(a) ***Nondisclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 7(a).

(b) ***Noncompetition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor

to the Company or any Subsidiary, the Grantee will not perform services as an employee, director, officer, consultant, independent contractor or advisor, or invest in, whether in the form of equity or debt, or otherwise have an ownership interest in any company, entity or person that directly competes anywhere in the United States, the United Kingdom, Taiwan, or in any other location outside the United States, the United Kingdom or Taiwan where the Company or a Subsidiary conducts or (to the Grantee's knowledge) plans to conduct business. Nothing in this Section 7(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.

- (c) ***Noninterference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.
- (d) ***Nonsolicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.
- (e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 7(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.
- (f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or

information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) **Remedy.** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 7) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 7, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any Earned Shares to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any Earned Shares (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 8. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs or any undelivered Eligible Shares or Earned Shares, and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs or any undelivered Eligible Shares or Earned Shares, in both cases (i) and (ii) above, unless and until the actual Shares underlying any Earned Shares have been delivered pursuant to this Award Agreement.

Section 9. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 10. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by

reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 11. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

Section 12. Board Authority

Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 10 or 11 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 13. Withholding

At the time any of the Earned Shares are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding and social taxes on your behalf. Accordingly, the Company shall have the power to withhold, or require you to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding tax or social tax requirements. At the Company's discretion, withholding may be taken from other compensation payable to you or may be satisfied by reducing the number of Shares deliverable to you. If the Company elects to reduce the number of Shares deliverable to you and less than the full value of a Share is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Share.

Section 14. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing. Any notice required or permitted to be delivered hereunder shall be effective upon receipt thereof by the addressee. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 14.

Section 15. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 7 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 16. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 17. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

Section 18. Shareholder Approval and Company Clawback or Recoupment Policies

You acknowledge that any award under the Notice of Grant may be subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") that could require the Company to recover certain amounts of incentive compensation paid to certain executive officers if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirements under any applicable securities laws. By accepting this grant, whether or not any compensation is ultimately paid hereunder, you agree and consent to any forfeiture or required recovery or reimbursement obligations of the Company with respect to any compensation paid to you that is forfeitable or recoverable by the Company pursuant to Dodd-Frank and in accordance with any Company policies and procedures adopted by the Compensation Committee in order to comply with Dodd Frank, as the same may be amended from time to time.

EXHIBIT B

PERFORMANCE GOALS AND WEIGHTING PERCENTAGE

<u>Applicable Performance Goal</u>	<u>Goal Level</u>	<u>Goal Percentage Weighting</u>	<u>Actual Percentage Achieved</u>
Performance Year Revenue	[_____]	40%	40% if goal achieved; 0% if not
Performance Year Operating Income \$	[_____] ¹	30%	30% if goal achieved; 0% if not
Performance Year Operating Income %	[_____] ¹	30%	30% if goal achieved; 0% if not
<hr/> <hr/> <hr/>			Aggregate Vesting Percentage*

*Aggregate Vesting Percentage is the sum of all Actual Percentages Achieved based on Goal Level achievement. 100% is maximum possible Aggregate Vesting Percentage if each Applicable Performance Goal is achieved.

¹ According to Generally Accepted Accounting Principles (GAAP), measures of profitability such as operating income and operating margin must include the anticipated expense of these performance-based awards for the purpose of determining if those goals are achieved. If the profitability goals are not achieved when factoring in the expense of these awards, no awards for the profitability goals will be earned. Thus, it is possible for Garmin to report operating income and operating margin that exceed the objectives, yet not achieve the performance objectives as outlined above.

Performance Year means the fiscal year commencing on December, _____ and ending on December, _____

Performance Year Revenue means the consolidated net sales of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income \$ means the consolidated operating income of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income % means the Performance Year Operating Income \$ divided by the Performance Year Revenue

APPENDIX TO RESTRICTED STOCK AWARD AGREEMENT

This Appendix includes additional terms and conditions that govern the Restricted Stock Unit awards if the Grantee is a member of the Company's Executive Management.

You acknowledge that any award under this Notice of Grant is, to the extent required by applicable Swiss law and the articles of association of the Company subject to approval by the general meeting of shareholders of the Company and subject to recovery, forfeiture or clawback by the Company if and to the extent (i) the award is granted prior to approval by the general meeting of shareholders and (ii) the first general meeting of shareholders to whom the Company's board of directors submits for approval the proposed amount of compensation for the period for which the awards have been granted does not approve the proposal.

GARMIN LTD.
2005 EQUITY INCENTIVE PLAN
as amended and restated on October 21, 2016
RESTRICTED STOCK UNIT AWARD AGREEMENT

(Performance-Based and Time-Based Vesting)

To: _____ ("you" or the "Grantee")

Date of Grant: _____

Performance Year: _____

Total Shares Subject to RSUs: _____ (the "Eligible Shares")

NOTICE OF GRANT:

You have been granted restricted stock units ("RSUs") relating to the shares, CHF 0.10 par value per share, of Garmin Ltd. ("Shares"), subject to the terms and conditions of the Garmin Ltd. 2005 Equity Incentive Plan, as amended and restated on June 5, 2009, on June 27, 2010, on June 7, 2013, and on October 21, 2016 (the "Plan") and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Accordingly, based on the satisfaction of the applicable performance-based and time-based vesting conditions set forth in this Notice of Grant, Exhibit A and Exhibit B, the Company agrees to pay you Shares as follows:

- The number of Shares that may be issued under this Agreement is a percentage (ranging from 0% to 100%) of the Eligible Shares. The percentage of the Eligible Shares eligible to be issued, if any (the "Earned Shares"), is based on the satisfaction of one or more of the pre-established performance goals (the "Performance Goals") for the Company's fiscal year listed above opposite the heading "Performance Year" and the applicable weighting percentage of each such goal. The performance goals and applicable weighting percentages for each goal are set forth and described in Exhibit B to this Agreement.
- At a meeting of the Company's Compensation Committee following the end of the Performance Year (the "Certification Date"), the Company's Compensation Committee will assess the achieved level of performance and certify the goal(s) achievement.
- Any Earned Shares will be issued in three equal installments commencing within 30 days of the Certification Date and each anniversary thereof, provided you are employed with the Company on each such date.

In order to fully understand your rights under the Plan (a copy of which is attached) and the Award Agreement (the "Award Agreement"), attached as Exhibit A, you are encouraged to read the Plan and this document carefully. Please refer to the Plan document for the definition of otherwise undefined capitalized terms used in this Agreement.

**By accepting these RSUs, you are also agreeing to be bound by Exhibits A and B,
including the restrictive covenants in Section 7 of Exhibit A.**

GARMIN LTD.

By: _____

Name: Clifton A. Pemble

Title: President and CEO

Grantee:

Date: _____

EXHIBIT A

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Grantee to the Company, the Grantee and the Company agree as follows:

Section 1. Incorporation of Plan

All provisions of this Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan and the powers of the Board therein provided. Capitalized terms used in this Award Agreement but not defined shall have the meaning set forth in the Plan.

Section 2. Grant of RSUs

- (a) Calculation of Earned Shares. As of the Date of Grant identified above, the Company grants to you, subject to the terms and conditions set forth herein and in the Plan, the opportunity to receive the product of (i) the Eligible Shares and (ii) the "Aggregate Vesting Percentage" as calculated under Section 3, such product the "Earned Shares". If the application of this Section 2(a) results in a fractional Earned Share, the number of Earned Shares shall be rounded up to the nearest whole Share.
- (b) Vesting and Delivery of Earned Shares. Provided you are employed (and at all times since the Date of Grant have been employed) by the Company on a Full-Time Basis (which, for purposes of this Award Agreement, means regularly scheduled to work 30 hours or more per week) and unless your right to receive the Earned Shares has been forfeited pursuant to Sections 3 or 4 below, then (subject to Section 13 below) you will be paid one-third (1/3) of the Earned Shares within 30 days of the Certification Date (as defined on the Notice of Grant), one-third (1/3) of the Earned Shares on the first anniversary of the Certification Date and one-third of the Earned Shares on the second anniversary of the Certification Date. If any of the first or second anniversaries of the Certification Date is a Saturday or Sunday or any other non-business day, then you will be paid the Earned Shares payable on that date on the next business day. For purposes of this Agreement, except where the Board otherwise determines, a Grantee who, immediately before taking a Company-approved leave of absence, was employed on a Full-Time Basis will be considered employed on a Full-Time Basis during the period of such Company-approved leave.

Section 3. Calculation of Aggregate Vesting Percentage; Forfeiture of Unearned Shares

The "Aggregate Vesting Percentage" is the total of the individual vesting percentages for each of the achieved Performance Goals for the Performance Year as set forth on Exhibit B. All Eligible Shares, if any, which, due to the Aggregate Vesting Percentage being less than 100% do not become Earned Shares, shall be immediately forfeited as of the Certification Date.

Section 4. Effect of Termination of Affiliation or Cessation as Full-Time Employee

If you have a Termination of Affiliation or cease to be employed on a Full-Time Basis for any reason, including termination by the Company with or without Cause, voluntary resignation, change in employment status from full-time to part-time, death, or Disability, the effect of such Termination of Affiliation or ceasing to be employed on a Full-Time Basis on all or any portion of the RSUs is as provided below.

- (a) If you have a Termination of Affiliation on account of death or Disability after the Certification Date, any Earned Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become non-forfeitable and the Company shall, promptly settle all such Earned Shares by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (b) If you have a Termination of Affiliation on account of death or Disability before the Certification Date, within 30 days following the Certification Date the Company shall settle that number of your Eligible Shares which would have become Earned Shares as of the Certification Date but for your death or Disability;
- (c) If you have a Termination of Affiliation after the Certification Date and during the period ("Change of Control Period") commencing on a Change of Control and ending on the first anniversary of the Change of Control, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then any Earned Shares that were forfeitable at the time of such Termination of Affiliation shall thereupon become non-forfeitable and the Company shall immediately settle all Earned Shares by delivery to you of a number of unrestricted Shares equal to the aggregate number of your remaining Earned Shares;
- (d) If you have a Termination of Affiliation before the Certification Date and during the Change of Control Period, which Termination of Affiliation is initiated by the Company or a Subsidiary other than for Cause, or initiated by the Grantee for Good Reason, then all of your Eligible Shares that would have become Earned Shares as of the Certification Date but for such Termination of Affiliation shall thereupon become Earned Shares and non-forfeitable and the Company shall within 30 days of the Certification Date settle all such Earned Shares by delivery to you a number of unrestricted Shares equal to the aggregate number of your Earned Shares;
- (e) If you have a Termination of Affiliation for Cause or for any reason other than for (i) death or Disability or (ii) under the circumstances described above in Section 4(c) or (d), then your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement;

(f) If you cease to be employed on a Full-Time Basis for any reason other than as provided above in Sections 4(c) or (d), your Eligible Shares (to the extent such Termination of Affiliation occurs before the Certification Date) or your Earned Shares (to the extent such Termination of Affiliation occurs after the Certification Date), to the extent forfeitable immediately before such cessation of employment on a Full-Time Basis, shall thereupon automatically be forfeited and you shall have no further rights under this Award Agreement.

Section 5. Investment Intent

The Grantee agrees that the Shares acquired pursuant to the vesting of one or more tranches of Earned Shares shall be acquired for his/her own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933 (the "1933 Act") or other applicable securities laws. The Company may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of this Award Agreement or any Shares acquired hereunder. The foregoing restrictions on the transfer of the Shares shall be inoperative if (a) the Company previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Shares shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If this Award Agreement, or the Shares subject to this Award Agreement, are so registered under the 1933 Act, the Grantee agrees that he will not make a public offering of the said Shares except on a national securities exchange on which the shares of the Company are then listed.

Section 6. Non-transferability of RSUs, Eligible Shares and Earned Shares

No rights under this Award Agreement relating to the RSUs or any undelivered Eligible Shares or Earned Shares may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, including, unless specifically approved by the Company, any purported transfer to a current spouse or former spouse in connection with a legal separation or divorce proceeding. All rights with respect to the RSUs or any undelivered Eligible Shares or Earned Shares granted to the Grantee shall be available during his or her lifetime only to the Grantee.

Section 7. Restrictive Covenants

To the extent permitted by applicable law, as a condition of this Award Agreement, the Grantee's right to the RSUs or any Eligible Shares or Earned Shares, and in addition to any restrictive agreements the Grantee may have entered into with the Company, the Grantee accepts and agrees to be bound as follows:

(a) ***Non-disclosure of Award Agreement Terms.*** The Grantee agrees not to disclose or cause to be disclosed at any time, nor authorize anyone to disclose any information concerning this Award Agreement except (i) as required by law, or (ii) to the Grantee's legal and financial advisors who agree to be bound by this Paragraph 7(a).

(b) ***Non-competition.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor

to the Company or any Subsidiary, the Grantee will not perform services as an employee, director, officer, consultant, independent contractor or advisor, or invest in, whether in the form of equity or debt, or otherwise have an ownership interest in any company, entity or person that directly competes anywhere in the United States, the United Kingdom, Taiwan, or in any other location outside the United States, the United Kingdom or Taiwan where the Company or a Subsidiary conducts or (to the Grantee's knowledge) plans to conduct business. Nothing in this Section 7(b) shall, however, restrict the Grantee from making an investment in and owning up to one-percent (1%) of the common stock of any company whose stock is listed on a national securities exchange or actively traded in an over-the-counter market; provided that such investment does not give the Grantee the right or ability to control or influence the policy decisions of any direct competitor of the Company or a Subsidiary.

- (c) ***Non-interference.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, solicit, entice away, or otherwise interfere with any employee, customer, prospective customer, vendor, prospective vendor, supplier or other similar business relation or (to the Grantee's knowledge) prospective business relation of the Company or any Subsidiary.
- (d) ***Non-solicitation.*** During the Grantee's employment and until one year after the Grantee ceases being employed by or acting as a consultant or independent contractor to the Company or any Subsidiary, the Grantee will not, either directly or indirectly through another business or person, hire, recruit, employ, or attempt to hire, recruit or employ, or facilitate any such acts by others, any person then currently employed by the Company or any Subsidiary.
- (e) ***Confidentiality.*** The Grantee acknowledges that it is the policy of the Company and its subsidiaries to maintain as secret and confidential all valuable and unique information and techniques acquired, developed or used by the Company and its Subsidiaries relating to their businesses, operations, employees and customers ("Confidential Information"). The Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company and its subsidiaries, and that disclosure of Confidential Information would cause damage to the Company and its Subsidiaries. The Grantee shall not at any time disclose or authorize anyone else to disclose any Confidential Information or proprietary information that (A) is disclosed to or known by the Grantee as a result or as a consequence of or through the Grantee's performance of services for the Company or any Subsidiary, (B) is not publicly or generally known outside the Company and (C) relates in any manner to the Company's business. This obligation will continue even though the Grantee's employment with the Company or a Subsidiary may have terminated. This paragraph 7(e) shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between the Grantee and the Company or any Subsidiary.
- (f) ***No Detrimental Communications.*** The Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or

information about the Company or any Subsidiary, about any product or service provided by the Company or any Subsidiary, or about prospects for the future of the Company or any Subsidiary.

(g) **Remedy.** The Grantee acknowledges the consideration provided herein (absent the Grantee's agreement to this Section 7) is more than the Company is obligated to pay, and the Grantee further acknowledges that irreparable harm would result from any breach of this Section and monetary damages would not provide adequate relief or remedy. Accordingly, the Grantee specifically agrees that, if the Grantee breaches any of the Grantee's obligations under this Section 7, the Company and any Subsidiary shall be entitled to injunctive relief therefor, and in particular, without limiting the generality of the foregoing, neither the Company nor any Subsidiary shall be precluded from pursuing any and all remedies they may have at law or in equity for breach of such obligations. In addition, this Award Agreement and all of Grantee's right hereunder shall terminate immediately the first date on which the Grantee engages in such activity and the Board shall be entitled on or after the first date on which the Grantee engages in such activity to require the Grantee to return any Shares obtained by the Grantee's upon vesting of any Earned Shares to the Company and to require the Grantee to repay any proceeds received at any time from the sale of Shares obtained by the Grantee pursuant to the vesting of any Earned Shares (plus interest on such amount from the date received at a rate equal to the prime lending rate as announced from time to time in *The Wall Street Journal*) and to recover all reasonable attorneys' fees and expenses incurred in terminating this Award Agreement and recovering such Shares and proceeds.

Section 8. Status of the Grantee

The Grantee shall not be deemed a shareholder of the Company with respect to any of the Shares subject to this Award Agreement until such time as the underlying Shares shall have been issued to him or her. The Company shall not be required to issue or transfer any Shares pursuant to this Award Agreement until all applicable requirements of law have been complied with and such Shares shall have been duly listed on any securities exchange on which the Shares may then be listed. Grantee (i) is not entitled to receive any dividends or dividend equivalents, whether such dividends would be paid in cash or in kind, or receive any other distributions made with respect to the RSUs or any undelivered Eligible Shares or Earned Shares, and (ii) does not have nor may he or she exercise any voting rights with respect to any of the RSUs or any undelivered Eligible Shares or Earned Shares, in both cases (i) and (ii) above, unless and until the actual Shares underlying any Earned Shares have been delivered pursuant to this Award Agreement.

Section 9. No Effect on Capital Structure

This Award Agreement shall not affect the right of the Company to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 10. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Shares effected without receipt of consideration therefor by the Company, by

reason of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination or other change in the corporate structure of the Company affecting the Shares, the aggregate number and class of Shares subject to this Award Agreement shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional share resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Board shall be conclusive.

Section 11. Amendments

This Award Agreement may be amended only by a writing executed by the Company and the Grantee which specifically states that it is amending this Award Agreement; provided that this Award Agreement is subject to the power of the Board to amend the Plan as provided therein. Except as otherwise provided in the Plan, no such amendment shall materially adversely affect the Grantee's rights under this Award Agreement without the Grantee's consent.

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Any questions concerning the interpretation of this Award Agreement, any adjustments required to be made under Sections 10 or 11 of this Award Agreement, and any controversy which arises under this Award Agreement shall be settled by the Board in its sole discretion.

Section 13. Withholding

At the time any of the Earned Shares are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding and social taxes on your behalf. Accordingly, the Company shall have the power to withhold, or require you to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding tax or social tax requirements. At the Company's discretion, withholding may be taken from other compensation payable to you or may be satisfied by reducing the number of Shares deliverable to you. If the Company elects to reduce the number of Shares deliverable to you and less than the full value of a Share is needed to satisfy any applicable withholding taxes, the Company will distribute to you the value of the remaining fractional share in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Share.

Section 14. Notice

Whenever any notice is required or permitted hereunder, such notice must be given in writing. Any notice required or permitted to be delivered hereunder shall be effective upon receipt thereof by the addressee. The Company or the Grantee may change, at any time and from time to time, by written notice to the other, the address specified for receiving notices. Until changed in accordance herewith, the Company's address for receiving notices shall be Garmin Ltd., Attention: General Counsel, Mühlentalstrasse 2, 8200 Schaffhausen, Switzerland. Unless changed, the Grantee's address for receiving notices shall be the last known address of the Grantee on the Company's records. It shall be the Grantee's sole responsibility to notify the Company as to any change in his or her address. Such notification shall be made in accordance with this Section 14.

Section 15. Severability

If any part of this Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any part of this Award Agreement not declared to be unlawful or invalid. Any part so declared unlawful or invalid shall, if possible, be construed in a manner which gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid. Additionally, if any of the covenants in Section 7 are determined by a court to be unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision as the case may be, so as to cause such covenant, as so modified, to be enforceable.

Section 16. Binding Effect

This Award Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 17. Governing Law and Jurisdiction

This Award Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Kansas without giving effect to the principles of the Conflict of Laws to the contrary. Except as otherwise provided by mandatory forum requirements of the applicable law, the courts of the State of Kansas shall have exclusive jurisdiction with regard to any disputes under the Plan. The Company shall retain, however, in addition the right to bring any claim in any other appropriate forum.

EXHIBIT B

PERFORMANCE GOALS AND WEIGHTING PERCENTAGE

<u>Applicable Performance Goal</u>	<u>Goal Level</u>	<u>Goal Percentage Weighting</u>	<u>Actual Percentage Achieved</u>
Performance Year Revenue	[_____]	40%	40% if goal achieved; 0% if not
Performance Year Operating Income \$	[_____] ¹	30%	30% if goal achieved; 0% if not
Performance Year Operating Income %	[_____] ¹	30%	30% if goal achieved; 0% if not
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*Aggregate Vesting Percentage is the sum of all Actual Percentages Achieved based on Goal Level achievement. 100% is maximum possible Aggregate Vesting Percentage if each Applicable Performance Goal is achieved.

¹ According to Generally Accepted Accounting Principles (GAAP), measures of profitability such as operating income and operating margin must include the anticipated expense of these performance-based awards for the purpose of determining if those goals are achieved. If the profitability goals are not achieved when factoring in the expense of these awards, no awards for the profitability goals will be earned. Thus, it is possible for Garmin to report operating income and operating margin that exceed the objectives, yet not achieve the performance objectives as outlined above.

Performance Year means the fiscal year commencing on December, _____ and ending on December, _____

Performance Year Revenue means the consolidated net sales of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income \$ means the consolidated operating income of Garmin Ltd. and Subsidiaries for the Performance Year

Performance Year Operating Income % means the Performance Year Operating Income \$ divided by the Performance Year Revenue

CERTIFICATION

I, Clifton A. Pemble, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Garmin Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2016

By /s/ Clifton A. Pemble

Clifton A. Pemble
President and Chief Executive Officer

CERTIFICATION

I, Douglas G. Boessen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Garmin Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2016

By /s/ Douglas G. Boessen

Douglas G. Boessen
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Garmin Ltd. (the "Company") on Form 10-Q for the period ending October 26, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Clifton A. Pemble, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2016

By /s/ Clifton A. Pemble

Clifton A. Pemble
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Garmin Ltd. (the "Company") on Form 10-Q for the period ending October 26, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas G. Boessen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2016

By /s/ Douglas G. Boessen

Douglas G. Boessen
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.