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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): June 27, 2010**

**Garmin Ltd.**

(Exact name of registrant as specified in its charter)

**Switzerland**  
(State or other jurisdiction of  
incorporation)

**0-31983**  
(Commission  
File Number)

**98-0229227**  
(I.R.S. Employer  
Identification No.)

**Vorstadt 40/42**  
**8200 Schaffhausen**  
**Switzerland**

(Address of principal executive office)(Zip Code)

**+41 52 620 14 01**

(Registrant's telephone number, including area code)

**P.O. Box 10670, Grand Cayman KY1-1006**  
**Suite 3206B, 45 Market Street, Gardenia Court**  
**Camana Bay, Cayman Islands**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

### **Item 1.01 Entry into a Material Definitive Agreement.**

In connection with the Redomestication (as such term is defined in Item 8.01 below), Garmin Ltd., a Cayman Islands company (“Garmin Cayman”) and Garmin Ltd., a Swiss stock corporation having its registered seat in Schaffhausen, in the Canton of Schaffhausen, Switzerland (“Garmin Switzerland”), entered into a Transaction Agreement pursuant to which, among others:

- Garmin Cayman assigned to Garmin Switzerland, and Garmin Switzerland assumed, the Equity Compensation and Benefit Plans (as such term is defined in the Transaction Agreement) of Garmin Cayman, including all award or grant documents or agreements thereunder; and
- Garmin Switzerland agreed to continue the share repurchase program announced by Garmin Cayman in February 2010.

The Transaction Agreement was consummated upon completion of the Redomestication.

The above description of the Transaction Agreement is qualified in its entirety by reference to the Transaction Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

### **Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

Prior to the Redomestication, the Garmin Cayman common shares were registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and listed on the NASDAQ Global Select Market under the symbol “GRMN.” As a result of the Redomestication, the outstanding Garmin Cayman common shares were exchanged for Garmin Switzerland registered shares. Accordingly, Garmin Cayman requested that the NASDAQ Stock Market file with the Securities and Exchange Commission (the “SEC”) a Form 25 to remove the Garmin Cayman common shares from listing on the NASDAQ Global Select Market. Garmin Cayman expects to file a Form 15 with the SEC to terminate the registration of the Garmin Cayman common shares and suspend its reporting obligations under Sections 13 and 15(d) of the Exchange Act.

Pursuant to Rule 12g-3(a) promulgated under the Exchange Act, the Garmin Switzerland registered shares are deemed registered under Section 12(b) of the Exchange Act. The Garmin Switzerland registered shares were approved for listing on the NASDAQ Global Select Market and began trading under the symbol “GRMN,” the same symbol under which the Garmin Cayman common shares previously traded, on June 28, 2010.

The description of the Redomestication under Item 8.01 hereof is incorporated by reference in this Item 3.01.

### **Item 3.02 Unregistered Sales of Equity Securities.**

The description of the Redomestication under Item 8.01 hereof is incorporated by reference in this Item 3.02.

### **Item 3.03 Material Modification to the Rights of Security Holders.**

The information and descriptions included under Item 5.03 and Item 8.01 hereof are incorporated by reference in this Item 3.03.

## **Item 5.01 Changes in Control of Registrant.**

Pursuant to the Redomestication, each Garmin Cayman common share was exchanged for one registered share of Garmin Switzerland. As a result of the Redomestication, Garmin Cayman became a wholly-owned subsidiary of Garmin Switzerland.

The description of the Redomestication under Item 8.01 hereof is incorporated by reference in this Item 5.01.

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

(e) Effective as of June 27, 2010, the Company amended and restated the Garmin Ltd. 2000 Equity Incentive Plan, the Garmin Ltd. 2000 Non-Employee Directors' Option Plan, the Garmin Ltd. Amended and Restated Employee Stock Purchase Plan, and the Garmin Ltd. 2005 Equity Incentive Plan (collectively, the "Plans") to provide for the issuance of Garmin Switzerland registered shares instead of the common shares of Garmin Cayman in connection with the awards under the Plans. Additionally, the amendments to the Plans include changes to comply with Swiss law regarding minimum payment for shares, share sourcing, the form of shares, data protection and forfeiture of restricted shares. A copy of each Plan, as amended, is filed herewith as Exhibit 10.2, Exhibit 10.3, Exhibit 10.4, and Exhibit 10.5, respectively, and incorporated herein by reference, and the foregoing summary of the Plans is qualified in its entirety by reference to such exhibits.

## **Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On June 27, 2010, in connection with and effective upon completion of the Redomestication, Garmin Switzerland amended its articles of association. The summary of the material terms of the articles of association, as amended, and the comparison of the rights of shareholders under the amended articles of association described under the headings "Description of Garmin Switzerland Shares" and "Comparison of Rights of Shareholders" in Garmin Cayman's definitive proxy statement filed with the SEC on April 9, 2010 is incorporated herein by reference. The complete text of the articles of association, as amended, of Garmin Switzerland is filed herewith as Exhibit 3.1 and is incorporated herein by reference., and the summary of the articles of association is qualified in its entirety by reference to Exhibit 3.1.

## **Item 8.01 Other Events.**

At 3:00 a.m., Cayman Islands time, on June 27, 2009, Garmin Cayman and Garmin Switzerland completed a transaction effected by way of a scheme of arrangement under Cayman Islands law (the "Scheme of Arrangement") pursuant to which each holder of Garmin Cayman common shares outstanding immediately prior to the effectiveness of the Scheme of Arrangement received one Garmin Switzerland registered share in exchange for each outstanding Garmin Cayman common share (the "Redomestication"). As a result of the Redomestication, Garmin Cayman became a direct, wholly-owned subsidiary of Garmin Switzerland. The registered shares issued by Garmin Switzerland on June 27, 2010 in connection with the Scheme of Arrangement to the holders of common shares of Garmin Cayman were exempt from registration under Section 3(a)(10) of the Securities Act of 1933, as amended.

On June 28, 2010, Garmin Switzerland issued a press release announcing the completion of the Redomestication. The press release is attached as Exhibit 99.1 hereto.

## **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.



## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
3.1	Articles of Association, as amended, of Garmin Switzerland
3.2	Organizational Regulations of Garmin Switzerland
10.1	Transaction Agreement between Garmin Cayman and Garmin Switzerland, dated as of May 21, 2010
10.2	Garmin Ltd. Amended and Restated 2000 Equity Plan
10.3	Garmin Ltd. Amended and Restated 2000 Non-Employee Directors' Option Plan, as amended
10.4	Garmin Ltd. Amended and Restated Employee Stock Purchase Plan
10.5	Garmin Ltd. Amended and Restated 2005 Equity Incentive Plan
10.6	Form of Stock Option Agreement pursuant to the Garmin Ltd. Amended and Restated 2000 Non-Employee Directors' Option Plan
10.7	Form of Performance Shares Award Agreement pursuant to the Garmin Ltd. 2005 Equity Incentive Plan
10.8	Form of Restricted Stock Unit Award Agreement pursuant to the Garmin Ltd. 2005 Equity Incentive Plan, for Swiss residents
10.9	Form of Restricted Stock Unit Award Agreement pursuant to the Garmin Ltd. 2005 Equity Incentive Plan, for non-Swiss residents
99.1	Press Release dated June 28, 2010

**Statuten**

**Articles of Association**

der

of

**Garmin Ltd.  
(Garmin AG)**

**Garmin Ltd.  
(Garmin AG)**

mit Sitz in Schaffhausen

with registered office in Schaffhausen

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I.	Firma, Sitz und Zweck	5
<i>I.</i>	<i>Company Name, Registered Office and Objects</i>	5
	Art. 1 Firma und Sitz	5
	<i>Art. 1 Company Name and Registered Office</i>	5
	Art. 2 Zweck	5
	<i>Art. 2 Objects</i>	5
II.	Aktienkapital und Aktien	5
<i>II.</i>	<i>Share Capital and Shares</i>	5
	Art. 3 Aktienkapital	5
	<i>Art. 3 Share Capital</i>	5
	Art. 3 a) Sacheinlage	5
	<i>Art. 3 a) Contribution in Kind</i>	5
	Art. 4 Anerkennung der Statuten	6
	<i>Art. 4 Recognition of Articles of Association</i>	6
	Art. 5 Genehmigtes Aktienkapital	6
	<i>Art. 5 Authorized Share Capital</i>	6
	Art. 6 Bedingtes Aktienkapital	7
	<i>Art. 6 Conditional Share Capital</i>	7
	Art. 7 Aktienzertifikate	7
	<i>Art. 7 Share Certificates</i>	7
	Art. 8 Aktienbuch, Eintragungsbeschränkungen, Nominees	8
	<i>Art. 8 Share Register, Restrictions on Registration, Nominees</i>	8
	Art. 9 Übertragung	9
	<i>Art. 9 Transfer</i>	9
	Art. 10 Umwandlung und Zerlegung von Aktien	10
	<i>Art. 10 Conversion and Splitting of Shares</i>	10
	Art. 11 Bezugsrechte	10
	<i>Art. 11 Subscription Rights</i>	10
III.	Organisation	10
<i>III.</i>	<i>Organization</i>	10
	Art. 12 Befugnisse	10
	<i>Art. 12 Authority</i>	10
	Art. 13 Recht zur Einberufung	11
	<i>Art. 13 Right to call a General Meeting</i>	11
	Art. 14 Form der Einberufung	11
	<i>Art. 14 Form of the calling of a General Meeting</i>	11
	Art. 15 Universalversammlung	12

---

<i>Art. 15</i>	<i>Universal Meeting</i>	12
Art. 16	Vorsitz und Protokoll	12
<i>Art. 16</i>	<i>Chairperson and Minutes</i>	12
Art. 17	Stimmrecht und Vertretung	13
<i>Art. 17</i>	<i>Voting Rights and Representation</i>	13
Art. 18	Teilnahme der Mitglieder des Verwaltungsrates	13
<i>Art. 18</i>	<i>Participation of the Members of the Board of Directors</i>	13
Art. 19	Beschlussfassung und Wahlen	13
<i>Art. 19</i>	<i>Resolutions and Voting</i>	13
Art. 20	Besonderes Stimmen Quorum	15
<i>Art. 20</i>	<i>Special Vote</i>	15
Art. 21	Auskunfts- und Einsichtsrecht der Aktionäre	17
<i>Art. 21</i>	<i>Information and Inspection Rights of the Shareholders</i>	17
Art. 22	Recht auf Einleitung einer Sonderprüfung	17
<i>Art. 22</i>	<i>Right to Initiate a Special Audit</i>	17
Art. 23	Präsenzquorum	17
<i>Art. 23</i>	<i>Presence Quorum</i>	17
Art. 24	Zusammensetzung	18
<i>Art. 24</i>	<i>Composition</i>	18
Art. 25	Amtsdauer	18
<i>Art. 25</i>	<i>Term of Office</i>	18
Art. 26	Konstituierung	19
<i>Art. 26</i>	<i>Constitution</i>	19
Art. 27	Aufgaben	19
<i>Art. 27</i>	<i>Duties</i>	19
Art. 28	Entschädigung	20
<i>Art. 28</i>	<i>Compensation</i>	20
Art. 29	Einberufung und Beschlussfassung	22
<i>Art. 29</i>	<i>Calling of Meetings and Quorum</i>	22
Art. 30	Delegation und Ausschüsse	23
<i>Art. 30</i>	<i>Delegation and Committees</i>	23
Art. 31	Protokoll	23
<i>Art. 31</i>	<i>Minutes</i>	23
Art. 32	Recht auf Auskunft und Einsicht	23
<i>Art. 32</i>	<i>Right to Information and Inspection</i>	23
Art. 33	Zeichnungsberechtigung	24
<i>Art. 33</i>	<i>Signature Power</i>	24

---

Art. 34	Revision	24
<i>Art. 34</i>	<i>Audit</i>	24
Art. 35	Organisation der Revisionsstelle	24
<i>Art. 35</i>	<i>Organisation of the Auditor</i>	24
Art. 36	Jahresrechnung	25
<i>Art. 36</i>	<i>Annual Financial Accounts</i>	25
Art. 37	Verwendung des Jahresgewinnes	25
<i>Art. 37</i>	<i>Application of the Annual Profit</i>	25
Art. 38	Auflösung und Liquidation	26
<i>Art. 38</i>	<i>Winding-up and Liquidation</i>	26
Art. 39	Mitteilungen und Bekanntmachungen	26
<i>Art. 39</i>	<i>Communications and Notifications</i>	26
Art. 40	Verbindlicher Originaltext	27
<i>Art. 40</i>	<i>Original Language</i>	27
Art. 41	Definitionen	27
<i>Art. 41</i>	<i>Definitions</i>	27

**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 2,080,774,180 und ist eingeteilt in 208,077,418 Namenaktien („**Aktien**“) mit einem Nennwert von je CHF 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

**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 2,080,774,180 and is divided into 208,077,418 registered shares („**Shares**“) with a nominal value of CHF 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

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 einbezahlte 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 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 Genehmigtes Aktienkapital**

Der Verwaltungsrat ist ermächtigt, das Aktienkapital jederzeit bis spätestens zum 27. Juni 2012, im Maximalbetrag von CHF 1,040,387,090 durch Ausgabe von höchstens 104,038,709 vollständig zu liberierenden Aktien mit einem Nennwert von je CHF 10 zu erhöhen. Eine Erhöhung des Aktienkapitals (i) auf dem Weg einer Festübernahme durch eine Bank, ein Bankenkonsortium oder Dritte und eines anschliessenden Angebots an die bisherigen Aktionäre sowie (ii) in Teilbeträgen ist zulässig.

Der Verwaltungsrat legt den Zeitpunkt der Ausgabe der neuen Aktien, deren Ausgabepreis, die Art der Liberierung, den Beginn der Dividendenberechtigung, die Bedingungen für die Ausübung der Bezugsrechte sowie die Zuteilung der Bezugsrechte, welche nicht ausgeübt wurden, fest. Nicht ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. die Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt worden sind, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

Der Verwaltungsrat ist ermächtigt, die

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 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 Authorized Share Capital**

The Board of Directors is authorized to increase the Share Capital no later than June 27, 2012, by a maximum amount of CHF 1,040,387,090 by issuing a maximum of 104,038,709 fully paid-up registered Shares with a par value of CHF 10 each. An increase of the Share Capital (i) by means of an offering underwritten by a financial institution, a syndicate of financial institutions or another third party or third parties, followed by an offer to the then-existing shareholders of the Company, and (ii) in partial amounts, shall be permissible.

The Board of Directors shall determine the time of the issuance, the issue price, the manner in which the new Shares have to be paid-up, the date from which the Shares carry the right to dividends, the conditions for the exercise of the preemptive rights and the allotment of preemptive rights that have not been exercised. The Board of Directors may allow the preemptive rights that have not been exercised to expire, or it may place such rights or Shares, the preemptive rights of which have not been exercised, at market conditions or use them otherwise in the interest of the Company.

The Board of Directors is authorized to withdraw

Bezugsrechte der Aktionäre aus wichtigen Gründen zu entziehen oder zu beschränken und Dritten zuzuweisen, insbesondere:

(a) wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder

(b) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für die Finanzierung oder Refinanzierung solcher Transaktionen oder die Finanzierung von neuen Investitionsvorhaben der Gesellschaft; oder

(c) zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Finanz- oder Investoren-Märkten, zur Beteiligung von strategischen Partnern, oder im Zusammenhang mit der Kotierung von neuen Aktien an in- oder ausländischen Börsen.

Die neuen Aktien unterliegen den Eintragungsbeschränkungen in das Aktienbuch gemäss Art. 8 dieser Statuten.

#### **Art. 6 Bedingtes Aktienkapital**

Das Aktienkapital kann sich durch Ausgabe von höchstens 104,038,709 voll zu liberierenden Namenaktien im Nennwert von je CHF 10 um höchstens CHF 1,040,387,090 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

or limit the preemptive rights of the shareholders and to allot them to third parties for important reasons, including:

(a) if the issue price of the new Shares is determined by reference to the market price; or

(b) for the acquisition of an enterprise, part(s) of an enterprise or participations, or for the financing or refinancing of any of such transactions, or for the financing of new investment plans of the Company; or

(c) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new Shares on domestic or foreign Exchanges.

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

#### **Art. 6 Conditional Share Capital**

The Share Capital may be increased in an amount not to exceed CHF 1,040,387,090 through the issuance of up to 104,038,709 fully paid-up registered Shares with a par value of CHF 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

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.

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.

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

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.

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

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

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

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**

#### **Art. 8 Share Register, Restrictions on Registration, 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.

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.

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

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 rele-

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. 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

vant 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. Non-recognized 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 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

Vorbehalt der übrigen Bestimmungen dieses Art. 9 darf die Übertragung von unzerlegten 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. Ihr stehen folgende unübertragbare Befugnisse zu:

1. Festsetzung und Änderung der Statuten; vorbehalten bleibt Art. 27;
2. Festsetzung der Zahl der Mitglieder des

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 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

- |   |   |
|---|---|
| <p>Verwaltungsrates sowie Wahl und Abberufung derselben;</p> <p>3. Wahl und Abberufung der Revisionsstelle;</p> <p>4. Genehmigung des Jahresberichtes des Verwaltungsrates;</p> <p>5. Genehmigung der Jahresrechnung und einer allfälligen Konzernrechnung;</p> <p>6. Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere Festsetzung der Dividende sowie der Tantième des Verwaltungsrates;</p> <p>7. Entlastung der Mitglieder des Verwaltungsrates und der übrigen mit der Geschäftsführung betrauten Zivilrechtlichen Personen;</p> <p>8. Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind;</p> <p>9. 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.</p> | <p>the Board of Directors as well as their appointment and removal;</p> <p>3. appointment and removal of the Auditors;</p> <p>4. approval of the annual report of the Board of Directors;</p> <p>5. approval of the annual financial accounts and (if applicable) the group accounts;</p> <p>6. resolution on the application of the balance sheet profit, in particular, determination of dividend and the profit share of the Board of Directors;</p> <p>7. discharge of the members of the Board of Directors and the Persons entrusted with the management;</p> <p>8. resolution on matters which are reserved to the general meeting of the shareholders either by law or the Articles of Association;</p> <p>9. 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.</p> |
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### **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 statt.

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

### **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)

### **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.

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 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

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 (Jahresbericht des Verwaltungsrates und Jahresrechnung, bestehend aus Erfolgsrechnung, Bilanz und Anhang) und der Revisionsbericht 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 Stimmzähler. Der Protokollführer und der oder die Stimmzähler müssen nicht Aktionäre sein. Der Vorsitzende kann zugleich auch Protokollführer und Stimmzähler sein.

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) and the audit report 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.

Jeder Aktionär kann sich in der Generalversammlung durch einen anderen Aktionär oder einen Dritten vertreten lassen. Vertreter haben sich durch eine schriftliche Vollmacht auszuweisen.

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.

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.

#### **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 ausübenden Stimmen, soweit Gesetz oder Statuten nichts

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.

Each shareholder may arrange representation through another shareholder or third party. The representative must produce a written power of attorney.

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.

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 Resolutions and Voting**

The general meeting of the shareholders shall pass its resolutions and votes 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.

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anderes bestimmen. Bei Stimmengleichheit gilt ein Beschluss als nicht zustande gekommen; bei Wahlen entscheidet das Los.

Where the votes are tied, a resolution shall be deemed not to be passed; in the case of a vote, the decision shall be by lot.

**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

**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

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 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.

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 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.

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.

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.

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.

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 Auskunfts- und Einsichtsrecht der Aktionäre**

#### **Art. 21 Information and Inspection Rights of the Shareholders**

Jeder Aktionär ist berechtigt, an der Generalversammlung vom Verwaltungsrat Auskunft über die Angelegenheiten der Gesellschaft und von der Revisionsstelle über Durchführung und Ergebnis ihrer Prüfung zu verlangen.

At the general meeting of the shareholders, any shareholder is 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.

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.

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.

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

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 Recht auf Einleitung einer Sonderprüfung**

#### **Art. 22 Right to Initiate a Special Audit**

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.

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. 23 Präsenzquorum**

#### **Art. 23 Presence Quorum**

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 Verwaltungsräte werden vom Verwaltungsrat in drei Klassen aufgeteilt, welche als Klasse I, Klasse II und Klasse III bezeichnet werden. Die Verwaltungsräte sollen gleichmässig auf die drei Klassen aufgeteilt werden. Die erste Amtszeit der gewählten Verwaltungsräte endet wie folgt:

Die Amtszeit der Verwaltungsratsmitglieder der Klasse I endet mit der ordentlichen Generalversammlung des Jahres 2011 oder mit der Wahl ihrer Nachfolger;

Die Amtszeit der Verwaltungsratsmitglieder der Klasse II endet mit der ordentlichen Generalversammlung des Jahres 2012 oder mit der Wahl ihrer Nachfolger;

Die Amtszeit der Verwaltungsratsmitglieder der Klasse III endet mit der ordentlichen Generalversammlung des Jahres 2013 oder mit der Wahl ihrer Nachfolger.

An jeder ordentlichen Generalversammlung soll jede Klasse Verwaltungsräte, deren Amtsdauer abläuft, für eine Amtsdauer von drei Jahren bzw. bis zur Wahl ihrer Nachfolger gewählt werden.

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 Board of Directors shall divide its members into three classes, designated Class I, Class II and Class III. All Classes shall be as nearly equal in number as possible. The members of the Board of Directors as initially classified shall hold office for terms as follows:

The Class I members of the Board of Directors shall hold office until the date of the ordinary general meeting of the shareholders in 2011 or until their successors shall be elected and qualified;

The Class II members of the Board of Directors shall hold office until the date of the ordinary general meeting of the shareholders in 2012 or until their successors shall be elected and qualified;

The Class III members of the Board of Directors shall hold office until the date of the ordinary general meeting of the shareholders in 2013 or until their successors shall be elected and qualified.

At each ordinary general meeting of the shareholders, each class of the members of the Board of Directors whose term shall then expire shall be elected to hold office for a three-year term or

Die Verwaltungsräte sind wieder wählbar.

until the election of their respective successor in office. The members of the Board of Directors are re-electable.

Der Verwaltungsrat legt die Reihenfolge der Wiederwahl fest, wobei die erste Amtszeit einer bestimmten Klasse von Verwaltungsräten auch weniger als drei Jahre betragen kann. Für den Zweck dieser Bestimmung ist unter einem Jahr der Zeitabschnitt zwischen zwei ordentlichen Generalversammlungen zu verstehen.

The Board of Directors shall establish the order of rotation, whereby the first term of office of members of a particular class may be less than three years. For purposes of this provision, one year shall mean the period between two ordinary general meetings of the shareholders.

Wenn ein Verwaltungsratsmitglied vor Ablauf seiner Amtsdauer aus welchen Gründen auch immer ersetzt wird, endet die Amtsdauer des an seiner Stelle gewählten neuen Verwaltungsratsmitgliedes mit dem Ende der Amtsdauer seines Vorgängers.

If, before the expiration of his term of office, a member of the Board of Director should be replaced for whatever 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.

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.

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 Konstituierung**

#### **Art. 26 Constitution**

Besteht der Verwaltungsrat aus mehreren Personen, so konstituiert er sich selbst, indem er seinen Präsidenten („**Verwaltungsratspräsident**“ oder „**Präsident**“), seinen Sekretär sowie allfällige Vizepräsidenten wählt. Der Sekretär muss dem Verwaltungsrat nicht angehören.

Where the Board of Directors consists of several persons it shall organize itself so that it elects its own chairman (“**Chairman of the Board of Directors**” or “**Chairman**”) and the Secretary and it may elect one or more vice-chairman. The Secretary need not belong to the Board of Directors.

#### **Art. 27 Aufgaben**

#### **Art. 27 Duties**

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

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

Der Verwaltungsrat hat die folgenden unübertragbaren und unentziehbaren Aufgaben:

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

Oberleitung der Gesellschaft und Erteilung der nötigen Weisungen;  
Festlegung der Organisation;  
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;

Supreme management of the Company and issuance of the relevant instructions;  
Determination of the organisation;  
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;

Oberaufsicht über die mit der Geschäftsführung betrauten Personen, namentlich im Hinblick auf die Befolgung der Gesetze, Statuten, Reglemente und Weisungen;

Erstellung des Geschäftsberichtes sowie Vorbereitung der Generalversammlung und Ausföhrung 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.

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 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.

Er hat überdies die folgenden Aufgaben:

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

Föhrung 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).

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).

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.

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.

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

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 Entschädigung**

#### **Art. 28 Compensation**

Die Mitglieder des Verwaltungsrates haben Anspruch auf Ersatz ihrer im Interesse der Gesellschaft aufgewendeten Auslagen sowie auf eine ihrer Tätigkeit entsprechende Entschädigung. Der Betrag wird vom Verwaltungsrat festlegt.

The members of the Board of Directors shall have a claim to compensation for their expenses incurred in the interests of the Company as well as remuneration for their activities. The amount of the remuneration shall be determined by the Board of Directors.

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, Angestellte, Agent oder weil sie in einer anderen Funktion für oder im Namen der Gesellschaft (einschliesslich

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

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. 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

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, 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, 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. 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

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 Werktage 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

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

müssen in einem Reglement festgehalten werden. Bei Stimmgleichheit gibt der Vorsitzende den Stichentscheid, bei Wahlen entscheidet 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 Delegation und Ausschüsse**

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

Unter Vorbehalt seiner unübertragbaren 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. 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

contained in an internal regulation. Where votes are tied, the chairperson shall give the casting vote; in the case of 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 Delegation and Committees**

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

Subject to its non-transferable and inalienable duties, the Board of Directors is furthermore empowered to transfer 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 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.

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. 33 Zeichnungsberechtigung**

Die rechtsverbindliche Vertretung der Gesellschaft durch Mitglieder des Verwaltungsrates und durch Dritte wird in einem Organisationsreglement festgelegt.

### **C. Die Revisionsstelle**

#### **Art. 34 Revision**

Die Generalversammlung wählt die Revisionsstelle.

Sie kann auf die Wahl einer Revisionsstelle verzichten, wenn:

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.

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.

### **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

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. 33 Signature Power**

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. The Auditors**

#### **Art. 34 Audit**

The general meeting of the shareholders shall elect the Auditor.

It can waive the election of auditors where:

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.

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 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.

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.

Der verbleibende Jahresgewinnsaldo und ein allfälliger Gewinnvortrag früherer Geschäftsjahre

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.

The remaining annual profit and any balance of profit brought forward from previous business

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 freihändig 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.

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.

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 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**

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 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**

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

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

### **Gesamtstimmen**

### **Total Voting Shares**

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

**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.

### **Gesellschaft**

### **Company**

Der Begriff **Gesellschaft** bedeutet Garmin Ltd.

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 Treuen 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 Treuen per Stichtag bestimmt werden.

**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

**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.

**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 Share-

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.

### **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 im Sinne dieser Definition 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.

holder 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.

### **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, "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.

**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.

**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

**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.

**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 Share-

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.

### **Zusammenschluss**

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

holder, 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.

### **Business Combination**

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

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.

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, den 27. Juni 2010

Zurich, June 27, 2010

Die Urkundsperson:

*The Notary Public:*

NOTARIAT AUSSERSIHL-ZÜRICH

*Notary Public Office Aussersihl-Zurich*

---

Marc Schnellmann, Notar-Stellvertreter / *Notary Public Deputy*

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Bernhard Klauser

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Andrew R. Etkind

**Exhibit 3.2**

**Garmin Ltd.**

a Swiss corporation with its registered office in Schaffhausen, Switzerland

**Organizational Regulations**

<b>Part I</b>	<b>FUNDAMENTALS</b>	<b>4</b>
1	Purpose .....	4
2	Organization .....	4
3	Interpretation .....	4
<b>Part II</b>	<b>ORGANIZATIONAL STRUCTURE</b>	<b>4</b>
4	Corporate Organization .....	4
<b>Part III</b>	<b>MANAGEMENT PRINCIPLES</b>	<b>4</b>
5	Principle of Delegation.....	4
6	Principle of Powers.....	5
7	Reservation of Powers.....	5
<b>Part IV</b>	<b>BOARD OF DIRECTORS</b>	<b>5</b>
8	Constitution .....	5
9	Board Composition.....	5
10	Powers and Duties .....	5
11	Delegation of Management .....	7
12	General Management and Use of Seal .....	7
13	Meetings .....	7
14	Attendance Quorum; Resolutions and Minutes.....	8
15	Information and Reporting .....	9
16	Compensation.....	9
17	Interested Directors .....	9
<b>Part V</b>	<b>CHAIRMAN OF THE BOARD OF DIRECTORS</b>	<b>11</b>
18	Powers and Duties .....	11
<b>Part VI</b>	<b>BOARD COMMITTEES</b>	<b>11</b>
19	General .....	11
20	Individual Board Committees.....	12
<b>Part VII</b>	<b>CHIEF EXECUTIVE OFFICER (CEO)</b>	<b>12</b>
21	Powers and Duties .....	12
<b>Part VIII</b>	<b>PRESIDENT</b>	<b>12</b>
22	Powers and Duties .....	12
<b>Part IX</b>	<b>EXECUTIVE MANAGEMENT, OFFICERS</b>	<b>12</b>
23	Powers and Duties .....	12
24	Support for Chief Executive Officer .....	13
25	Term of Office.....	13
<b>Part X</b>	<b>GENERAL PROVISIONS</b>	<b>14</b>
26	Signatory Power .....	14
27	Insurance .....	14
28	Confidentiality.....	14
<b>Part XI</b>	<b>FINAL PROVISIONS</b>	<b>14</b>

29	Effectiveness .....	14
30	Change of or Amendments to these Organizational Regulations .....	14

## **Part I FUNDAMENTALS**

### **1 Purpose**

1.1 These Organizational Regulations are enacted by the board of directors of Garmin Ltd. (the “**Company**”) pursuant to Art. 716a and 716b of the Swiss Code of Obligations (“**CO**”) and Art. 30 of the Company’s Articles of Association (the “**Articles of Association**”).

1.2 These Organizational Regulations govern the internal organization as well as the duties, powers and responsibilities of the executive bodies of the Company.

### **2 Organization**

2.1 For the purpose of these Organizational Regulations, the group (the “**Group**”) shall mean the Company and all companies in which the Company holds directly or indirectly a majority of the voting rights or has the right to appoint a majority of the members of the board of directors. The executive bodies of the Company shall duly respect the legal independence of all Group companies and the local law applicable to them.

### **3 Interpretation**

3.1 Words importing the singular number shall also include the plural number and vice-versa.

3.2 Words importing the masculine gender shall also include the feminine gender.

## **Part II ORGANIZATIONAL STRUCTURE**

### **4 Corporate Organization**

4.1 The Company shall have the following functions and committees:

- the board of directors (the “**Board of Directors**”);
- the chairman of the Board of Directors (the “**Chairman of the Board of Directors**”);
- the vice-chairman of the Board of Directors (“**Vice-Chairman**”)
- the board committees established from time to time pursuant to these Organizational Regulations (the “**Board Committees**”);
- the chief executive officer ( the “**Chief Executive Officer**”);
- the president (the “**President**”);
- one or more vice-presidents (“**Vice-Presidents**”)
- the executive management of the Company (the “**Executive Management**”);
- a secretary (the “**Secretary**”); and
- one or more assistant secretaries (the “**Assistant Secretary**”).

## **Part III MANAGEMENT PRINCIPLES**

### **5 Principle of Delegation**

- 5.1 Unless a non-transferable or corporate body specific function allocation is stipulated in mandatory statutory law, the Articles of Association or in these Organizational Regulations all executive bodies shall delegate their powers and duties downwards to the lowermost hierarchical level of business respectively organ which is able to decide the matter appropriately by virtue of its knowledge and experience.

## **6 Principle of Powers**

- 6.1 Every business unit and every organ shall have all powers required to take appropriate decisions within their allocated scope of duties.

## **7 Reservation of Powers**

- 7.1 Subject to Sections 5 and 6 of these Organizational Regulations all executive bodies shall at all times case by case or in line with general powers reserved to them be entitled to intervene in the powers and duties of their hierarchical subordinated corporate bodies and to transact business dealings of those corporate bodies (“**Powers Reserved**”).

# **Part IV BOARD OF DIRECTORS**

## **8 Constitution**

- 8.1 Where the Board of Directors consists of several persons it shall elect from among its members one Chairman. It may elect one or more Vice-Chairman. It shall further appoint a Secretary who does not need to be a member of the Board (such member hereinafter referred to as a “**Director**”). The Secretary shall keep the minutes of the General Meeting of the Shareholders and the meetings of the Board of Directors and give notice of such meetings and shall perform like duties for the Board Committees when so required. In the case of the absence of the Secretary or his inability to act, any Assistant Secretary (or, in the case of keeping minutes of the General Meeting of the Shareholders or the meetings of the Board of Directors or the Board Committees, any other person designated by the presiding officer of such meeting) may act in the Secretary’s place.

## **9 Board Composition**

- 9.1 In selecting candidates for members of the Board of Directors the Board of Directors shall give due consideration to the governance framework set forth in the Corporate Governance Guidelines of the Company.
- 9.2 Each Director shall be at least 21 years of age. Directors need not be shareholders of the Company.

## **10 Powers and Duties**

- 10.1 The Board of Directors is the ultimate executive body of the Company and shall determine the principles of the business strategy and policies. The Board of Directors shall exercise its function as required by law, the Articles of Association and these Organizational Regulations.
- 10.2 The Board of Directors shall be authorized to pass resolutions on all matters that are not reserved to the General Meeting of the Shareholders or to other executive bodies by applicable law, the Articles of Association or these Organizational Regulations.
- 10.3 The Board of Directors has the following powers and duties, among others:

- a) the supreme management of the Company and the issuance of the relevant instructions in accordance with applicable law and regulations;
- b) the determination of the Company's organizational structure, including the promulgation and the amendment of these Organizational Regulations;
- c) the structuring of the Company's accounting system, the financial controls and the financial planning;
- d) the overall supervision of the persons entrusted with the management of the Company, in particular with regard to their compliance with applicable law, the Articles of Association, these Organizational Regulations and other applicable instructions and guidelines;
- e) the preparation, review and approval of the annual business report and the financial statements of the Company as well as the preparation of the General Meeting of the Shareholders and the implementation of its resolutions;
- f) the adoption of resolutions concerning an increase in the share capital of the Company to the extent such power is vested in the Board of Directors (Art. 651 para. 4 CO) and of resolutions concerning the confirmation of capital increases and corresponding amendments to the Article of Association, as well as making the required report on the capital increase;
- g) the withdrawal or limitation of any preemptive rights or preferential subscription rights, as applicable;
- h) the notification of the judge if the liabilities of the Company exceed the assets of the Company (case of overindebtedness; Art. 725 CO);
- i) the establishment of the Company's dividend policy;
- j) the proposal to the General Meeting of the Shareholders to increase or decrease the size of the Board of Directors and of candidates for election or reelection to the Board of Directors, upon recommendation of the Nominating and Corporate Governance Committee;
- k) the response to any takeover offer for the Company;
- l) the establishment of any code of ethics and business practice;
- m) the determination of any membership and terms of reference of any Board Committee;
- n) the approval of any agreements to which the Company is a party relating to mergers, demergers, transformations and/or transfer of assets, to the extent required pursuant to the Federal Act of 3 October 2003 on Merger, Demerger, Transformation, and Transfer of Assets or the CO;
- o) the appointment and removal of the Chairman and of possible Vice-Chairman of the Board of Directors (giving due consideration to the governance framework set forth in the Corporate Governance Guidelines of the Company) and the Secretary;
- p) the appointment and removal of the members of the Board Committees and the Executive Management, as well as the determination of their signatory power;

- q) the approval of the annual investment and operating budget;
- r) the approval of the share buybacks of the Company;
- s) the passing of resolutions concerning the setting-up or closure of branches, subsidiaries or representative offices in any form;
- t) the formation of foundations in any form especially pension funds;
- u) the examination of compliance with the legal requirements regarding the appointment, election and the professional qualifications of the external auditors.

## **11 Delegation of Management**

- 11.1 To the extent permitted by applicable law and stock exchange rules, the Board of Directors herewith delegates, in the sense of Article 716b CO, the management of the Company to the Chief Executive Officer and the Executive Management.

## **12 General Management and Use of Seal**

- 12.1 The Board of Directors shall provide for the safe custody of the seal which shall only be used by the authority of the Board of Directors or of a Board Committee authorised by the Board of Directors in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board of Directors for the purpose. The securities seal which shall be a facsimile of the common seal with the word "Securities" engraved thereon shall be used exclusively for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued. The Board of Directors may either generally or in any particular case resolve that the securities seal or any signatures or any of them may be affixed to certificates for shares, warrants, debentures or any other form of security by facsimile or other mechanical means specified in such authority or that any such certificates sealed with the securities seal need not be signed by any person. Every instrument to which the seal is affixed as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to that instrument with the authority of the Directors previously given.
- 12.2 The Company may have a duplicate seal as and where the Board of Directors shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the agents of the Company for the purpose of affixing and using such duplicate seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in the Articles of Association or the Organizational Regulations reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such duplicate seal as aforesaid.
- 12.3 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Board of Directors shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board of Directors shall from time to time determine.

## **13 Meetings**

- 13.1 The Board of Directors may meet together for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world. The Board of Directors shall meet as often as business demands but at least once a year. Regularly scheduled meetings of the Board of Directors may be held at such time and at such place as shall from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Chief Executive Officer, the President or a majority of the Board of Directors. Any Director may, by giving written reasons therefore, demand that a meeting of the Board of Directors be held without delay.
- 13.2 The Chairman of the Board of Directors, the President or a majority of the Directors may at any time summon a meeting of the Board of Directors. As a rule, at least five working days notice thereof shall be given to each Director either in writing or by electronic transmission at the address or telephone, facsimile or telex number from time to time notified to the Company by such Director or in such other manner as the Board of Directors may from time to time determine.
- 13.3 A meeting of the Board of Directors or any Board Committees may be held by means of a telephone or tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

#### **14 Attendance Quorum; Resolutions and Minutes**

- 14.1 The attendance quorum necessary for the transaction of the business of the Board of Directors shall be the absolute majority of the whole Board of Directors. No attendance quorum shall be required for resolutions of the Board of Directors providing for the confirmation of a capital increase or for the amendment of the Articles of Association in connection therewith. In absence of a quorum, a majority of the Directors present may adjourn the meeting to another time and place.
- 14.2 The Board of Directors shall pass its resolutions with the majority of the votes cast by the Directors present at a meeting at which the attendance quorum of Art. 14 para. 1 above is satisfied. In case of an equality of votes the Chairman of the Board of Directors shall have a second or casting vote; in the case of elections this shall be decided by lot.
- 14.3 Resolutions of the Board of Directors or any Board Committee may be passed without a meeting by way of unanimous written consent of the whole Board of Directors or any Board Committee. A resolution in writing (in one or more counterparts) signed by the whole Board of Directors or all the members of any Board Committee, as applicable (including signed copies sent by facsimile or email), shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors or Board Committee, as the case may be, duly convened and held.
- 14.4 The Board of Directors shall cause minutes to be made for the purpose of recording the proceedings at all meetings of the Board of Directors and the Board Committees, respectively. The minutes shall be signed by the acting chairman of the Board of Directors or the Board Committee and the Secretary.
- 14.5 All acts *bona fide* done by any meeting of the Board of Directors or by a Board Committee or by any person acting as Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person

had been duly appointed and was qualified to be a Director or member of such Board Committee as the case may be.

- 14.6 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of Association as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a General Meeting of the shareholders but for no other purpose.

## **15 Information and Reporting**

- 15.1 At board meetings, each Director is entitled to request and receive from other Directors and from the Chief Executive Officer information on all affairs of the Company.
- 15.2 Outside of the meetings of the Board of Directors, each Director may request information from the Chief Executive Officer on the general course of business and, upon approval of the Chairman of the Board of Directors, each Director may obtain information on specific transactions and/or access to business documents.

## **16 Compensation**

- 16.1 Each member of the Board of Directors shall be entitled to receive by way of remuneration for their services as a Director or Board Committee member or for attendance at meetings of the Board of Directors or a Board Committee such sum as shall from time to time be determined by the Board of Directors, such sum to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. In determining Director's compensation, the Board of Directors shall give due consideration to the governance framework set forth in the Corporate Governance Guidelines of the Company as well as the recommendations of the Compensation Committee. However, a Director who holds any salaried employment or office in the Company or a subsidiary of the Company shall not be entitled to receive an additional remuneration for his services as a Director or Board Committee member.
- 16.2 The Board of Directors may grant special remuneration to any Director, who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.
- 16.3 The Directors shall be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from Board meetings, committee meetings or General Meetings of the Shareholders or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

## **17 Interested Directors**

- 17.1 No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person,

company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company.

- 17.2 Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed between the Company and the Director) no such Director shall be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or is about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in the manner aforesaid.
- 17.3 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profit or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- 17.4 No person shall be disqualified from the office of Director prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid provided however that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.
- 17.5 A general notice or disclosure to the Directors or otherwise contained in the minutes of a Meeting or a written resolution of the Directors or any committee thereof that a Director is a shareholder of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 17 and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

## **Part V CHAIRMAN OF THE BOARD OF DIRECTORS**

### **18 Powers and Duties**

- 18.1 The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors.
- 18.2 Further, the Chairman of the Board of Directors has the following powers and duties:
- a) contacting the Chief Executive Officer between meetings of the Board of Directors in order to be informed about important business developments;
  - b) preparing the agenda for the General Meetings of the Shareholders and the meetings of the Board of Directors;
  - c) presiding over the General Meetings of the Shareholders and the meetings of the Board of Directors;
  - d) informing the full Board of Directors without delay of material extraordinary events; and
  - e) performing any other matters reserved by law, the Articles of Association or these Organizational Regulations to the Chairman of the Board of Directors.
  - f) coordination of the Board Committees. The Chairman of the Board of Directors shall receive all invitations to and all minutes of any board committee meeting and shall be entitled to attend any such meeting as long as there are no matters discussed and resolved which affect his personal interests or those of Related Persons;
  - g) representation of the overall interests of the Company towards third parties.
- 18.3 The Chairman of the Board of Directors shall act as chairman of the meetings of the Board; but if no such chairman is elected, or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairperson of the meeting.

## **Part VI BOARD COMMITTEES**

### **19 General**

- 19.1 The Board of Directors may delegate any of its powers to Board Committees consisting of such member or members of the Board of Directors as the Board of Directors thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any Board Committee either wholly or in part, and either as to persons or purposes, but every Board Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board of Directors.
- 19.2 All acts done by any such Board Committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board of Directors, and the Board of Directors shall have power, to remunerate the members of any such Board Committee, and charge such remuneration to the current expenses of the Company.
- 19.3 The meetings and proceedings of any such Board Committee consisting of two or more members of the Board of Directors shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board of Directors so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board of Directors pursuant to Article 19 para. 2 of these Organizational Regulations.

## **20 Individual Board Committees**

20.1 The Board Committees shall be:

the Audit Committee;  
the Compensation Committee;  
the Nominating and Corporate Governance Committee; and  
any other Board Committees designated by the Board of Directors

20.2 For so long as the shares of the Company are quoted on a domestic or foreign Exchange (as defined in the Articles of Association of the Company), it shall establish and maintain an Audit Committee as a committee of the Board PROVIDED ALWAYS THAT unless otherwise permitted by applicable law and the rules of the Exchange there shall be a minimum of three members of the Audit Committee and all of the members of the Audit Committee shall be Independent Directors. The Audit Committee shall comply with the rules or regulations of the Exchange as promulgated from time to time so long as the shares of the Company are listed on the Exchange. The responsibilities of the Audit Committee shall include all such matters as are required by applicable law and the rules and regulations of the Exchange.

## **Part VII CHIEF EXECUTIVE OFFICER (CEO)**

### **21 Powers and Duties**

21.1 The Chief Executive Officer shall have the general control and management of the business and affairs of the Company, subject to the direction and control of the Board of Directors. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall exercise or perform such other powers and duties as may from time to time be assigned to the Chief Executive Officer by the Board of Directors or any Board Committee empowered to authorize the same. The Chief Executive Officer may sign and execute in the name of the Company deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors or any Board Committee empowered to authorize the same.

## **Part VIII PRESIDENT**

### **22 Powers and Duties**

22.1 The President shall exercise or perform such powers and duties as may from time to time be assigned to the President by the Chief Executive Officer or the Board of Directors. The President may sign and execute in the name of the Company deeds, mortgages, bonds, contracts or other instruments authorized by the Chief Executive Officer, Board of Directors or any Board Committee empowered to authorize the same.

## **Part IX EXECUTIVE MANAGEMENT, OFFICERS**

### **23 Powers and Duties**

23.1 Each Vice-President shall have such powers and duties as shall be prescribed by the Chief Executive Officer, the President, the Chairman of the Board of Directors, or the Board of Directors. Any Vice President may sign and execute in the name of the Company deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors or any Board Committee empowered to authorize the same.

- 23.2 The Treasurer shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Chief Executive Officer, the President, the Chairman of the Board of Directors or the Board of Directors.
- 23.3 In addition to the duties set forth in Article 8, it shall be the duty of the Secretary to act as secretary at all meetings of the Board of Directors and to record the proceedings of such meetings in a book or books to be kept for that purpose; the Secretary shall see that all notices required to be given by the Company are duly given and served.
- 23.4 The Secretary shall have charge of the register of shareholders and also of the other books, records, and papers of the Company and shall see that the reports, statements and other documents required by law are properly kept and filed; and the Secretary shall in general perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to such person by the Chief Executive Officer, the President, the Chairman of the Board of Directors or the Board of Directors.
- 23.5 A provision of the Law or of the Articles of Association or these Organizational Regulations requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.
- 23.6 The Controller shall perform all of the duties incident to the office of the Controller and such other duties as from time to time may be assigned to such person by the Chief Executive Officer, the President, the Chairman of the Board of Directors or the Board of Directors.
- 23.7 The Assistant Treasurers, the Assistant Secretaries and the Assistant Controllers shall perform such duties as shall be assigned to them by the Treasurer, Secretary or Controller, respectively, or by the Chief Executive Officer, the President, the Chairman of the Board of Directors or the Board of Directors.
- 23.8 The Board of Directors may from time to time authorize any officer to appoint and remove any other officer or agent and to prescribe such person's authority and duties. Any person may hold at one time two or more offices. Each officer shall have such authority and perform such duties, in addition to those specified in these Organizational Regulations, as may be prescribed by the Board of Directors from time to time.

## **24 Support for Chief Executive Officer**

- 24.1 The Executive Management supports the Chief Executive Officer in the discharge of his powers and duties. It has consultative and coordinating functions.

## **25 Term of Office**

- 25.1 Each officer shall hold office for the term for which appointed by the Board of Directors, and until the officer's successor has been appointed and qualified or until such officer's earlier resignation or removal. Any officer may be removed by the Board of Directors, with or without cause. The election or appointment of an officer shall not in and of itself create contractual rights against the Company. Any officer may resign at any time by giving written notice to the Board of Directors or the Secretary. Any such resignation shall take effect at the time specified therein, or if such time is not specified therein, then upon receipt of such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## **Part X GENERAL PROVISIONS**

### **26 Signatory Power**

26.1 The Directors, officers and other persons authorized to represent the Company and the subsidiaries shall have single or joint signatory power, as determined appropriate by the Board of Directors.

### **27 Insurance**

27.1 The Company may procure directors' and officers' liability insurance for the Directors and for officers of the Company. Any costs of insurance shall be charged to the Company or its subsidiaries.

### **28 Confidentiality**

28.1 The members of the managing bodies are obliged to treat as absolutely confidential all facts to which they are privy during the exercise of their duties and shall not divulge or disclose these to third parties. This obligation shall last beyond the termination of their engagement with the Company.

28.2 All documents shall be carefully stored and must be returned to the Company at the latest upon termination of the engagement for the Company.

## **Part XI FINAL PROVISIONS**

### **29 Effectiveness**

29.1 These Organizational Regulations shall become effective upon approval by the Board of Directors.

### **30 Change of or Amendments to these Organizational Regulations**

30.1 Any change of or amendment to these Organizational Regulations shall only be valid if the Board of Directors approved such change or amendment with the attendance quorum and the majority as set forth in Art. 14 para. 1, 2 and 3 respectively of these Organizational Regulations.

Approved by the Board of Directors in Zurich on 27 June 2010.

**Exhibit 10.1**

**TRANSACTION AGREEMENT**

**THIS TRANSACTION AGREEMENT** dated May 21, 2010 (this "Agreement"), is between Garmin Ltd., a Cayman Islands company ("Garmin Cayman"), and Garmin Ltd., a Swiss stock corporation having its registered seat in Schaffhausen, in the Canton of Schaffhausen, Switzerland ("Garmin Switzerland"). Each of Garmin Cayman and Garmin Switzerland is referred to herein as a "Party" and together as the "Parties."

**RECITALS**

A. Garmin Cayman, the shares of which are listed on the NASDAQ Global Select Market, believes that it is in the best interest of Garmin Cayman and its shareholders to move the place of incorporation of the ultimate parent holding company of the Garmin group from the Cayman Islands to Switzerland in order to establish a corporation more centrally located within the company's major markets, locate the company in a country with a stable and well-developed tax regime and more sophisticated financial and commercial infrastructure and improve the company's ability to maintain a competitive worldwide effective corporate tax rate.

B. Garmin Switzerland is a direct, wholly-owned subsidiary of Garmin Cayman, incorporated in Schaffhausen, Switzerland, on February 9, 2010, with a share capital of CHF 100,000, divided into 10,000,000 registered shares (the "Formation Shares").

C. Garmin Switzerland will (i) create or otherwise make available the number of Garmin Switzerland shares needed for the delivery of shares (the "Exchange Shares") to Garmin Cayman shareholders (the "Scheme Shareholders") pursuant to the Scheme of Arrangement through a capital increase (the "Capital Increase"), and (ii) cause delivery of these shares through a transfer agent to the Scheme Shareholders, substantially in the form of the Contribution in Kind Agreement attached hereto as Exhibit A.

D. Garmin Cayman, acting on behalf of the Scheme Shareholders, has agreed to subscribe for the Exchange Shares and to sign a subscription form substantially in the form of Exhibit B attached hereto.

E. The exact number of Exchange Shares to be issued in the Capital Increase, as well as the issue price per Exchange Share, shall be mutually calculated on or around the day following the day the Scheme Shareholders approve the Scheme of Arrangement based on the number of shares outstanding on the Transaction Time as defined in the Scheme of Arrangement.

F. Assuming that immediately following the Transaction Time there are 200,670,000 Exchange Shares and 10,000,000 Formation Shares, each of them with a par value of CHF 10.00, the aggregate par value of Garmin Switzerland's share capital will amount to CHF 2,106,700,000. At this point in time, the number of Exchange Shares as well as the amount of the par value are still uncertain and therefore the par value of Garmin Switzerland's share capital is subject to change.

**NOW, THEREFORE**, the Parties agree as follows:

## **1. The Transaction**

a. The Parties hereby agree to move the place of organization of Garmin Cayman from the Cayman Islands to Switzerland by proposing to the shareholders of Garmin Cayman for approval a scheme of arrangement under Cayman Islands law (the "Scheme of Arrangement") whereby they will exchange their shares of Garmin Cayman for shares of Garmin Switzerland (the "Redomestication").

b. A draft of the Scheme of Arrangement is attached to this Agreement as Exhibit C. Garmin Switzerland agrees to be bound by the Scheme of Arrangement by signing a letter substantially in the form of Exhibit D attached hereto.

c. Provided Garmin Switzerland becomes (in accordance with the Scheme of Arrangement) the sole shareholder of Garmin Cayman, the Parties will effect the tasks described in Sections 2 through 5 below.

## **2. Equity Compensation and Benefit Plans**

Garmin Switzerland hereby agrees to adopt the Equity Compensation and Benefit Plans, to assume Garmin Cayman's obligations under the Equity Compensation and Benefit Plans and to sign and execute respective documents as soon as the Capital Increase, as well as the conditional capital needed to meet Garmin Cayman's future obligations under the Equity Compensation and Benefit Plans, is registered in the commercial register of the Canton of Schaffhausen.

The Redomestication is intended to be economically neutral from the perspective of the plan participants who hold equity incentive awards. Where the Redomestication requires an adjustment of the terms of any equity incentive awards, any such adjustments shall not increase the economic value of the equity incentives.

## **3. Share Buy Back**

Garmin Switzerland hereby agrees to continue the Share Buy Back as currently conducted by Garmin Cayman.

## **4. Guaranty dated February 12, 2010**

Garmin Switzerland hereby agrees to assume all guarantee obligations of Garmin Cayman under that certain Continuing and Unconditional Guaranty dated February 12, 2010, made by Garmin Cayman, in favor of Bank of America, N.A. to secure the obligations of Garmin China Co. Ltd. ("Garmin China") under that certain letter agreement dated February 1<sup>st</sup>, 2010, between Garmin China and Bank of America, N.A., Beijing Branch, providing for revolving credit facilities up to an aggregate principal amount of 13,400,000 Renminbi (approximately equivalent to USD \$2,000,000).

## **5. Articles of Association**

The Parties agree that Garmin Switzerland shall adopt at or immediately after the Transaction Time, articles of association substantially in the form attached hereto as Exhibit E.

## **6. Severability**

Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under the applicable law. If any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity and replaced by such valid and enforceable provisions which the Parties consider, in good faith, to match as closely as possible the invalid or unenforceable provision and attaining the same or a similar economic effect. The remaining provisions of this Agreement shall continue to be binding and in full force and effect.

## **7. Governing Law and Arbitration**

a. This Agreement shall be governed by the substantive laws of Switzerland.

b. Each Party submits to the exclusive jurisdiction of the Ordinary Courts (*Ordentliche Gerichte*) of the Canton of Schaffhausen, Switzerland, venue being Schaffhausen.

## **8. Entry into Force**

This Agreement shall enter into force upon its execution by the Parties.

## **9. Conflict with Scheme of Arrangement or Contribution in Kind**

In case of any disputes between this Agreement and the Scheme of Arrangement or the Contribution in Kind Agreement, the Scheme of Arrangement or the Contribution in Kind Agreement, as the case may be, shall prevail.

## **10. Lapse of this Agreement**

This Agreement shall lapse and any and all rights under this Agreement shall terminate if the Effective Date does not occur by December 31, 2010, 5 p.m. Cayman Island time.

## **11. Consummation**

This Agreement (and, therefore, the Redomestication) shall be deemed to be consummated as soon as the pertinent entries of the Capital Increase in the commercial register in Schaffhausen and the subsequent issuance of the Exchange Shares to the Garmin Cayman shareholders is effected and all obligations as stated under this Agreement have been fulfilled by the Parties.

## **12. Definitions**

Agreement	This Transaction Agreement
Capital Increase	Has the meaning ascribed to it in Section 2
Equity Compensation and Benefit Plans	The long-term incentive plans and awards, and other employee benefit plans and arrangements sponsored by Garmin Cayman or its affiliates, that have issued Garmin Cayman shares, or otherwise held, made available, or used Garmin Cayman shares to measure benefits and any long-term or short-term cash-bonus or other incentive plans maintained by Garmin Cayman, and any other employee benefit plan or arrangement that has been maintained by Garmin Cayman which Garmin Switzerland determines is appropriate to be maintained by Garmin Switzerland following the Redomestication
Exchange Shares	Has the meaning ascribed to it in Section 2(a)
Formation Shares	Has the meaning ascribed to it in the introductory paragraph
Garmin Cayman	Has the meaning ascribed to it in the introductory paragraph
Garmin Switzerland	Has the meaning ascribed to it in the introductory paragraph

Redomestication	Has the meaning ascribed to it in Section 1(a)
Scheme of Arrangement	Has the meaning ascribed to it in Section 1(a)
Scheme Shareholders	Has the meaning ascribed to it in Section 2(a)
Share Buy Back	Means the Garmin Cayman share repurchase program announced in February 2010 for the repurchase of shares of Garmin Cayman with a total value of approximately USD \$300 million
Transaction Time	Has the meaning ascribed to it in the Scheme of Arrangement

**Signature Page Follows**

**IN WITNESS WHEREOF**, the Parties have entered into this Agreement as of this 21st day of May, 2010.

**GARMIN LTD.**,  
a Cayman Islands corporation

By: /s/ Kevin S. Rauckman  
Name: Kevin S. Rauckman  
Title: Chief Financial Officer and Treasurer

**GARMIN LTD.**,  
a Swiss corporation

By: /s/ Andrew R. Etkind  
Name: Andrew R. Etkind  
Title: Authorized Signatory

EXHIBIT A

Contribution in Kind Agreement

**SACHEINLAGEVERTRAG**  
**CONTRIBUTION AGREEMENT**

zwischen  
*between*

**Garmin Ltd.**

P.O Box 10670, Grand Cayman, KY1-1006, Suite 3206B, 45 Market Street, Gardenia Court, Camana Bay, Cayman Islands,

(nachfolgend "**Garmin-Cayman**")  
(*hereinafter "Garmin-Cayman"*)

und  
*and*

**Garmin Ltd.**

c/o Klauser und Partner AG, Pestalozzistrasse 2, 8201 Schaffhausen, Switzerland

(nachfolgend "**Garmin-Schweiz**")  
(*hereinafter "Garmin-Switzerland"*)

(gemeinsam die "**Parteien**")  
(*and collectively the "Parties"*)

## Präambel

### Recitals

- (A) Garmin-Cayman ist eine Gesellschaft mit Sitz in Camana Bay, Cayman Islands, deren Aktien (*common shares*) am NASDAQ Global Select Market ("NASDAQ") kotiert sind. Das Aktienkapital (*authorized share capital*) von Garmin-Cayman beträgt USD 6,000,000, eingeteilt in 1,000,000,000 Aktien (*common shares*) mit einem Nennwert von je USD 0.005 und 1,000,000 Vorzugsaktien (*preferred shares*) mit einem Nennwert von je USD 1, von denen 200,670,000 Aktien (*common shares*) ausgegeben sowie voll einbezahlt und die übrigen Aktien nicht ausgegeben sind. Vorzugsaktien wurden nicht ausgegeben.  
*Garmin-Cayman is a company with its registered office in Camana Bay, Grand Cayman, Cayman Islands, whose common shares are listed on the NASDAQ Global Select Market ("NASDAQ"). The authorized share capital of Garmin-Cayman amounts to USD 6,000,000 and is divided into 1,000,000,000 common shares with a par value of USD 0.005 each and 1,000,000 preferred shares with a par value of USD 1 each, of which 200,670,000 common shares have been issued and are fully paid, and the remainder remains unissued. No preferred shares have been issued.*
- (B) Garmin-Schweiz ist eine Aktiengesellschaft mit Sitz in Schaffhausen, Kanton Schaffhausen, die zu 100% von Garmin-Cayman gehalten wird. Das im Handelsregister eingetragene Aktienkapital von Garmin-Schweiz beträgt CHF 100,000, eingeteilt in 10,000,000 Namenaktien mit einem Nennwert von je CHF 0.01. An einer ausserordentlichen Generalversammlung von Garmin-Schweiz, die am 27. Juni 2010 um [...] Uhr (MEZ) stattgefunden hat, wurde beschlossen, das Aktienkapital von Garmin-Schweiz von CHF 100,000 gegen Sacheinlage um CHF 2,106,600,000 auf CHF 2,106,700,000 durch eine Nennwerterhöhung und durch die Ausgabe von 200,670,000 voll liberierten Namenaktien von je CHF 10 Nennwert zu einem Ausgabepreis von CHF 10 pro Aktie im Rahmen einer ordentlichen Kapitalerhöhung (die "Ordentliche Kapitalerhöhung") zu erhöhen. Die Durchführung der Ordentlichen Kapitalerhöhung erfolgt im Rahmen der nachfolgend beschriebenen Transaktionen.  
*Garmin-Switzerland is a company limited by shares incorporated under the laws of Switzerland with its registered office in Schaffhausen, Canton Schaffhausen, which is wholly-owned by Garmin-Cayman. The share capital of Garmin-Switzerland recorded in the commercial register amounts to CHF 100,000, divided into 10,000,000 registered shares with a par value of CHF 0.01 each. At an extraordinary meeting of shareholders of Garmin-Switzerland, having taken place on June 27, 2010, at [time] [a.m./p.m.] (CET), it was resolved to increase the share capital of Garmin-Switzerland from CHF 100,000 by an amount of 2,106,600,000 to CHF 2,106,700,000 through the increase in the par value of each share and through issuance of 200,670,000 fully paid registered shares with a par value of CHF 10 each at an issue price of CHF 10 per share by way of an ordinary capital increase (the "Ordinary Capital Increase"). The implementation of the Ordinary Capital Increase occurs in the course of the transactions as further described below.*
- (C) Gemäss den Bestimmungen des Scheme of Arrangement nach dem Recht der Cayman Islands in Sachen Garmin-Cayman (das "Scheme"), das von den Aktionären von Garmin-Cayman am 20. Mai 2010, und von dem Grand Court of the Cayman Islands am 4. Juni 2010 genehmigt wurde, hat jeder Aktionär von Garmin-Cayman, der im Zeitpunkt unmittelbar vor dem Vollzug der unter dem Scheme abgewickelten Transaktion (die "Transaktion") Aktien (*common shares*) hält, Anspruch auf eine Namenaktie von Garmin-Schweiz im Austausch für eine Aktie (*common share*) von Garmin-Cayman. Dieser Aktientausch, als Folge dessen Garmin-Cayman eine hundertprozentige Tochtergesellschaft von Garmin-Schweiz wird, erfolgt im Einzelnen wie folgt:  
*Pursuant to the terms of the Scheme of Arrangement under the law of the Cayman Islands in the matter of Garmin-Cayman (the "Scheme"), approved by the shareholders of Garmin-Cayman on May 20, 2010 and by the Grand Court of the Cayman Islands on June 4, 2010, each holder of Garmin-Cayman common shares immediately prior to the completion of the transactions under the Scheme (the "Transactions") has the right to receive in exchange for each such common share one registered share of Garmin-Switzerland. This share exchange, as a result of which Garmin-Cayman will become a wholly-owned subsidiary of Garmin-Switzerland, shall be executed as follows:*
- (1) Mit Wirksamwerden und nach Massgabe des Scheme bringt Garmin-Cayman, auf Rechnung der Aktionäre von Garmin-Cayman, ihre sämtlichen ausgegebenen und ausstehenden Aktien (*common shares*) im Rahmen einer Sacheinlage in Garmin-Schweiz ein. Garmin-Cayman trägt Garmin-Schweiz als Aktionärin mit Stimmrecht in das Aktienregister ein.  
*Upon the Scheme becoming effective in accordance with its terms, and by way of the Scheme, Garmin-Cayman, acting on account of its shareholders, shall contribute all of the issued and outstanding common shares in its capital by way of a contribution in kind to Garmin-Switzerland. Garmin-Cayman shall register Garmin-Switzerland in its register of members as the holder with voting rights of such shares.*
  - (2) Der Verwaltungsrat von Garmin-Schweiz führt, gestützt auf die Ermächtigung der ausserordentlichen Generalversammlung, die am 27. Juni 2010 um [...] Uhr (MEZ) stattgefunden hat, die Ordentliche Kapitalerhöhung durch mittels (a) Sacheinlage aller Aktien (*common shares*) von Garmin-Cayman mit einem Nennwert von je USD 0.005, (b) anschliessender Nennwerterhöhung von CHF 0.01 auf CHF 10 pro Aktie sowie Ausgabe von 200,670,000 neuen

Namenaktien von Garmin-Schweiz mit einem Nennwert von je CHF 10 und (c) Eintragung der geänderten Statuten von Garmin-Schweiz im Handelsregister.

*The board of directors of Garmin-Switzerland, on the basis of the authorization of the extraordinary shareholders' meeting, having taken place on June 27, 2010, at [time] [a.m./p.m.] (CET) carries out the Ordinary Capital Increase by way of (a) Garmin-Cayman's contribution in kind of all of its common shares with a par value of USD 0.005, (b) a subsequent increase in the par value of each share from CHF 0.01 to CHF 10 and issuance of 200,670,000 new registered shares of Garmin-Switzerland with a par value of CHF 10 each and (c) registration of the revised articles of association of Garmin-Switzerland with the commercial register.*

- (3) Garmin-Schweiz gibt sämtliche im Rahmen der Ordentlichen Kapitalerhöhung geschaffenen neuen Namenaktien mit einem Nennwert von je CHF 10 an die Aktionäre von Garmin-Cayman (wobei auf den Zeitpunkt unmittelbar vor Vollzug der Transaktionen abgestellt wird) aus.

*Garmin-Switzerland shall issue all registered shares with a par value of 10 each that have been newly created in the Ordinary Capital Increase to the holders of Garmin-Cayman common shares outstanding immediately prior to the completion of the Transactions.*

- (D) Die Aktionäre von Garmin-Cayman haben am 20. Mai 2010, und der Grand Court of the Cayman Islands (der "Court") hat am 4. Juni 2010 das Scheme genehmigt. Eine Kopie des Genehmigungsentscheids des Courts wurde am 4. Juni 2010 beim Registrar of Companies eingereicht und das Scheme wurde gemäss seinen Bestimmungen am 27. Juni 2010 wirksam.

*The shareholders of Garmin-Cayman approved the Scheme on May 20, 2010, and the Grand Court of the Cayman Islands (the "Court") sanctioned the Scheme on June 4, 2010. A copy of the Court order was filed with the Registrar of Companies on June 4, 2010 and the Scheme became effective in accordance with its terms on June 27, 2010.*

**Gestützt darauf vereinbaren die Parteien was folgt:**

*Therefore, the Parties agree as follows:*

## **1. Sacheinlage**

### ***Contribution in Kind***

Garmin-Cayman, handelnd auf Rechnung der Aktionäre von Garmin-Cayman, verpflichtet sich hiermit, unmittelbar nach Wirksamwerden des Scheme gemäss dessen Bedingungen alle Aktien (*common shares*) mit einem Nennwert von je USD 0.005 (die "Garmin-Cayman Aktien") mittels Sacheinlage in Garmin-Schweiz einzubringen (die "Sacheinlage"). Garmin-Cayman verpflichtet sich, Garmin-Schweiz als Aktionärin mit Stimmrecht in das Aktienregister einzutragen.

*Garmin-Cayman, acting for the account of the shareholders of Garmin-Cayman, hereby agrees immediately upon the Scheme becoming effective in accordance with its terms to contribute all common shares with a par value of USD 0.005 each (the "Garmin-Cayman Shares") by way of a contribution in kind (the "Contribution in Kind") to Garmin-Switzerland. Garmin-Cayman agrees to record Garmin-Switzerland in its register of members as the holder with voting rights of such Garmin-Cayman Shares.*

## **2. Übernahmepreis**

### ***Consideration for the Contribution in Kind***

Der Übernahmepreis für die Sacheinlage beträgt CHF [...]. Dieser Wert basiert auf dem von der NASDAQ am 25. Juni 2010 bekanntgegebenen Schlusskurs der Garmin-Cayman Aktien (*common shares*) mit einem Nennwert von USD 0.005 je Aktie, sowie auf einen Zuschlag von USD [...] bzw. CHF [...] je Aktie, umgerechnet in Anwendung des von der Schweizerischen Nationalbank am 25. Juni 2010, um [...] Uhr Central Daylight Time (CDT) bzw. [...] Uhr Mitteleuropäische Zeit (MEZ), veröffentlichten Umrechnungskurses USD/CHF von 1:[...].

*The value of the Contribution in Kind amounts to CHF [...]. Such value has been determined on the basis of the closing price of the Garmin-Cayman Shares with a par value of USD 0.005 each as reported on the NASDAQ on June 25, 2010, plus a premium of USD [...] or CHF [...] per share converted into Swiss francs based on the currency exchange rate USD/CHF of 1:[...] as published by the Swiss National Bank on June 25, 2010 at [...] [a.m./p.m.] Central Daylight Time (CDT) respectively [...] [a.m./p.m.] Central European Time (CET).*

Der Übernahmepreis für die Sacheinlage wird getilgt durch eine Erhöhung des Nennwertes jeder bestehenden Aktie von bisher CHF 0.01 auf neu CHF 10 sowie durch Ausgabe von 200,670,000 neuen, im Wege der Ordentlichen Kapitalerhöhung geschaffenen voll liberierten Namenaktien von Garmin-Schweiz mit

einem Nennwert von je CHF 10 ("Garmin-Schweiz Aktien") zum Ausgabepreis von je CHF 10 pro Aktie. Der gesamte Ausgabebetrag für die Nennwerterhöhung jeder Aktie und die neu geschaffenen Aktien beläuft sich auf CHF 2,106,600,000. Die Differenz zwischen dem Übernahmepreis und dem gesamten Ausgabebetrag beläuft sich auf CHF [...] und wird als Reserven aus Kapitaleinlage gebucht.

*As consideration for the Contribution in Kind, the par value of each existing share is increased from CHF 0.01 to CHF 10 and Garmin-Switzerland shall issue 200,670,000 fully paid registered shares of Garmin-Switzerland with a par value of CHF 10 each (the "Garmin-Switzerland Shares") at an issue price of CHF 10 for each share by way of the Ordinary Capital Increase. The entire amount of issue for the increase in the par value of each share and the newly created shares corresponds to CHF 2,106,600,000. The difference between the consideration (value of the Contribution in Kind) and the entire amount of issue corresponds to CHF [...] and shall be credited as reserves from capital contribution.*

Die ausserordentliche Generalversammlung von Garmin-Schweiz, die am 27. Juni 2010 um [...] Uhr (MEZ), stattgefunden hat, hat den Verwaltungsrat dazu beauftragt, die Ordentliche Kapitalerhöhung durchzuführen. Der Verwaltungsrat von Garmin-Schweiz wird die dazu erforderlichen Handlungen bei Vollzug gemäss Ziffer 6.2 nachstehend durchführen.

*Garmin-Switzerland's extraordinary meeting of shareholders, having taken place on June 27, 2010, at [time] [a.m./p.m.] (CET) has mandated the board of directors to carry out the Ordinary Capital Increase. On the Closing, pursuant to section 6.2 below, the board of directors of Garmin-Switzerland will take the actions necessary.*

### **3. Verfügungsmacht** **Authority**

Garmin-Schweiz kann unmittelbar nach der Eintragung der Ordentlichen Kapitalerhöhung in das Handelsregister, d.h. am Vollzugsdatum gemäss Ziffer 6.1 nachstehend, über die Garmin-Cayman Aktien frei verfügen.

*Garmin-Switzerland acquires the right to freely dispose of the Garmin-Cayman Shares immediately upon the registration of the Ordinary Capital Increase in the commercial register, i.e., on the Closing Date pursuant to section 6.1 below.*

### **4. Zusicherungen und Gewährleistungen** **Representations and Warranties**

Garmin-Cayman gibt gegenüber Garmin-Schweiz folgende Zusicherungen und Garantien ab:  
*Garmin-Cayman hereby represents and warrants to Garmin-Switzerland that:*

- (a) Garmin-Cayman ist eine nach dem Recht der Cayman Islands gültig gegründete und fortbestehende Gesellschaft (*exempted company*);  
*Garmin-Cayman is an exempted company validly incorporated and existing under the laws of the Cayman Islands;*
- (b) Die Garmin-Cayman Aktien sind bei Vollzug frei von Pfandrechten, Optionen oder anderen Rechten Dritter jeglicher Art (insbesondere Bezugsrechten); und  
*At the Closing the Garmin-Cayman Shares shall be free from all security interests, options or other third party rights of any nature whatsoever (including, without limitation, preemptive rights); and*
- (c) Unmittelbar nach Eintragung der Ordentlichen Kapitalerhöhung in das Handelsregister kann Garmin-Schweiz über die Garmin-Cayman Aktien frei verfügen.  
*Garmin-Switzerland shall have acquired the right to freely dispose of the Garmin-Cayman Shares immediately upon registration of the Ordinary Capital Increase in the commercial register.*

### **5. Übergang von Nutzen und Gefahr** **Passing of Risk and Benefit**

Nutzen und Gefahr bezüglich der Garmin-Cayman Aktien, einschliesslich Stimmrechte und Dividendenberechtigung (sowie alle anderen mit den Garmin-Cayman Aktien zusammenhängenden Rechte) gehen unmittelbar mit der Eintragung der Ordentlichen Kapitalerhöhung in das Handelsregister auf Garmin-Schweiz über.

*Risk and benefit relating to the Garmin-Cayman Shares, including the voting rights and the entitlement to dividends (as well as any other right associated with the Garmin-Cayman Shares) shall pass to Garmin-Switzerland immediately upon registration of the Ordinary Capital Increase in the commercial register.*

## **6. Vollzug Closing**

### **6.1 Vollzugsdatum Closing Date**

Die Sacheinlage der Garmin-Cayman Aktien an Garmin-Schweiz (der "Vollzug") erfolgt vor oder an dem Tag, an welchem die Ordentliche Kapitalerhöhung in das Tagebuch des Handelsregisters des Kantons Schaffhausen eingetragen wird (das "Vollzugsdatum").

*The allotment by way of a contribution in kind of the Garmin-Cayman Shares to Garmin-Switzerland (the "Closing") shall occur on or before the day on which the Ordinary Capital Increase is registered in the daily journal (Tagebuch) of the commercial register of the Canton of Schaffhausen (the "Closing Date").*

### **6.2 Vollzugshandlungen Closing Actions**

Die Parteien nehmen bei Vollzug die folgenden Vollzugshandlungen vor:

*At the Closing the Parties shall carry out the following closing actions:*

- (a) Garmin-Cayman nimmt alle nach dem Recht der Cayman Islands erforderlichen Handlungen vor (oder lässt diese vornehmen), und unterzeichnet oder händigt alle nach diesem Recht erforderlichen Dokumente aus (oder veranlasst deren Unterzeichnung und Aushändigung), um die Garmin-Cayman Aktien mittels Sacheinlage in Garmin-Schweiz einzubringen und nach Eintragung der Sacheinlage in das Handelsregister diese als Aktionärin mit vollem Stimmrecht in das Aktienregister einzutragen.  
*Garmin-Cayman shall take, or cause to be taken, all actions and shall execute and deliver, or cause to be executed and delivered, all documents necessary pursuant to the laws of the Cayman Islands to achieve the legally effective allotment of the Garmin-Cayman Shares by way of a contribution in kind and to enter Garmin-Switzerland, upon registration of the Contribution in Kind with the commercial register, as the holder of the Garmin-Cayman Shares in its register of members with full voting rights.*
- (b) Garmin-Cayman, welche auf Rechnung ihrer Aktionäre und im eigenen Namen und auf eigene Rechnung handelt, zeichnet sowohl die Nennwerterhöhung sowie alle neu auszugebenden Garmin-Schweiz Aktien in Übereinstimmung mit Artikel 630 und Artikel 650 des Schweizerischen Obligationenrechts ("OR"). Nach Ausgabe der Garmin-Schweiz Aktien nimmt Garmin-Cayman alle erforderlichen Handlungen vor, oder lässt diese vornehmen, um die Garmin-Schweiz Aktien rechtswirksam an ihre Aktionäre zu übertragen.  
*Garmin-Cayman, acting on the account of its shareholders and in its own name and on its own account, shall subscribe to the increase in the par value of each share and all Garmin-Switzerland Shares to be newly issued in accordance with article 630 and article 650 of the Swiss Code of Obligations ("CO"). Upon issuance of the Garmin-Switzerland Shares, Garmin-Cayman shall take or cause to be taken all actions necessary to achieve legally effective transfer of all Garmin-Switzerland Shares to its shareholders.*
- (c) Garmin-Schweiz, handelnd durch den Verwaltungsrat, nimmt alle nach schweizerischem Gesellschaftsrecht erforderlichen Schritte vor, um die Garmin-Schweiz Aktien rechtswirksam auszugeben, insbesondere.  
*Garmin-Switzerland, acting through the board of directors, shall take all actions necessary under Swiss corporate law to achieve the legally effective issuance of the Garmin-Switzerland Shares, in particular:*
  - (i) gibt der Verwaltungsrat den Kapitalerhöhungsbericht gemäss Artikel 652e OR ab;  
*the board of directors shall adopt the report on the increase in capital in accordance with article 652e CO;*

- (ii) veranlasst der Verwaltungsrat die Revisionsstelle der Garmin-Schweiz, die Prüfungsbestätigung gemäss Artikel 652f OR abzugeben;  
*the board of directors shall cause the statutory auditor of Garmin-Switzerland to release the audit confirmation in accordance with article 652f CO;*
- (iii) nimmt der Verwaltungsrat den Zeichnungsschein von Garmin-Cayman entgegen;  
*the board of directors shall accept the subscription certificate of Garmin-Cayman;*
- (iv) beschliesst der Verwaltungsrat die Durchführung der Ordentlichen Kapitalerhöhung und stellt in öffentlicher Urkunde fest, dass die Bedingungen von Artikel 652g OR erfüllt sind; und  
*the board-of directors shall resolve on the implementation of the Ordinary Capital Increase and declare by way of public deed that the conditions set forth in article 652g CO have been satisfied; and*
- (v) reicht der Verwaltungsrat eine Handelsregisteranmeldung betreffend die Ordentliche Kapitalerhöhung sowie die übrigen von der ausserordentlichen Generalversammlung, die am 27. Juni 2010 um [...] Uhr (MEZ), stattgefunden hat, genehmigten Änderungen der Statuten von Garmin-Schweiz, einschliesslich (ohne Einschränkung) die Schaffung eines genehmigten und eines bedingten Kapitals, ein, zusammen mit den entsprechenden Belegen.  
*the board of directors shall apply for registration of the Ordinary Capital Increase as well as the other amendments to the articles of association of Garmin-Switzerland, as approved at the extraordinary meeting of the shareholders, having taken place on June 27, 2010, at [time] [a.m./p.m.] (CET) including (without limitation) the creation of authorized and conditional capital, together with the relevant evidentiary documentation.*

## **7. Allgemeine Bestimmungen** **General Provisions**

### **7.1 Kosten** **Costs**

Die im Zusammenhang mit dem Abschluss dieses Vertrags und dem Vollzug anfallenden Kosten trägt Garmin-Schweiz.

*The costs incurred in connection with the execution of this Agreement and the Closing shall be borne by Garmin-Switzerland.*

### **7.2 Sprache** **Language**

Falls sich zwischen der deutschen und der englischen Fassung dieses Vertrags Abweichungen ergeben, gilt der deutsche Text.

*In the event of deviations between the German and the English version of this Agreement, the German wording shall prevail.*

### **7.3 Anwendbares Recht / Gerichtsstand** **Applicable Law / Jurisdiction**

Dieser Vertrag untersteht schweizerischem Recht. Ausschliesslicher Gerichtsstand ist Schaffhausen, Schweiz.

*This Agreement shall be governed by and construed in accordance with Swiss law. Exclusive place of jurisdiction is Schaffhausen, Switzerland.*

Zürich, 27. Juni 2010  
*Zurich, June 27, 2010*

**Garmin Ltd., Camana Bay, Cayman Islands**

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By: Andrew R. Etkind  
Title: Vice President, General Counsel and  
Secretary

**Garmin Ltd., Schaffhausen, Switzerland**

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By: Bernhard Klauser  
Title: Member of the Board of Directors

EXHIBIT B

Subscription Form

Zeichnungsschein / Subscription Form

**zur Kapitalerhöhung der Garmin Ltd. mit Sitz in Schaffhausen /  
to the capital increase of Garmin Ltd. with registered office in Schaffhausen**

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Unter Bezugnahme auf den heutigen Beschluss der ausserordentlichen Generalversammlung der  
*With reference to today's extraordinary general meeting of*

**Garmin Ltd.**

mit Sitz in Schaffhausen / *with registered office in Schaffhausen*

über die Erhöhung des Aktienkapitals von nominal CHF 100,000 auf nominal CHF 2,106,700,000 (i) durch Erhöhung des Nennwertes jeder bestehenden Aktie von bisher CHF 0.01 auf CHF 10 und (ii) durch Neuausgabe von 200,670,000 Namenaktien mit einem Nennwert von je CHF 10  
*regarding the increase of the share capital from an aggregated par value of CHF 100,000 to an aggregated par value of CHF 2,106,700,000 (i) by increasing the par value of each existing share from CHF 0.01 to CHF 10 and (ii) by issuing 200,670,000 new registered shares with a par value of CHF 10 each*

**Garmin Ltd.**

**P.O Box 10670, Grand Cayman, KY1-1006, Suite 3206B, 45 Market Street  
Gardenia Court, Camana Bay, Cayman Islands  
(Garmin-Cayman)**

zeichnet hiermit (i) die Erhöhung des Nennwertes jeder bestehenden Aktie von bisher CHF 0.01 auf neu CHF 10 im eigenen Namen und auf eigene Rechnung sowie (ii) **200,670,000 Namenaktien** zu je CHF 10 zum Ausgabebetrag von je CHF 10 auf Rechnung der eingetragenen Aktionäre von Garmin-Cayman, welche am 25. Juni 2010 bei Handelsschluss des NASDAQ Global Select Market (NASDAQ) sämtliche ausgegebenen Aktien (*common shares*) von Garmin-Cayman hielten.  
*herewith subscribes for (i) the increase in the par value of each existing share from CHF 0.01 to CHF 10 in its own name and for its own account as well as (ii) 200,670,000 shares with a par value of CHF 10 each for an issue price of CHF 10 each for the account of the registered holders of common shares of Garmin-Cayman outstanding at the close of trading on the NASDAQ Global Select Market (NASDAQ) on June 25, 2010.*

Die Unterzeichnende verpflichtet sich bedingungslos, den Ausgabebetrag von insgesamt CHF 2,106,600,000 durch Sacheinlage von sämtlichen bei Handelsschluss der NASDAQ am 25. Juni 2010 ausgegebenen Aktien (*common shares*) der Garmin-Cayman von je nominal USD 0.005 im Gesamtwert von CHF [\_\_\_\_\_] zu liberieren.  
*The undersigned herewith unconditionally undertakes to make available the total issue price of CHF 2,106,600,000 by way of a contribution in kind of the common shares in Garmin-Cayman issued and outstanding at the close of trading on NASDAQ on June 25, 2010, with a par value of USD 0.005 each in the total value of CHF [\_\_\_\_\_].*

**Garmin Ltd., Cayman Islands**

\_\_\_\_\_  
Ort, Datum / place, date

\_\_\_\_\_  
represented by Andrew R. Etkind

EXHIBIT C  
Scheme of Arrangement

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**SCHEME OF ARRANGEMENT**

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**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**CAUSE NO : [\*] OF 2010**

**IN THE MATTER OF GARMIN LTD.**

**and**

**IN THE MATTER OF SECTION 86 OF  
THE COMPANIES LAW (2009 REVISION) OF THE CAYMAN ISLANDS**

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**SCHEME OF ARRANGEMENT**

**between**

**GARMIN LTD.  
("Garmin-Cayman")**

**and**

**GARMIN LTD.  
("Garmin-Switzerland")**

**and**

**THE SCHEME SHAREHOLDERS (as defined herein)**

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**PRELIMINARY**

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In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the meanings respectively set opposite them:

"Allowed Proceeding"

Any Proceeding by a Scheme Shareholder to enforce its rights under this Scheme where any party fails to perform its obligations under this Scheme.

"Business Day"

Any day other than (1) a day on which banks are required or permitted by law to be closed in New York, USA, the Cayman Islands, or Schaffhausen, Switzerland; or (2) a day on which the NASDAQ is closed for trading.

"Cayman Court"	The Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom.
"Code"	The U.S. Internal Revenue Code of 1986, as amended.
"Companies Law"	The Companies Law (2009 Revision) of the Cayman Islands, and its predecessors, as consolidated and revised from time to time.
"Garmin-Cayman"	Garmin Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the common shares of which are currently listed on the NASDAQ.
"Garmin-Switzerland Shares"	registered shares of Garmin-Switzerland to be issued pursuant to Clause 2.
"Garmin-Switzerland"	Garmin Ltd., a company incorporated under the laws of Switzerland with limited liability with its registered office in the town of Schaffhausen in the Canton of Schaffhausen, Switzerland, and with registered number CH-290.3.016.704-3.
"Latest Practicable Date"	29 March, 2010, being the latest practicable date for the purposes of ascertaining certain information contained herein.
"Parties"	Garmin-Cayman, Garmin-Switzerland and the Scheme Shareholders.
"Proceeding"	Any process, suit, action, legal or other proceeding, including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, execution, restraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, enforcement of any security or enforcement of any letters of credit.
"Prohibited Proceeding"	Any Proceeding against Garmin-Cayman or Garmin-Switzerland or their subsidiaries or property, or any of their directors, officers, employees or agents, in any jurisdiction whatsoever other than an Allowed Proceeding.
"Proxy Statement"	The proxy statement of Garmin-Cayman dated [*], 2010 issued to the Scheme Shareholders in connection with this Scheme by order of the Cayman Court on [6 April], 2010.
"Register"	The register of members of Garmin-Cayman.
"Scheme Meeting"	The class meeting of the Scheme Shareholders convened by the Cayman Court for the purposes of considering, and if seen fit, approving this Scheme.

"Scheme Shareholders"	The registered holders of the Scheme Shares, as recorded on the Register.
"Scheme Shares"	Common shares issued by Garmin-Cayman with a par value US\$0.005 per share.
"Scheme"	This scheme of arrangement in its present form or with or subject to any modifications, additions or conditions which the Cayman Court may approve or impose.
"Transaction Time"	The time at which Part I of this Scheme becomes effective in accordance with Clause 5 of this Scheme.
"Transaction"	The transaction to be effected by this Scheme.

(A) Garmin-Cayman was incorporated as an exempted company on 24 July 2000 in the Cayman Islands under the Companies Law. The authorised share capital of Garmin-Cayman is US\$6,000,000 divided into 1,000,000,000 common shares of par value US\$0.005 each and 1,000,000 preferred shares of a par value of US\$1.00 each. As at the Latest Practicable Date, 199,128,294 Garmin-Cayman common shares were issued and fully paid, and no preferred shares had been issued.

(B) Garmin-Cayman proposes to relocate the ultimate parent holding company of the Garmin group from the Cayman Islands to the town of Schaffhausen in the canton of Schaffhausen, Switzerland, by way of this Scheme, such that upon the Transaction Time Garmin-Cayman shall become a wholly owned subsidiary of Garmin Switzerland.

(C) The Parties intend for the Transaction to qualify as a reorganization under Section 368(a)(1)(F) of the Code.

(D) Garmin-Switzerland has undertaken to the Cayman Court to be bound by this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.

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## SCHEME OF ARRANGEMENT

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### PART I

#### SHARE EXCHANGE

1. At the Transaction Time, all issued and outstanding Scheme Shares shall be transferred to Garmin-Switzerland and such Scheme Shares shall be credited as fully paid and recorded in the Register in the name of Garmin-Switzerland.
2. In consideration of the transfer of the Scheme Shares pursuant to Clause 1 of this Scheme, prior to the next opening of the NASDAQ after the Transaction Time Garmin-Switzerland will issue to each Scheme Shareholder one registered Garmin-Switzerland Share for each Scheme Share that was transferred pursuant to Clause 1 of this Scheme that such Scheme Shareholder held immediately prior to the Transaction Time.

3. As from the Transaction Time, the Scheme Shareholders prior to the Transaction Time shall in accordance with this Scheme cease to have any rights with respect to the Scheme Shares, except the right to receive the consideration set out in Clause 2 of this Scheme, provided, however, that nothing in this Scheme shall in any way affect the right (if any) of a shareholder of Garmin-Cayman to receive any dividend declared by Garmin-Cayman prior to the Transaction Time but which has not been paid prior to the Transaction Time.
4. As from the Transaction Time, each instrument of transfer and certificate existing at the Transaction Time in respect of a holding of any number of Scheme Shares shall cease to be valid for any purpose as an instrument of transfer or a certificate for such Scheme Shares.

## **PART II**

### **GENERAL**

5. Part I of this Scheme shall become effective at 3:00 am Cayman Islands time on Sunday 27 June 2010 or such earlier or later date and time as the board of Garmin-Cayman (or its duly authorised officer) shall at any time determine (such earlier or later time not to be a time at which the NASDAQ is open for trading), provided that at or by that time all of the following conditions are satisfied or, to the extent permitted law, waived by Garmin-Cayman and Garmin-Switzerland:
  - (a) a definitive version of the Proxy Statement has been filed with the United States Securities Exchange Commission;
  - (b) this Scheme is approved by the affirmative vote at the Scheme Meeting of a majority in number representing 75% or more in value of the Scheme Shares present and voting in person or by proxy at the Scheme Meeting on the resolution to approve this Scheme;
  - (c) the requisite court order sanctioning this Scheme is obtained from the Cayman Court;
  - (d) a copy of the order of the Cayman Court referred to at clause 5(c) is lodged with the Cayman Islands Registrar of Companies;
  - (e) there is no threatened, pending or effective decree, order, injunction or other legal restraint prohibiting the consummation of the Scheme;
  - (f) all consents and governmental authorizations that are necessary, desirable or appropriate in connection with the Transaction are obtained on terms acceptable to Garmin-Cayman (as it should think fit its absolute discretion) and are in full force and effect;
  - (g) Garmin-Cayman shall have received an opinion from KPMG LLP, in form and substance reasonably satisfactory to it, confirming the matters discussed under the caption "Material Tax Considerations—U.S. Federal Income Tax Considerations;" in the proxy statement of Garmin-Cayman distributed to the Scheme Shareholders in connection with the Scheme Meeting.
  - (h) Garmin-Cayman shall have received an opinion from KPMG AG, in form and substance reasonably satisfactory to it, confirming the matters discussed under the caption "Material Tax Considerations—Swiss Tax Considerations;" in the proxy statement of Garmin-Cayman distributed to the Scheme Shareholders in connection with the Scheme Meeting.
  - (i) the Garmin-Switzerland shares to be issued pursuant to the Scheme are authorized for listing on the NASDAQ, subject to official notice of issuance.

- (j) Garmin Cayman receives in escrow an opinion from Maples and Calder, in form and substance reasonably satisfactory to it, regarding the matters discussed in Securities Exchange Commission Division of Corporation Finance Legal Bulletin No. 3A (CF) dated June 18, 2008.

- (k) Garmin-Switzerland and Garmin-Cayman execute a Transaction Agreement pursuant to which, among other things, Garmin Switzerland agrees to adopt Garmin-Cayman's Equity Compensation and Benefit Plans (as defined in the Transaction Agreement).
6. All mandates or other instructions to Garmin-Cayman in force at the Transaction Time relating to any of the Scheme Shares (including, without limitation, elections for the payment of dividends by way of scrip (if any)) shall, mutatis mutandis immediately after the Transaction Time, be deemed to be valid as effective mandates or instructions in respect of the Garmin-Switzerland Shares received in consideration of the transfer of such Scheme Shares.
  7. Subject to any applicable U.S. securities laws, this Scheme may be amended, modified or supplemented at any time before or after its approval by the shareholders of Garmin-Cayman at the Scheme Meetings. At the Cayman Court hearing to sanction this Scheme, the Cayman Court may impose such conditions, modifications and amendments as it deems appropriate in relation to this Scheme but will not impose any material changes without the joint consent of Garmin-Cayman and Garmin-Switzerland. Garmin-Cayman may, subject to any applicable U.S. securities laws, consent to any condition, modification or amendment of this Scheme on behalf of the Scheme Shareholders which Garmin-Cayman may think fit to approve or impose. After its approval, no amendment, modification or supplement may be made or effected that legally requires further approval by shareholders or any class of shareholders of Garmin-Cayman without obtaining that approval.
  8. Garmin-Cayman may terminate or abandon this Scheme at any time prior to the Transaction Time without obtaining the approval of the Scheme Shareholders, even though this Scheme may have been approved at the Scheme Meetings and sanctioned by the Cayman Court and all other conditions may have been satisfied.
  9. None of the Scheme Shareholders shall commence a Prohibited Proceeding in respect of or arising from this Scheme after the Transaction Time. A Scheme Shareholder may commence an Allowed Proceeding against Garmin-Cayman or Garmin-Switzerland after the Transaction Time provided that it has first given Garmin-Cayman and Garmin-Switzerland five clear Business Days' prior notice in writing of its intention to do so.
  10. Any notice or other written communication to be given under or in relation to this Scheme (other than pursuant to Clause 15) shall be given in writing and shall be deemed to have been duly given if it is delivered by hand or sent by post to:
    - (a) in the case of Garmin-Cayman, Garmin Ltd., P.O. Box 10670, Grand Cayman KY1-1006, Suite 3206B, 45 Market Street, Gardenia Court, Camana Bay, Cayman Islands, marked for the attention of the Company Secretary;
    - (b) in the case of Garmin-Switzerland: Garmin Ltd., c/o Klauser & Partner AG, Pestalozzistrasse 2, 8200 Schaffhausen, Switzerland;
    - (c) in the case of any Scheme Shareholder, his, her or its address as it appeared on the Register immediately prior to the Transaction Time; and
    - (d) in the case of any other person, any address set forth for that person in any agreement entered into in connection with this Scheme or the last known address according to the records of Garmin-Cayman, or by fax or email to its last known fax number or email address according to the records of Garmin-Cayman.
  11. In proving service, it shall be sufficient proof, in the case of a notice sent by post, that the envelope was properly stamped, addressed and placed in the post.

12. Without limiting the manner in which notice or other written communication may be given or deemed given pursuant to any other clause of this Scheme, any notice or other written communication to be given under this Scheme shall be deemed to have been served as provided in Articles 142 to 145 of Garmin-Cayman's Articles of Association.
13. The accidental omission to send any notice, written communication or other document in accordance with Clauses 10 or 11 or the non-receipt of any such notice by a Scheme Shareholder, shall not affect the provisions of this Scheme.
14. Garmin-Cayman shall not be responsible for any loss or delay in the transmission of any notices, or other documents posted by or to a Scheme Shareholder, which shall be posted at the risk of such Scheme Shareholder.
15. Garmin-Switzerland shall give notification of this Scheme having become effective. Garmin-Cayman shall give notification if it decides to terminate or abandon the Scheme pursuant to Clause 8. This notification, and any other notice or other written communication that is required to be given to all or substantially all of the Scheme Shareholders, may (but is not required to) be made by issuing a press release.
16. The operative terms of this Scheme shall be governed by, and construed in accordance with, the laws of the Cayman Islands and the Scheme Shareholders hereby agree that the courts of the Cayman Islands shall have exclusive jurisdiction to hear and determine any Proceeding and to settle any dispute which arises out of or connected with the terms of this Scheme or their implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme and for such purposes, the Parties irrevocably submit to the jurisdiction of the courts of the Cayman Islands.
17. If any provision (or any part of any provision) of this Scheme is found by the Cayman Court to be illegal or unenforceable, it shall be severed from this Scheme and the remaining provisions of this Scheme shall continue in force.
18. Notwithstanding any other clause of this Scheme, unless Part I of this Scheme has become effective on or before December 31, 2010 (or such later date, if any, as the Cayman Court may allow), this Scheme shall lapse and be of no further effect.

Dated [\*], 2010

EXHIBIT D

Letter Signed by Garmin Switzerland

Confirming that It Agrees to be Bound by Scheme of Arrangement

**IN THE MATTER OF GARMIN LTD.**

LETTER OF INSTRUCTION TO \_\_\_\_ AND UNDERTAKING TO BE BOUND BY SCHEME (to be submitted by Garmin Ltd., a Swiss corporation)

(letterhead of Garmin Ltd.)

[Name]  
[Address]

Attn: \_\_\_\_\_

Dear Sirs,

Re: Scheme of Arrangement between Garmin Ltd. and its Scheme Shareholders

Please accept this letter as your instructions to appear on our behalf before the Grand Court of the Cayman Islands upon the hearing of the petition to sanction a scheme of arrangement between Garmin Ltd. and its Scheme Shareholders. You are instructed to provide to the Court our undertaking to be bound by the terms of the Scheme insofar as it requires us to take any action and issue shares or do any thing in order to give effect to the Scheme.

Yours faithfully,

Garmin Ltd.  
a Swiss corporation

[NAME OF SENDER]

EXHIBIT E

Articles of Association

**Statuten**

**Articles of Association**

**der**

**of**

**Garmin Ltd.  
(Garmin AG)**

**Garmin Ltd.  
(Garmin AG)**

**mit Sitz in Schaffhausen**

**with registered office in Schaffhausen**

I.	Firma, Sitz und Zweck.....	
I.	Company Name, Registered Office and Objects .....	
	Art. 1 Firma und Sitz .....	
	Art. 1 Company Name and Registered Office .....	
	Art. 2 Zweck .....	
	Art. 2 Objects .....	
II.	Aktienkapital und Aktien.....	
II.	Share Capital and Shares.....	
	Art. 3 Aktienkapital .....	
	Art. 3 Share Capital.....	
	Art. 3 a) Sacheinlage .....	
	Art. 3 a) Contribution in Kind.....	
	Art. 4 Anerkennung der Statuten .....	
	Art. 4 Recognition of Articles of Association .....	
	Art. 5 Genehmigtes Aktienkapital.....	
	Art. 5 Authorized Share Capital .....	
	Art. 6 Bedingtes Aktienkapital .....	
	Art. 6 Conditional Share Capital.....	
	Art. 7 Aktienzertifikate .....	
	Art. 7 Share Certificates .....	
	Art. 8 Aktienbuch, Eintragungsbeschränkungen, Nominees .....	
	Art. 8 Share Register, Restrictions on Registration, Nominees .....	
	Art. 9 Übertragung.....	
	Art. 9 Transfer .....	
	Art. 10 Umwandlung und Zerlegung von Aktien .....	
	Art. 10 Conversion and Splitting of Shares .....	
	Art. 11 Bezugsrechte.....	
	Art. 11 Subscription Rights.....	
III.	Organisation.....	
III.	Organization .....	
	Art. 12 Befugnisse.....	
	Art. 12 Authority .....	
	Art. 13 Recht zur Einberufung.....	
	Art. 13 Right to call a General Meeting .....	
	Art. 14 Form der Einberufung .....	
	Art. 14 Form of the calling of a General Meeting .....	
	Art. 15 Universalversammlung.....	
	Art. 15 Universal Meeting.....	
	Art. 16 Vorsitz und Protokoll.....	
	Art. 16 Chairperson and Minutes .....	
	Art. 17 Stimmrecht und Vertretung .....	
	Art. 17 Voting Rights and Representation.....	
	Art. 18 Teilnahme der Mitglieder des Verwaltungsrates .....	
	Art. 18 Participation of the Members of the Board of Directors .....	
	Art. 19 Beschlussfassung und Wahlen .....	
	Art. 19 Resolutions and Voting .....	
	Art. 20 Besonderes Stimmen Quorum .....	
	Art. 20 Special Vote .....	
	Art. 21 Auskunfts- und Einsichtsrecht der Aktionäre .....	
	Art. 21 Information and Inspection Rights of the Shareholders .....	
	Art. 22 Recht auf Einleitung einer Sonderprüfung .....	

Art. 22	Right to Initiate a Special Audit .....
Art. 23	Präsenzquorum .....
Art. 23	Presence Quorum .....
Art. 24	Zusammensetzung .....
Art. 24	Composition .....
Art. 25	Amtsdauer .....
Art. 25	Term of Office .....
Art. 26	Konstituierung .....
Art. 26	Constitution .....
Art. 27	Aufgaben .....
Art. 27	Duties .....
Art. 28	Entschädigung .....
Art. 28	Compensation .....
Art. 29	Einberufung und Beschlussfassung .....
Art. 29	Calling of Meetings and Quorum .....
Art. 30	Delegation und Ausschüsse .....
Art. 30	Delegation and Committees .....
Art. 31	Protokoll .....
Art. 31	Minutes .....
Art. 32	Recht auf Auskunft und Einsicht .....
Art. 32	Right to Information and Inspection .....
Art. 33	Zeichnungsberechtigung .....
Art. 33	Signature Power .....
Art. 34	Revision .....
Art. 34	Audit .....
Art. 35	Organisation der Revisionsstelle .....
Art. 35	Organisation of the Auditor .....
Art. 36	Jahresrechnung .....
Art. 36	Annual Financial Accounts .....
Art. 37	Verwendung des Jahresgewinnes .....
Art. 37	Application of the Annual Profit .....
Art. 38	Auflösung und Liquidation .....
Art. 38	Winding-up and Liquidation .....
Art. 39	Mitteilungen und Bekanntmachungen .....
Art. 39	Communications and Notifications .....
Art. 40	Verbindlicher Originaltext .....
Art. 40	Original Language .....
Art. 41	Definitionen .....
Art. 41	Definitions .....

## 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 [ ] und ist eingeteilt in [ ] Namenaktien („**Aktien**“) mit einem Nennwert von je CHF [ ]. 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**“) [ ] Aktien (*common shares*) von Garmin-Cayman. Diese Aktien

## 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 [ ] and is divided into [ ] registered shares (“**Shares**“) with a nominal value of CHF [ ] 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 [ ] common shares of Garmin Ltd., with registered office in Camana Bay, Cayman Islands (“**Garmin-Cayman**“) from

werden zu einem Übernahmewert von insgesamt CHF [ ] übernommen. Als Gegenleistung für die Sacheinlage (i) wird der Nennwert jeder Aktie von bisher CHF 0.01 auf neu [ ] erhöht und (ii) gibt die Gesellschaft Garmin-Cayman, handelnd im eigenen Namen und auf Rechnung der Aktionäre der Garmin-Cayman im Zeitpunkt unmittelbar vor Vollzug des Sacheinlagevertrages, insgesamt [ ] voll einbezahlte Aktien mit einem Nennwert von je CHF [ ] aus. Die Gesellschaft weist den Differenzbetrag von CHF [ ] 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 Genehmigtes Aktienkapital**

Der Verwaltungsrat ist ermächtigt, das Aktienkapital jederzeit bis spätestens zum 27. Juni 2012, im Maximalbetrag von CHF [ ] [50 % des Aktienkapitals] durch Ausgabe von höchstens [ ] vollständig zu liberierenden Aktien mit einem Nennwert von je CHF [ ] zu erhöhen. Eine Erhöhung des Aktienkapitals (i) auf dem Weg einer Festübernahme durch eine Bank, ein Bankenkonsortium oder Dritte und eines anschliessenden Angebots an die bisherigen Aktionäre sowie (ii) in Teilbeträgen ist zulässig.

Der Verwaltungsrat legt den Zeitpunkt der Ausgabe der neuen Aktien, deren Ausgabepreis, die Art der Liberierung, den Beginn der Dividendenberechtigung, die Bedingungen für die Ausübung der Bezugsrechte sowie die Zuteilung der Bezugsrechte, welche nicht ausgeübt wurden, fest. Nicht ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. die Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt worden sind, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

Der Verwaltungsrat ist ermächtigt, die Bezugsrechte der Aktionäre aus wichtigen Gründen zu entziehen oder zu beschränken und Dritten zuzuweisen, insbesondere:

- (a) wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder

Garmin-Cayman. The shares of Garmin-Cayman have a total value of CHF [ ]. As consideration for this contribution, (i) the nominal value of each Share is increased from CHF 0.01 to CHF [ ] and (ii) the Company issues 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, a total of [ ] fully paid up Shares with a par value of CHF [ ] each. The difference of CHF [ ] is allocated to the reserves 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 Authorized Share Capital**

The Board of Directors is authorized to increase the Share Capital no later than June 27, 2012, by a maximum amount of CHF [ ] (50 % of the Share Capital) by issuing a maximum of [ ] fully paid-up registered Shares with a par value of CHF [ ] each. An increase of the Share Capital (i) by means of an offering underwritten by a financial institution, a syndicate of financial institutions or another third party or third parties, followed by an offer to the then-existing shareholders of the Company, and (ii) in partial amounts, shall be permissible.

The Board of Directors shall determine the time of the issuance, the issue price, the manner in which the new Shares have to be paid-up, the date from which the Shares carry the right to dividends, the conditions for the exercise of the preemptive rights and the allotment of preemptive rights that have not been exercised. The Board of Directors may allow the preemptive rights that have not been exercised to expire, or it may place such rights or Shares, the preemptive rights of which have not been exercised, at market conditions or use them otherwise in the interest of the Company

The Board of Directors is authorized to withdraw or limit the preemptive rights of the shareholders and to allot them to third parties for important reasons, including:

- (a) if the issue price of the new Shares is determined by reference to the market price; or

(b) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für die Finanzierung oder Refinanzierung solcher Transaktionen oder die Finanzierung von neuen Investitionsvorhaben der Gesellschaft; oder

(c) zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Finanz- oder Investoren-Märkten, zur Beteiligung von strategischen Partnern, oder im Zusammenhang mit der Kotierung von neuen Aktien an in- oder ausländischen Börsen.

Die neuen Aktien unterliegen den Eintragungsbeschränkungen in das Aktienbuch gemäss **Error! Reference source not found.** dieser Statuten.

#### **Art. 6 Bedingtes Aktienkapital**

Das Aktienkapital kann sich durch Ausgabe von höchstens [ ] voll zu liberierenden Namenaktien im Nennwert von je CHF [ ] um höchstens CHF [ ] *[50 % des Aktienkapitals]* 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 **Error! Reference source not found.** 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

(b) for the acquisition of an enterprise, part(s) of an enterprise or participations, or for the financing or refinancing of any of such transactions, or for the financing of new investment plans of the Company; or

(c) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new Shares on domestic or foreign Exchanges.

The new Shares shall be subject to the limitations for registration in the share register pursuant to **Error! Reference source not found.** of these Articles of Association.

#### **Art. 6 Conditional Share Capital**

The Share Capital may be increased in an amount not to exceed CHF [ ] *(50 % of the Share Capital)* through the issuance of up to [ ] fully paid-up registered Shares with a par value of CHF [ ] 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 **Error! Reference source not found.** 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.

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, ersatzlos 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.

#### **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.

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 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.

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 **Error! Reference source not found.** 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. 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 **Error! Reference source not found.** darf die Übertragung von un zertifizierten Aktien, die im Namen eines Aktionärs durch einen Transfer Agenten, Trust oder einer ähnlichen Einrichtung

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 **Error! Reference source not found.** 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 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 **Error! Reference source not found.** 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

(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. Ihr stehen folgende unübertragbare Befugnisse zu:

1. Festsetzung und Änderung der Statuten; vorbehalten bleibt **Error! Reference source not found.**;
2. Festsetzung der Zahl der Mitglieder des Verwaltungsrates sowie Wahl und Abberufung derselben;
3. Wahl und Abberufung der Revisionsstelle;

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

1. adoption and amendment of the Articles of Association; **Error! Reference source not found.** remains reserved;
2. determination of the number of members of the Board of Directors as well as their appointment and removal;
3. appointment and removal of the Auditors;

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| <p>4. Genehmigung des Jahresberichtes des Verwaltungsrates;</p> <p>5. Genehmigung der Jahresrechnung und einer allfälligen Konzernrechnung;</p> <p>6. Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere Festsetzung der Dividende sowie der Tantième des Verwaltungsrates;</p> <p>7. Entlastung der Mitglieder des Verwaltungsrates und der übrigen mit der Geschäftsführung betrauten Zivilrechtlichen Personen;</p> <p>8. Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind;</p> <p>9. Die Genehmigung von Zusammenschlüssen (die Definition eines Zusammenschlusses findet sich in <b>Error! Reference source not found.</b> dieser Statuten), (i) soweit sich die Zuständigkeit der Generalversammlung nicht bereits aus <b>Error! Reference source not found.</b> Ziff. 1. bis 8 ergibt und (ii) soweit nicht zwingend ein anderes Organ der Gesellschaft zuständig ist.</p> | <p>4. approval of the annual report of the Board of Directors;</p> <p>5. approval of the annual financial accounts and (if applicable) the group accounts;</p> <p>6. resolution on the application of the balance sheet profit, in particular, determination of dividend and the profit share of the Board of Directors;</p> <p>7. discharge of the members of the Board of Directors and the Persons entrusted with the management;</p> <p>8. resolution on matters which are reserved to the general meeting of the shareholders either by law or the Articles of Association;</p> <p>9. the approval of Business Combinations (definition of this term is in <b>Error! Reference source not found.</b> 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 <b>Error! Reference source not found.</b> (1) to (8) and (ii) that it is not an inalienable power of another corporate body of the Company.</p> |
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#### 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 Anleiensgläubiger zu. Sie findet am Gesellschaftssitz oder an einem anderen Ort im In- oder Ausland statt.

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

#### Art. 14 Form der Einberufung

Die Generalversammlung wird durch einmalige Anzeige in der in **Error! Reference source not found.** 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)

#### 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.

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 of the calling of a General Meeting

The general meeting of the shareholders shall be convened by a single notice as provided for in **Error! Reference source not found.** 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

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 (Jahresbericht des Verwaltungsrates und Jahresrechnung, bestehend aus Erfolgsrechnung, Bilanz und Anhang) und der Revisionsbericht 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 Stimmzähler. Der Protokollführer und der oder die Stimmzähler müssen nicht Aktionäre sein. Der Vorsitzende kann zugleich auch Protokollführer und Stimmzähler sein.

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) and the audit report 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.

Jeder Aktionär kann sich in der Generalversammlung durch einen anderen Aktionär oder einen Dritten vertreten lassen. Vertreter haben sich durch eine schriftliche Vollmacht auszuweisen.

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.

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.

#### **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 ausübenden Stimmen, soweit Gesetz oder Statuten nichts anderes bestimmen. Bei Stimmgleichheit gilt ein

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.

Each shareholder may arrange representation through another shareholder or third party. The representative must produce a written power of attorney.

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.

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 Resolutions and Voting**

The general meeting of the shareholders shall pass its resolutions and votes 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

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 **Error! Reference source not found.** 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 **Error! Reference source not found.** dieser Statuten) gemäss **Error! Reference source not found.** (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 **Error! Reference source not found.** der Statuten) genehmigt wurden. Für solche von der Mehrheit der Unparteiischen Mitgliedern des Verwaltungsrates

shall be deemed not to be passed; in the case of a vote, 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 **Error! Reference source not found.**, 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 **Error! Reference source not found.** of these Articles of Association) pursuant to **Error! Reference source not found.** (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 **Error! Reference source not**

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 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 **Error! Reference source not found.** auszulegen.

2. Jede Änderung dieser Bestimmung.

Ein Beschluss der Generalversammlung der mindestens zwei Drittel der Gesamtstimmen (die Definition von Gesamtstimmen findet sich in **Error! Reference source not found.** 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 **Error! Reference source not found.** dieser Statuten) auf sich vereinigt, ist erforderlich für:

1. Die Reduktion oder Erhöhung der Anzahl

**found.** 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 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 **Error! Reference source not found.**

2. Any change to this paragraph of **Error! Reference source not found.** 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 **Error! Reference source not found.** 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 **Error! Reference source not found.** 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 **Error! Reference source not found.** of these Articles of Association):

1. The increase or reduction of the number of

Verwaltungsräte in **Error! Reference source not found.** 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.

members of the Board of Directors in **Error! Reference source not found.** of these Articles of Association.

2. Any change to this paragraph of **Error! Reference source not found.** 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 Auskunfts- und Einsichtsrecht der Aktionäre**

Jeder Aktionär ist berechtigt, an der Generalversammlung vom 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. 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

**Art. 21 Information and Inspection Rights of the Shareholders**

At the general meeting of the shareholders, any shareholder is 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. 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

unabhängige Verwaltungsräte (Unabhängige Verwaltungsräte) ausweisen.

Independent Directors on its Board of Directors.

#### **Art. 25 Amtsdauer**

#### **Art. 25 Term of Office**

Die Verwaltungsräte werden vom Verwaltungsrat in drei Klassen aufgeteilt, welche als Klasse I, Klasse II und Klasse III bezeichnet werden. Die Verwaltungsräte sollen gleichmässig auf die drei Klassen aufgeteilt werden. Die erste Amtszeit der gewählten Verwaltungsräte endet wie folgt:

The Board of Directors shall divide its members into three classes, designated Class I, Class II and Class III. All Classes shall be as nearly equal in number as possible. The members of the Board of Directors as initially classified shall hold office for terms as follows:

Die Amtszeit der Verwaltungsratsmitglieder der Klasse I endet mit der ordentlichen Generalversammlung des Jahres 2011 oder mit der Wahl ihrer Nachfolger;

The Class I members of the Board of Directors shall hold office until the date of the ordinary general meeting of the shareholders in 2011 or until their successors shall be elected and qualified;

Die Amtszeit der Verwaltungsratsmitglieder der Klasse II endet mit der ordentlichen Generalversammlung des Jahres 2012 oder mit der Wahl ihrer Nachfolger;

The Class II members of the Board of Directors shall hold office until the date of the ordinary general meeting of the shareholders in 2012 or until their successors shall be elected and qualified;

Die Amtszeit der Verwaltungsratsmitglieder der Klasse III endet mit der ordentlichen Generalversammlung des Jahres 2013 oder mit der Wahl ihrer Nachfolger.

The Class III members of the Board of Directors shall hold office until the date of the ordinary general meeting of the shareholders in 2013 or until their successors shall be elected and qualified.

An jeder ordentlichen Generalversammlung soll jede Klasse Verwaltungsräte, deren Amtsdauer abläuft, für eine Amtsdauer von drei Jahren bzw. bis zur Wahl ihrer Nachfolger gewählt werden. Die Verwaltungsräte sind wieder wählbar.

At each ordinary general meeting of the shareholders, each class of the members of the Board of Directors whose term shall then expire shall be elected to hold office for a three-year term or until the election of their respective successor in office. The members of the Board of Directors are re-electable.

Der Verwaltungsrat legt die Reihenfolge der Wiederwahl fest, wobei die erste Amtszeit einer bestimmten Klasse von Verwaltungsräten auch weniger als drei Jahre betragen kann. Für den Zweck dieser Bestimmung ist unter einem Jahr der Zeitabschnitt zwischen zwei ordentlichen Generalversammlungen zu verstehen.

The Board of Directors shall establish the order of rotation, whereby the first term of office of members of a particular class may be less than three years. For purposes of this provision, one year shall mean the period between two ordinary general meetings of the shareholders.

Wenn ein Verwaltungsratsmitglied vor Ablauf seiner Amtsdauer aus welchen Gründen auch immer ersetzt wird, endet die Amtsdauer des an seiner Stelle gewählten neuen Verwaltungsratsmitgliedes mit dem Ende der Amtsdauer seines Vorgängers.

If, before the expiration of his term of office, a member of the Board of Director should be replaced for whatever 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.

Ist an der Gesellschaft eine juristische Person oder eine Handelsgesellschaft beteiligt, so ist sie als solche nicht als Mitglied des Verwaltungsrates

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;

wählbar; dagegen können an ihrer Stelle ihre Vertreter gewählt werden.

#### **Art. 26 Konstituierung**

Besteht der Verwaltungsrat aus mehreren Personen, so konstituiert er sich selbst, indem er seinen Präsidenten („**Verwaltungsratspräsident**“ oder „**Präsident**“), seinen Sekretär sowie allfällige Vizepräsidenten wählt. Der Sekretär muss dem Verwaltungsrat nicht angehören.

#### **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;

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 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.

however, its representatives may be elected in lieu thereof.

#### **Art. 26 Constitution**

Where the Board of Directors consists of several persons it shall organize itself so that it elects its own chairman (“**Chairman of the Board of Directors**” or “**Chairman**”) and the Secretary and it may elect one or more vice-chairman. The Secretary need not belong to the Board of Directors.

#### **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;

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 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.

Er hat überdies die folgenden Aufgaben:

Führung der gemäss Organisationsreglement dem Verwaltungsrat vorbehaltenen Geschäfte (vgl. **Error! Reference source not found.** Abs. 2);

Antragstellung betreffend Verwendung des Bilanzgewinnes;

Festlegung des Geschäftsjahres (vgl. **Error! Reference source not found.**);

Behandlung von Eintragungsgesuchen (vgl. **Error! Reference source not found.**).

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 einzelzeichnungsberechtigt.

#### **Art. 28 Entschädigung**

Die Mitglieder des Verwaltungsrates haben Anspruch auf Ersatz ihrer im Interesse der Gesellschaft aufgewendeten Auslagen sowie auf eine ihrer Tätigkeit entsprechende Entschädigung. Der Betrag wird vom Verwaltungsrat festlegt.

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, 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,

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

Management of transactions reserved to the Board of Directors by the Organizational Regulations (cf. **Error! Reference source not found.** paragraph 2);

Proposals regarding the application of the balance sheet profit;

Defining the business year (cf. **Error! Reference source not found.**).

Treatment of registration applications (cf. **Error! Reference source not found.**).

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 Compensation**

The members of the Board of Directors shall have a claim to compensation for their expenses incurred in the interests of the Company as well as remuneration for their activities. The amount of the remuneration shall be determined by the Board of Directors.

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, 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, officer employee or agent of another company, partnership, joint venture, trust or other enterprise, or in a fiduciary or other

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. 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 **Error! Reference source not found.** 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

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 **Error! Reference source not found.** 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 **Error! Reference source not found.**

The provisions of this **Error! Reference source not found.** 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 **Error! Reference source not found.** 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 **Error! Reference source not found.** 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,

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 Verwaltungsratsitzung 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 Stimmgleichheit gibt der Vorsitzende den Stichentscheid, bei Wahlen entscheidet 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

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 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.

anderen Verwaltungsratsprotokollen aufzubewahren.

#### **Art. 30 Delegation und Ausschüsse**

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

Unter Vorbehalt seiner unübertragbaren 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. 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

#### **Art. 30 Delegation and Committees**

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

Subject to its non-transferable and inalienable duties, the Board of Directors is furthermore empowered to transfer 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 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

vorbehalten.

of Directors with the right to information and inspection remain reserved.

### **Art. 33 Zeichnungsberechtigung**

Die rechtsverbindliche Vertretung der Gesellschaft durch Mitglieder des Verwaltungsrates und durch Dritte wird in einem Organisationsreglement festgelegt.

### **Art. 33 Signature Power**

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;

the requirements for an ordinary audit are not present;

die Zustimmung sämtlicher Aktionäre vorliegt und;

the consent of all shareholders has been given; and

die Gesellschaft nicht mehr als zehn Vollzeitstellen im Jahresdurchschnitt hat.

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**

### **Art. 35 Organisation of the Auditor**

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

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

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

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

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

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

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

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

Art. 727 Abs. 2 OR

Art. 727 paragraph 2 CO

wählt die Generalversammlung einen

the general meeting of the shareholders shall

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 **Error! Reference source not found..**

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.

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

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 **Error! Reference source not found.** 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.

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

vom Gesetz vorgeschriebenen Reserven beschlossen und über deren Verwendung bestimmen.

in addition to those required by law and determine their application.

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

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. 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 freihändig 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 **Error! Reference source not found.** Abs. 3 erwähnten Hinweise an ihre letzte im Aktienbuch eingetragene Adresse durch Brief oder E-Mail. In allen anderen Fällen 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

## 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 **Error! Reference source not found.** 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 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

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 **Error! Reference source not found.** dieser Statuten aufgeführte Bedeutung.

##### **Aktienbuch**

Der Begriff **Aktienbuch** hat die in **Error! Reference source not found.** 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 stimmberechtigten Aktien unabhängig davon, ob die stimmberechtigten Aktien an der Generalversammlung vertreten sind oder nicht.

##### **Gesellschaft**

Der Begriff **Gesellschaft** bedeutet Garmin Ltd.

##### **Marktwert**

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 **Error! Reference source not found.** of these Articles of Association.

##### **Share Register**

The term **Share Register** has the meaning assigned to it in **Error! Reference source not found.** of these Articles of Association.

##### **Share Capital**

The term **Share Capital** has the meaning assigned to it in **Error! Reference source not found.** 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.

##### **Fair Market Value**

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 Treuen 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 Treuen per Stichtag bestimmt werden.

#### **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

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.

#### **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

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.

### **Nahestehende Gesellschaft**

Der Begriff **Nahestehende Gesellschaft** bedeutet bezüglich einer Person, jede andere Person, die direkt oder indirekt über eine oder mehrere Mittelspersonen 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 im Sinne dieser Definition 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 **Error! Reference**

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.

### **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, "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 **Error! Reference source not found.** of these

**source not found.** dieser Statuten aufgeführte Bedeutung. Articles of Association.

### **Revisionsstelle**

Der Begriff **Revisionsstelle** hat die in Abschnitt **Error! Reference source not found.** dieser Statuten aufgeführte Bedeutung.

### **Auditor**

The term **Auditor** has the meaning assigned to it in section **Error! Reference source not found.** of these Articles of Association.

## **Sekretär**

Der Begriff **Sekretär** hat die in **Error! Reference source not found.** dieser Statuten aufgeführte Bedeutung.

## **Sitz**

Der Begriff **Sitz** hat die in **Error! Reference source not found.** dieser Statuten aufgeführte Bedeutung.

## **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

## **Secretary**

The term **Secretary** has the meaning assigned to it in **Error! Reference source not found.** of these Articles of Association.

## **Registered Office**

The term **Registered Office** has the meaning assigned to it in **Error! Reference source not found.** of these Articles of Association.

## **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

**Error! Reference source not found.** dieser Statuten aufgeführte Bedeutung.

### **Vewaltungsratspräsident**

Der Begriff **Verwaltungsratspräsident (Präsident)** hat die in **Error! Reference source not found.** dieser Statuten aufgeführte Bedeutung.

### **Zivilrechtliche Person**

Der Begriff **Zivilrechtliche Person** bedeutet jede natürliche Person, Kapitalgesellschaft, rechts- oder nichtrechtsfähige Personengesellschaft oder jeder andere Rechtsträger.

### **Zusammenschluss**

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

assigned to it in section **Error! Reference source not found.** 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 **Error! Reference source not found.** of these Articles of Association.

### **Person**

The term **Person** shall mean any individual, corporation, partnership, unincorporated association or other entity.

### **Business Combination**

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

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.

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.

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Zürich, \_\_\_\_\_

Exhibit 10.2

GARMIN LTD.

2000 EQUITY INCENTIVE PLAN

as amended and restated on June 27, 2010

## Table of Contents

<b>Article 1. Establishment, Objectives and Duration .....</b>	<b>1</b>
1.1. Establishment of the Plan. ....	1
1.2. Objectives of the Plan. ....	1
1.3. Duration of the Plan. ....	1
<b>Article 2. Definitions .....</b>	<b>1</b>
<b>Article 3. Administration.....</b>	<b>7</b>
3.1. Board and Committee. ....	7
3.2. Powers of the Board. ....	7
<b>Article 4. Shares Subject to the Plan.....</b>	<b>9</b>
4.1. Number of Shares Available. ....	9
4.2. Adjustments in Authorized Shares. ....	10
<b>Article 5. Eligibility and General Conditions of Awards .....</b>	<b>10</b>
5.1. Eligibility. ....	10
5.2. Grant Date. ....	10
5.3. Maximum Term. ....	10
5.4. Award Agreement. ....	10
5.5. Restrictions on Share Transferability. ....	11
5.6. Termination of Affiliation. ....	11
5.7. Nontransferability of Awards. ....	13
<b>Article 6. Stock Options.....</b>	<b>14</b>
6.1. Grant of Options. ....	14
6.2. Award Agreement. ....	14
6.3. Option Price. ....	14
6.4. Grant of Incentive Stock Options. ....	15
6.5. Exercise of Options. ....	16
<b>Article 7. Stock Appreciation Rights.....</b>	<b>16</b>
7.1. Grant of SARs. ....	16
7.2. Exercise of SARs. ....	17
7.3. Payment of SAR Benefit. ....	17
<b>Article 8. Restricted Shares.....</b>	<b>17</b>
8.1. Grant of Restricted Shares. ....	17
8.2. Award Agreement. ....	17
8.3. Consideration. ....	17
8.4. Effect of Forfeiture. ....	17
8.5. Escrow; Legends. ....	18

<b>Article 9. Performance Units and Performance Shares .....</b>	<b>18</b>
9.1. Grant of Performance Units and Performance Shares. ....	18
9.2. Value/Performance Goals. ....	18
9.3. Payment of Performance Units and Performance Shares. ....	18
9.4. Form and Timing of Payment of Performance Units and Performance Shares. ....	18
<b>Article 10. Bonus Shares and Deferred Shares .....</b>	<b>19</b>
10.1. Bonus Shares. ....	19
10.2. Deferred Shares. ....	19
<b>Article 11. Beneficiary Designation .....</b>	<b>19</b>
<b>Article 12. Deferrals.....</b>	<b>19</b>
<b>Article 13. Rights of Employees.....</b>	<b>20</b>
13.1. Employment. ....	20
13.2. Participation. ....	20
<b>Article 14. Amendment, Modification, and Termination.....</b>	<b>20</b>
14.1. Amendment, Modification, and Termination. ....	20
14.2. Adjustments Upon Certain Unusual or Nonrecurring Events. ....	20
14.3. Awards Previously Granted. ....	20
<b>Article 15. Withholding .....</b>	<b>20</b>
15.1. Mandatory Tax Withholding.....	20
15.2. Notification under Code Section 83(b). ....	21
<b>Article 16. Equity Incentive Plans of Foreign Subsidiaries.....</b>	<b>21</b>
<b>Article 17. Additional Provisions.....</b>	<b>21</b>
17.1. Successors. ....	21
17.2. Gender and Number. ....	21
17.3. Severability. ....	21
17.4. Requirements of Law. ....	21
17.5. Securities Law Compliance. ....	22
17.6. No Rights as a Shareholder. ....	22
17.7. Nature of Payments. ....	22
17.8. Governing Law. ....	22

# Garmin Ltd.

## 2000 Equity Incentive Plan

### **Article 1. Establishment, Objectives and Duration**

1.1. Establishment of the Plan. Garmin Ltd., a Swiss corporation (the “Company”), hereby establishes the incentive compensation plan to be known as the Garmin Ltd. 2000 Equity Incentive Plan (the “Plan”). The Plan was adopted by the Board of Directors of Garmin Ltd., a Cayman Islands company (“Garmin Cayman”) on October 20, 2000, and was approved by the shareholders of such company on October 24, 2000. The Plan is effective as of November 1, 2000 (the “Effective Date”). 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.

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 14 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, Deferred Shares, SARs, 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. “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 his from 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 this Plan.

2.8. “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 25% or more of the shares of the Company representing 25% or more of the combined voting power of the Company (such a person or group, a “25% 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 70% of the common shares of such corporation and Voting Securities representing more than 70% 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 25% 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) approval by the shareholders of the Company of a merger, reorganization, consolidation, or similar transaction, or a plan or agreement for the sale or other disposition of all or substantially all of the consolidated assets of the Company or a resolution of dissolution of the Company (any of the foregoing transactions, a “Reorganization Transaction”) which, based on information included in the proxy and other written materials distributed to the Company’s stockholders in connection with the solicitation by the Company of such shareholder approval, is not expected to qualify as an Exempt Reorganization Transaction; or

(d) the consummation by the Company of a Reorganization Transaction that for any reason fails to qualify as an Exempt Reorganization Transaction as of the date of such consummation, notwithstanding the fact that such Reorganization Transaction was expected to so qualify as of the date of such shareholder approval.

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, (b) an IPO shall not be deemed to be a Change of Control, and (c) 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.

2.9. “Change of Control Value” means the Fair Market Value of a Share on the date of a Change of Control.

2.10. “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.

2.11. “Committee” has the meaning set forth in Article 3.

2.12. “Company” has the meaning set forth in Section 1.1.

2.13. “Deferred Shares” means Shares that are awarded to a Grantee on a deferred basis pursuant to Section 10.2.

2.14. “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 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 70% of the then-outstanding common shares of the Surviving Corporation and Voting Securities representing more than 70% 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.

2.20. “Fair Market Value” means (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, as of any date other than the IPO Date, the average of the high and low trading prices on such date on the NASDAQ National Market System (or, if no sale of Shares was reported for such date, on the next preceding date on which a sale of Shares was reported), (i) if the Shares are not listed on the NASDAQ NMS, the average of the high and low trading prices of the Shares on such date on the New York Stock Exchange Composite Transactions Tape (or, if no sale of Shares was reported for such date, on the next preceding date on which a sale of Shares was reported), (ii) if the Shares are not listed on the NASDAQ NMS or the New York Stock Exchange, the average of the high and low trading prices of the Shares on such other national exchange on which the Shares are principally traded or as reported by the NASDAQ Stock Market, or similar organization, or if no such quotations are available, the average of the high bid and low asked quotations in the over-the-counter market; in either case for such date (or if no such transactions in Shares were reported for such date, on the next preceding date on which a sale of Shares was reported); or (iii) in the event that there shall be no public market for the Shares, the fair market value of the Shares as determined by the Board. Solely as of the IPO Date, Fair Market Value of a Share is the price to the public pursuant to the form of final prospectus used in connection with the IPO, as indicated on the cover page of such prospectus or otherwise.

2.21. “Freestanding SAR” means an SAR that is granted independently of any other Award.

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.

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. “IPO” means an initial public offering of Shares as contemplated in the registration statement on Form S-1 filed by the Company with the Securities and Exchange Commission on September 11, 2000.

2.28. “IPO Date” means the effective date of the underwriting agreement between the Company and the underwriters of the IPO.

2.29. “Option” means an option granted under Article 6 of the Plan, including an incentive stock option.

2.30. “Option Price” means the price at which a Share may be purchased by a Grantee pursuant to an Option.

2.31. “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.

2.32. “Performance Period” has the meaning set forth in Section 9.2.

2.33. “Performance Share” or “Performance Unit” has the meaning set forth in Article 9.

2.34. “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.

2.35. “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.

2.36. “Plan” has the meaning set forth in Section 1.1.

2.37. “Reorganization Transaction” has the meaning set forth in Section 2.7(c).

2.38. “Required Withholding” has the meaning set forth in Article 15.

2.39. “Restricted Shares” means Shares that are subject to transfer restrictions and are subject to forfeiture if conditions specified in the Award Agreement applicable to such Shares are not satisfied.

2.40. “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.

2.41. “SAR” means a stock appreciation right.

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 share, CHF 10 par value, of the Company.

2.46. “Strike Price” of any SAR shall equal, for any Tandem SAR (whether granted at the same time as or after the grant of the related Option), the Option Price of such Option, or for any other SAR, 100% of the Fair Market Value of a Share on the Grant Date of such SAR; *provided* that the Board may specify a higher Strike Price in the Award Agreement.

2.47. “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%.

2.48. “Substitute Option” has the meaning set forth in Section 6.3.

2.49. “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.

2.50. “Tandem SAR” means an SAR that is granted in connection with a related Option, the exercise of which shall require cancellation of the right to purchase a Share under the related Option (and when a Share is purchased under the related Option, the Tandem SAR shall similarly be canceled).

2.51. “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.

2.52. “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 Committee. Subject to Article 14, 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 after the IPO, 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 after the IPO, 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 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 Restricted Shares (including Restricted Shares acquired upon the exercise of an Option) shall be forfeited 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 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;

(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 and conditions 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 16;

(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 sub-delegate, 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 after the IPO, no such grants shall be made other than by the Board of Directors of the Company or the Committee to individuals who are then Section 16 Persons or other than by the 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 this Plan of 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 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 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 Section 4.3 and to adjustment as provided in Section 4.2, the number of Shares hereby reserved for delivery under the Plan is 3,500,000. The number of Shares over which SARs may be granted is 350,000. The number of Shares over which Performance Units may be granted is 175,000. The maximum number of Shares that may be delivered as Restricted Shares is 35,000, and the maximum number of Bonus Shares that may be awarded is 35,000. 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, or in the case of SARs and Performance Units, without the payment of cash, 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. If any Shares are withheld for the payment of taxes related to an Award, such Shares, to the extent of any such withholding, shall again be available or shall increase the number of Shares available, as applicable, 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 Grantee may be granted Options, Restricted Shares, Bonus Stock or Deferred Shares, Performance Units or Performance Shares in Shares, or any combination thereof, an aggregate number of Shares under the Plan that exceeds 400,000 Shares in any 5-year period. In any 5-year period, no Grantee may receive SARs, Performance Units or Performance Shares relating to more than 100,000 Shares under the Plan. If a previously granted Option, SAR, Performance Unit or Performance Share is forfeited, canceled or repriced, such forfeited, canceled or repriced Option, SAR, Performance Share or Performance Unit, as the case may be, shall continue to be counted against the maximum number of Shares, SARs, Performance Units or Performance Shares that may be delivered to any Grantee over the life of the Plan.

4.2. Adjustments in Shares. 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 that occurs at any time after the IPO Date 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 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 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; *provided*, that any deferral of a cash payment or of the delivery of Shares that is permitted or required by the Board pursuant to Article 12 may, if so permitted or required by the Board, extend more than 10 years after the Grant Date of the Award to which the deferral relates.

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 14.1, 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 and Deferred 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 8.4 regarding repayment of certain amounts to the Grantee;

(ii) the Grantee's Deferred Shares that were vested immediately before such Termination of Affiliation shall promptly be settled by delivery to such Grantee of a number of unrestricted Shares equal to the aggregate number of such vested Deferred Shares, 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 Deferred Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become nonforfeitable and the Company shall, unless otherwise provided in an Award Agreement, promptly settle all Deferred Shares, whether or not forfeitable, by delivery to the Grantee (or, after his or her death, to his or her personal representative or beneficiary designated in accordance with Article 11) of a number of unrestricted Shares equal to the aggregate number of the Grantee's Deferred Shares;

(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 Affili-

ation (but only during the Option Term) 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:

(1) 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

(2) a percentage determined by the 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 Deferred Shares that were forfeitable shall thereupon become nonforfeitable and the Company shall immediately settle all Deferred Shares, whether or not previously forfeitable, by delivery to such Grantee of a number of unrestricted Shares equal to the aggregate number of the Grantee's Deferred Shares;

(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 three months following such Termination of Affiliation; 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 Pe-

riod 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:

(1) 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

(2) 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 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;

(ii) the Grantee's Deferred Shares that were not forfeitable immediately before such Termination of Affiliation shall promptly be settled by delivery to the Grantee of a number of unrestricted Shares equal to the aggregate number of the Grantee's vested Deferred Shares;

(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 three months after such Termination of Affiliation (but only during the Option Term) 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 (or in the case of Restricted Shares, to the Company) 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.

## **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 this 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 this 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, may be granted with such Option Price as the Board determines to be necessary to achieve such preservation of economic value.

#### 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 his 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 Manager of Benefits of the Company or the Subsidiary by whom the Grantee is or was most recently employed, 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, (i) 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, or (ii) through simultaneous sale through a broker of Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board.

The exercise of an Option shall require cancellation of a number of related Tandem SARs equal to the number of Shares with respect to which the Option is exercised.

## **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. The Board may grant Freestanding SARs, Tandem SARs, or any combination thereof. Each grant of an SAR shall be evidenced by an Award Agreement, which shall specify the number of SARs granted to each Grantee (subject to Article 4), the Strike Price thereof, and, consistent with the other provisions of this Article 7 and of the Plan, such other terms and

conditions pertaining to such SARs as the Board may determine. Tandem SARs shall expire no later than the expiration of the underlying Option.

7.2. Exercise of SARs. SARs shall be exercised by the delivery of a written notice of exercise to the Company, 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.

7.3. Payment of SAR Benefit. Upon exercise of an SAR, the Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying:

(a) the excess of the Fair Market Value of a Share on the date of exercise over the Strike Price;

by

(b) the number of Shares with respect to which the SAR is exercised;

*provided* that the Board may provide in the Award Agreement that the benefit payable on exercise of an SAR shall not exceed such percentage of the Fair Market Value of a Share on the Grant Date as the Board shall specify. As determined by the Board, the payment upon SAR exercise may be in cash, in Shares which have an aggregate Fair Market Value (as of the date of exercise of the SAR) equal to the amount of the payment, or in some combination thereof, as set forth in the Award Agreement.

## **Article 8. Restricted 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. Award Agreement. Each grant of Restricted Shares shall be evidenced by an Award Agreement, which shall specify 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 conditions or 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.

8.3. Consideration. The Board shall determine the amount, if any, that a Grantee shall pay for Restricted 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.

8.4. 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.

8.5. Escrow. The Board may provide that any Restricted Shares (x) shall be held (together with an assignment executed in blank by the Grantee) in escrow by an escrow agent or (y) secured in an analogous manner pursuant to the Swiss Federal Book Entry Securities Act, as the case may be, until such Restricted Shares become nonforfeitable or are forfeited.

## **Article 9. Performance Units and Performance Shares**

9.1. 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.

9.2. Value/Performance Goals. Each Performance Unit shall have an initial value that is established by the Board at the time of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The Board shall set performance goals 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 9, the time period during which the performance goals must be met shall be called a "Performance Period."

9.3. Payment of Performance Units and Performance Shares. Subject to the terms of this 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.

9.4. 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 10. Bonus Shares and Deferred Shares**

10.1. 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.

10.2. Deferred Shares. Subject to the terms and provisions of the Plan, Deferred 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 shall be determined by the Board. The Board may impose such conditions or restrictions on any Deferred Shares as it may deem advisable, including time-vesting restrictions and deferred payment features. The Board may cause the Company to establish a grantor trust to hold Shares subject to Deferred Share Awards. Without limiting the generality of the foregoing, the Board may grant to any Eligible Person, or permit any Eligible Person to elect to receive, Deferred Shares in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under this Plan or otherwise) which such Eligible Person may be eligible to receive from the Company or a Subsidiary.

#### **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. Deferrals**

The Board may permit or require a Grantee to defer receipt of the payment of cash or the delivery of Shares that would otherwise be due by virtue of the exercise of an Option or SAR, the lapse or waiver of restrictions with respect to Restricted Shares, the satisfaction of any requirements or goals with respect to Performance Units or Performance Shares, the grant of Bonus Shares or the expiration of the deferral period for Deferred Shares. If any such deferral is required or permitted, the Board shall establish rules and procedures for such deferrals.

### **Article 13. Rights of Employees**

13.1. 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.

13.2. 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 14. Amendment, Modification, and Termination**

14.1. 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.

14.2. 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.

14.3. Awards Previously Granted. Notwithstanding any other provision of the Plan to the contrary (but subject to Section 2.8 and Section 14.2), 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.

### **Article 15. Withholding**

#### 15.1. Mandatory Tax Withholding.

(a) Whenever under the Plan, Shares are to be delivered upon exercise or payment of an Award or upon Restricted Shares becoming nonforfeitable, or any other event with respect to rights and benefits hereunder, the Company shall be entitled to require (x) that the Grantee remit an amount in cash sufficient to satisfy all federal, state, local, foreign tax and social tax withholding requirements related thereto ("Required Withholding"), (y) the withholding of such Required Withholding from compensation otherwise due to the Grantee or from any Shares or other payment due to the Grantee under the Plan or (z) any combination of the foregoing.

(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 re-

mit to the Company an amount sufficient to satisfy all resulting Required Withholding; *provided* that, in lieu of or in addition to the foregoing, the Company shall have the right to withhold such Required Withholding from compensation otherwise due to the Grantee or from any Shares or other payment due to the Grantee under the Plan.

15.2. 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 16. 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 17. Additional Provisions**

17.1. 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.

17.2. 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.

17.3. 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.

17.4. 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.

17.5. 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 1993 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.

17.6. 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 an 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.

17.7. 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.

17.8. 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.

17.9. Governing Law. The Plan shall be construed in accordance with and governed by the laws of the State of Kansas other than its laws respecting choice of law.

**EXHIBIT 10.3**

**GARMIN LTD.**

**AMENDED AND RESTATED 2000 NON-EMPLOYEE  
DIRECTORS' OPTION PLAN**

**EFFECTIVE JUNE 5, 2009**

as amended and restated on June 27, 2010

**Garmin Ltd.**  
**AMENDED AND RESTATED 2000**  
**NON-EMPLOYEE DIRECTORS' OPTION PLAN**

as amended and restated on June 27, 2010

**Article 1. Establishment, Objectives and Duration**

1.1. Establishment and Amendment of the Plan. Garmin Ltd., a Swiss company (the "Company") hereby establishes the non-employee directors' option plan to be known as the Garmin Ltd. 2000 Non-Employee Directors' Option Plan (the "Plan"). The Plan was originally adopted by the Board of Directors of the Garmin Ltd., a Cayman Islands company ("Garmin Cayman") on October 20, 2000 and approved by such company's shareholders on October 24, 2000. The Plan is effective as of November 1, 2000 (the "Original Effective Date"). In 2006, Garmin Cayman effected a two-for-one stock split of its shares, (the "Stock Split"). The Board of Directors of Garmin Cayman adopted an amended and restated plan effective June 5, 2009, (the "New Effective Date") to increase the authorized number of common shares that may be issued under the Plan and to make certain amendments reflecting the Stock Split and changes in the law. The Plan was again 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.

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, 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. Duration of the Plan. The Plan commenced on the Original 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 8 hereof, until the earlier of (a) the 10 year anniversary of the New Effective Date and (b) the date all Shares subject to the Plan shall have been delivered according to the Plan's provisions; provided that the Plan shall remain in effect with respect to and shall govern any grants made hereunder including any amounts deferred in connection with such grants.

**Article 2. Definitions**

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

2.1. "Annual Meeting of Shareholders" means the regularly scheduled annual meeting of the Company's shareholders.

2.2. "Annual Option Grant" shall mean that portion of the Retainer payable to an Eligible Director in Options.

2.3. “Article” means an Article of the Plan.

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. “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 his 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.

2.7. “Change of Control” means, unless otherwise defined in an Option 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 Original 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 Options granted under the

Plan whether or not outstanding at the time such definition is amended, without requiring the consent of any Eligible Director. 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 Eligible Director if, in advance of such event, the Eligible Director agrees in writing that such event shall not constitute a Change of Control.

2.8. "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.

2.9. "Committee" has the meaning set forth in Article 3.1.

2.10. "Company" has the meaning set forth in Section 1.1.

2.11. "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.

2.12. "Eligible Director" means (i) any individual serving as a director on the Board immediately following the Annual Meeting of Shareholders of the Company and (ii) any individual elected or appointed to serve as a director on the Board at some time other than the Annual Meeting of Shareholders; *provided*, that 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.

2.13. "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.

2.14. "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 Original Effective Date.

2.15. "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).

2.16. "Fair Market Value" means, unless otherwise determined or provided by the Plan Committee 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 Plan Committee, 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 Plan Committee using a method consistently applied. Notwithstanding the above, for all Options granted before June 5, 2009, Fair Market Value for purposes of establishing the Option Price 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).

2.17. "Grant Date" has the meaning set forth in Section 5.1.

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

2.19. "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.

2.20. "Mandatory Retirement Age" means the age for mandatory retirement according to the policy of the Board, if any, in place from time to time.

2.22. "New Effective Date" has the meaning set forth in Section 1.1.

2.23. "Option" means an option to purchase Shares.

2.24. "Option Agreement" means a written agreement by which an Option is evidenced.

2.25. "Option Price" means the price at which a Share may be purchased by an Eligible Director pursuant to an Option.

2.26. "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 Option Agreement for such Option.

2.27. "Original Effective Date" has the meaning set forth in Section 1.1.

2.28. "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.

2.29. "Plan" has the meaning set forth in Section 1.1.

2.30. "Plan Committee" has the meaning set forth in Section 3.1.

2.31. "Reorganization Transaction" has the meaning set forth in Section 2.8(c).

2.32. "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.

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

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

2.35. "Share" means a share, CHF 10 par value, of the Company.

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

2.37. "Substitute Options" has the meaning set forth in Section 8.2.

2.38. "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.

2.39. "Termination of Affiliation" occurs on the first day on which an individual is for any reason no longer serving as a Director of the Company.

2.40. "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. Committee. Subject to Article 9, 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 Options to be eligible to qualify for an exemption under Rule 16b-3, unless such qualification will be obtained by another means, the Board may require that the Plan Committee 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 Options 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 applicable securities or other laws then in effect. Any references herein to “Committee” are references to the Board or the Plan Committee, as applicable.

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

(a) to determine the terms and conditions applicable to each Option, including, but not limited to, the Option Price and the Option Term;

(b) to construe and interpret the Plan and to make all determinations necessary or advisable for the administration of the Plan;

(c) to make, amend, and rescind rules relating to the Plan, including rules with respect to the exercisability and nonforfeitability of Options upon the Termination of Affiliation of an Eligible Director;

(d) to determine the terms and conditions of all Option Agreements and, with the consent of the Eligible Director, to amend any such Option Agreement at any time, among other things, to permit transfers of Options to the extent permitted by the Plan; *provided* that the consent of the Eligible Director shall not be required for any amendment which (i) does not materially adversely affect the rights of the Eligible Director, or (ii) is necessary or advisable (as determined by the Committee) to carry out the purpose of the grant of Options as a result of any new or change in existing applicable law;

(e) to cancel, with the consent of the Eligible Director, outstanding Options and to grant new Options in substitution therefore; *provided* that any replacement grant that would be considered a repricing shall be subject to shareholder approval;

(f) 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 and conditions applicable to, any Option or any group of other benefit hereunder for any reason and at any time, including in connection with a Termination of Affiliation;

(g) subject to Sections 1.3 and 5.2, to extend the time during which any Option or other benefit may be exercised;

(h) to correct any defect or supply any omission or reconcile any inconsistency, and construe and interpret the Plan, the rules and regulations, any Option Agreement or any other instrument entered into or relating to an Option awarded under the Plan, and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;

(i) 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 this Plan to be performed by the Committee;

(j) to impose such additional terms and conditions upon the grant, exercise or retention of Options and other grants as the Committee may, before or concurrently with the grant thereof, deem appropriate; and

(k) 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, any Option Agreement or other agreement under the Plan may be made in the sole and absolute discretion of the Committee, and to the fullest extent permitted by the applicable law all such determinations of the Committee shall be final, conclusive and binding on all Persons. To the fullest extent permitted by the applicable law no member of the Committee shall be liable for any action or determination made with respect to the Plan or any Annual Option Grant.

3.3. Majority Rule. A majority of the members of the Committee shall constitute a quorum, and any action taken by a majority present at a meeting at which a quorum is present or any action taken without a meeting evidenced by a writing executed by a majority of the whole Committee shall constitute the action of the Committee.

3.4. Company Assistance. The Company shall supply full and timely information to the Committee on all matters relating to Eligible Directors and such pertinent facts related thereto as the Committee may require. The Company shall furnish the Committee with such clerical and other assistance as is necessary in the performance of its duties.

3.5. Plan Operation in Compliance with Rule 16b-3 of the 1934 Act. The Plan shall be interpreted and administered to comply with Rule 16b-3 promulgated under the 1934 Act, as then applicable to the Company's employee benefit plans.

#### **Article 4. Shares Subject to the Plan**

4.1. Number of Shares Available. Subject to adjustment as provided in Section 4.2, the number of Shares hereby reserved for delivery under the Plan is 250,000 Shares. If any Shares subject to an option granted hereunder are forfeited or an option or any portion thereof otherwise terminates or is settled without the issuance of Shares, the Shares subject to such option, to the extent of any such forfeiture, termination or settlement, shall again be available for grant under the Plan. The Committee 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. In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock 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 Committee 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 Committee 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 Options or Shares 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 Options, and (iii) the grant or exercise price with respect to any Option or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Option or the substitution of other property for Shares subject to an outstanding Option; *provided*, that the number of Shares subject to any Option denominated in Shares shall always be a whole number.

## **Article 5. General Conditions of Options**

5.1. Grant Date. The Grant Date of Options received pursuant to an Annual Option Grant shall be the date of the Annual Meeting of Shareholders in the calendar year to which such grant relates or such later date as specified by the Committee (i) in the Committee's resolutions or minutes addressing the Option grant or (ii) in the Option Agreement. In the case of an Eligible Director who is initially appointed or elected on a date other than the date of an Annual Meeting of Shareholders, the Grant Date of such initial (prorata) Annual Option Grant shall be the first day such Eligible Director becomes an Eligible Director.

5.2. Term. The Option Term shall be 10 years from the Grant Date, and shall be subject to earlier termination as herein specified; *provided*, that any deferral of the delivery of Shares with respect to an Option that is exercised within 10 years of the Grant Date may, if so permitted, extend more than 10 years after the Grant Date of the Annual Option Grant to which the deferral relates.

5.3. Option Agreement. The terms and conditions of each Option shall be set forth in an Option Agreement.

5.4. Option Price. The Option Price of an Option under this Plan 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 granted as a Substitute Option that is (x) granted to an Eligible Director 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 Eligible Director immediately prior to such Acquisition, and (z) intended to preserve for the Eligible Director 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.

5.5. Restrictions on Share Transferability. The Committee may include in the Option Agreement such restrictions on any Shares acquired pursuant to the exercise or vesting of an Option as it may deem advisable, including restrictions under applicable federal securities laws.

5.6. Exercise of Options. Unless otherwise specified in the Option Agreement, Options shall become exercisable in accordance with the following table, or if sooner, shall become fully exercisable on the earliest of the first to occur of the Eligible Director's (a) death, (b) Termination of Affiliation on account of Disability, (c) mandatory retirement upon attaining Mandatory Retirement Age, (d) Termination of Affiliation after a Change of Control under the conditions described in Section 8.1, and (e) involuntary Termination of Affiliation as described in Section 5.8(c).

<u>Time Elapsed After Grant Date</u>	<u>Percentage of Option Exercisable</u>
Less than 1 year	0%
1 year but less than 2 years	33-1/3%
2 years but less than 3 years	66-2/3%
3 years or more	100%

5.7. Payment. 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 Committee or, subject to the approval of the Committee, pursuant to procedures approved by the Committee,

(a) through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Eligible Director 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;

(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 number of Shares then owned by the Eligible Director, the Fair Market Value of which equals the purchase price of the Shares purchased in connection with the Option exercise, properly authorized or endorsed for transfer to the Company; provided however, that Shares used for this purpose must have been held by the Eligible Director 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 Shares used as payment of the exercise price. For purposes of this Section 5.7(c), in lieu of actually transferring to the Company the number of Shares then owned by the Eligible Director, the Board may, in its discretion permit the Eligible Director to

submit to the Company a statement affirming ownership by the Eligible Director of such number of Shares and request that such Shares, although not actually transferred, be deemed to have been transferred by the Eligible Director 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 Eligible Director.

5.8. Termination of Affiliation. Except as otherwise provided in an Option Agreement (including an Option Agreement as amended by the Committee), and subject to the provisions of Section 8.1, the extent to which the Eligible Director shall have the right to exercise, an Option following Termination of Affiliation shall be determined in accordance with this Section 5.8.

(a) For Cause. If an Eligible Director has a Termination of Affiliation for Cause any unexercised Option shall terminate effective immediately upon such Termination of Affiliation for Cause.

(b) On Account of Death, Disability, Retirement or Mandatory Retirement. If an Eligible Director has a Termination of Affiliation on account of death, Disability, or retirement upon attaining Mandatory Retirement Age, any unexercised Option, whether or not exercisable immediately before such Termination of Affiliation, may be exercised, in whole or in part, for a period of one year after such Termination of Affiliation (but only during the Option Term) by the Eligible Director or, after his or her death, by (i) his or her personal representative or the person to whom the Option is transferred by will or the applicable laws of descent and distribution, or (ii) the Eligible Director’s beneficiary designated in accordance with Article 7.

(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, any unexercised Option whether or not exercisable immediately before such Termination of Affiliation, may be exercised in whole or in part, at any time within the first twelve (12) months following such Termination of Affiliation (but only during the Option Term) by the Eligible Director or, after his death or her death, by (i) his or her personal representative or the person to whom the Option is transferred by will or the applicable laws of descent or distribution, or (ii) the Eligible Director’s beneficiary designated in accordance with Article 7.

(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, any unexercised Option to the extent exercisable immediately before such Termination of Affiliation, shall remain exercisable in whole or in part for six (6) months after such Termination of Affiliation (but only during the Option Term) by the Eligible Director or, after his or her death, by

(i) his or her personal representative or the person to whom the Option is transferred by will or the applicable laws of descent and distribution, or (ii) the Eligible Director's beneficiary designated in accordance with Article 7.

#### 5.9. Nontransferability of Option Grants.

(a) Except as provided in Section 5.9(c) below, each Option shall be exercisable only by the Eligible Director during the Eligible Director's lifetime, or, if permissible under applicable law, by the Eligible Director's guardian or legal representative.

(b) Except as provided in Section 5.9(c) below, no Option (prior to the time Shares are issued) may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Eligible Director 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 Committee, and subject to such terms and conditions as may be prescribed by the Committee, an Eligible Director may transfer an Option 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 Eligible Director, (including adoptive relationships), (b) any person sharing the Eligible Director'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 Eligible Director 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 Eligible Director, in exchange for an interest in that entity.

### **Article 6. Annual Option Grant Program**

6.1. Subject to the terms and provisions of this Plan, immediately following the Annual Meeting of Shareholders in each year, each Eligible Director shall automatically receive an Option to purchase a number of Shares equal to (a) divided by (b) where: (a) equals four (4) times the dollar amount of the Eligible Director's annual retainer for service on the Board and (b) equals the Fair Market Value of Shares as of the date of the Annual Meeting of Shareholders; *provided*, that fractional Shares shall be rounded up to the next larger whole number of Shares. An Eligible Director who is not initially elected at the Annual Meeting of Shareholders shall, within ten (10) days of becoming an Eligible Director, receive a pro rata Annual Option Grant for the year of such initial election or appointment. Such pro rata Annual Option Grant shall be for a number of Shares equal to four (4) times the dollar amount of the full annual retainer for an Eligible Director, divided by the Fair Market Value of a Share as of the Grant Date multiplied by a fraction, the numerator of which is 365 minus the number of days elapsed after the most recent

prior Annual Meeting of Shareholders and before the Eligible Director's election or appointment and the denominator of which is 365, *provided that* fractional Shares shall be rounded up to the next larger whole number of Shares.

6.2. The Annual Option Grant Program set forth above in section 6.1 will be reviewed annually but will remain in effect until changed by the Company's Board of Directors.

#### **Article 7. Beneficiary Designation**

7.1. Each Eligible Director 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 his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Eligible Director, shall be in a form prescribed by the Company, and will be effective only when filed by the Eligible Director in writing with the Company during the Eligible Director's lifetime. In the absence of any such designation, benefits remaining unpaid at the Eligible Director's death shall be paid to the Eligible Director's estate.

#### **Article 8. Change of Control and Certain Corporate Transactions**

8.1. Change of Control. If an Eligible Director, upon a Change of Control or within one year thereafter, (a) is removed by the Company other than for Cause, or (b) fails to be reelected to the Board after being slated for reelection, or (c) is not slated for reelection, having expressed a willingness to be so slated, and if such Eligible Director has not reached Mandatory Retirement Age as of the date of such termination, and would not have reached Mandatory Retirement Age during his or her ensuing term as a Director if he or she were to be elected, then any unexercised Option, whether or not exercisable on the date of such termination, shall become fully exercisable and may be exercised, in whole or in part for the balance of its original term.

8.2. Substituting Options in Certain Corporate Transactions. In connection with the Company's acquisition, however effected, of another corporation or entity (the "Acquired Entity") or the assets thereof, the Committee may, at its discretion, grant Options ("Substitute Options") to a person who becomes an Eligible Director in connection with such acquisition and who held options or other equity interests in such Acquired Entity ("Acquired Entity Option") immediately prior to such Acquisition in order to preserve for such Eligible Director the economic value of all or a portion of such Acquired Entity Option at such price as the Committee determines necessary to achieve preservation of economic value. Any Shares delivered pursuant to substitute options under this section shall be in addition to the Shares under Section 4.1 hereof. Any grant of a Substitute Option shall be made in conformity with the rules set forth in Section 424(a) of the Code.

#### **Article 9. Amendment, Modification, and Termination**

9.1. 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.

9.2. Adjustments Upon Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of Options 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 Committee 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.

9.3. Options Previously Granted. Notwithstanding any other provision of the Plan to the contrary, no termination, amendment or modification of the Plan shall adversely affect in any material way any Option previously granted under the Plan, without the written consent of the Eligible Director who holds such Option, provided that to the extent any Option shall be adversely affected by any amendment or restatement to the Plan, the provisions of the Plan in effect as of the Grant Date of such Option shall prevail.

9.4. 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 Options 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) provide that Options granted hereunder must be exercised in connection with the closing of such transactions, and that if not so exercised such Options will expire;

(b) provide for the purchase by the Company of any such Option, upon the Eligible Director's request, for an amount of cash equal to the amount that could have been attained upon the exercise of such Option had such Option been currently exercisable or payable;

(c) make such adjustment to any such Option then outstanding as the Board deems appropriate to reflect such Change of Control;

(d) cause any such Option 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 Eligible Directors, or may be made on a case-by-case basis with respect to particular Eligible Director.

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.

9.5. 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 Options may not be amended to reduce the exercise price of outstanding Options or cancel outstanding Options in exchange for cash, or other Options with an exercise price that is less than the exercise price of the original Options without stockholder approval.

## **Article 10. Additional Provisions**

10.1. Successors. All obligations of the Company under the Plan with respect to benefits 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.

10.2. 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.

10.3. 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.

10.4. Requirements of Law. The granting of Options 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 Option Agreement, Eligible Directors shall not be entitled to exercise and the Company shall not be obligated to deliver any Shares or other benefits to an Eligible Director, if such exercise or delivery would constitute a violation by the Eligible Director or the Company of any applicable law or regulation.

### 10.5. Securities Law Compliance.

(a) If the Committee deems it necessary to comply with any applicable securities law, or the requirements of any stock exchange upon which Shares may be listed, the Committee may impose any restriction on Shares acquired pursuant to grants hereunder as it may deem advisable. All Shares transferred under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee 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 Eligible Director 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 Committee determines that the exercise of, or delivery of Shares 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 Committee 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.

10.6. No Rights as a Shareholder. An Eligible Director shall not have any rights as a shareholder with respect to the Shares which may be deliverable until such shares have been delivered to him or her.

10.7. Military Service. Options shall be administered in accordance with Section 414(u) of the Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.

10.8. 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 Eligible Directors 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.

10.9. Governing Law. The Plan and the rights of any Eligible Director receiving an Option 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.

**GARMIN LTD.**  
**EMPLOYEE STOCK PURCHASE PLAN**

as Amended and Restated on June 27, 2010

TABLE OF CONTENTS

	<u>Page</u>
I. Purpose and Effective Date .....	1
II. Definitions .....	1
III. Administration.....	4
IV. Number of Shares.....	5
V. Eligibility Requirements .....	5
VI. Enrollment .....	6
VII. Grant of Options on Enrollment.....	6
VIII. Payroll Deductions .....	7
IX. Purchase of Shares .....	8
X. Withdrawal From the Plan; Termination of Employment; Leave of Absence; Death.....	9
XI. Miscellaneous .....	11

**GARMIN LTD.**  
**EMPLOYEE STOCK PURCHASE PLAN**  
**(as Amended and Restated on June 27, 2010)**

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 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.. 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 anytime 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 on January 1, 2010 and on June 27, 2010, 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 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 Four million (4,000,000) 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 entirety 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 entirety 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 June 27, 2010



<b>Article 1. Establishment, Objectives and Duration .....</b>	<b>1</b>
1.1. Establishment and Amendment of the Plan. ....	1
1.2. Objectives of the Plan. ....	1
1.3. Duration of the Plan. ....	1
<b>Article 2. Definitions .....</b>	<b>1</b>
<b>Article 3. Administration.....</b>	<b>8</b>
3.1. Board and Plan Committee. ....	8
3.2. Powers of the Board. ....	9
<b>Article 4. Shares Subject to the Plan.....</b>	<b>11</b>
4.1. Number of Shares Available.....	11
4.2. Adjustments in Authorized Shares. ....	11
<b>Article 5. Eligibility and General Conditions of Awards .....</b>	<b>12</b>
5.1. Eligibility. ....	12
5.2. Grant Date. ....	12
5.3. Maximum Term. ....	13
5.4. Award Agreement. ....	13
5.5. Restrictions on Share Transferability. ....	13
5.6. Termination of Affiliation. ....	13
5.7. Nontransferability of Awards. ....	16
5.8. Section 162(m) Performance Awards.....	17
<b>Article 6. Stock Options.....</b>	<b>20</b>
6.1. Grant of Options. ....	20
6.2. Award Agreement. ....	20
6.3. Option Price. ....	20
6.4. Grant of Incentive Stock Options. ....	20
6.5. Exercise of Options. ....	22
<b>Article 7. Stock Appreciation Rights.....</b>	<b>23</b>
7.1. Grant of SARs. ....	23
7.2. SAR Award Agreement ....	23
7.3. Exercise of SARs. ....	23
7.4. Expiration of SARs. ....	24
7.5. Payment of SAR Amount. ....	24
<b>Article 8. Restricted Shares and Bonus Shares .....</b>	<b>24</b>
8.1. Grant of Restricted Shares. ....	24
8.2. Bonus Shares. ....	24
8.3. Award Agreement. ....	24
8.4. Consideration. ....	25
8.5. Effect of Forfeiture. ....	25
8.6. Escrow. ....	25

<b>Article 9. Restricted Stock Units (f/k/a “Deferred Shares”)</b> .....	<b>25</b>
9.1. Grant of Restricted Stock Units. ....	25
9.2. Award Agreement. ....	25
9.3. Crediting Restricted Stock Units. ....	25
9.4. Settlement of RSU Accounts. ....	26
<b>Article 10. Performance Units and Performance Shares</b> .....	<b>26</b>
10.1. Grant of Performance Units and Performance Shares. ....	26
10.2. Value/Performance Goals. ....	26
10.3. Payment of Performance Units and Performance Shares. ....	26
10.4. Form and Timing of Payment of Performance Units and Performance Shares. ....	27
<b>Article 11. Beneficiary Designation</b> .....	<b>27</b>
<b>Article 12. Rights of Employees</b> .....	<b>27</b>
12.1. Employment. ....	27
12.2. Participation. ....	27
<b>Article 13. Amendment, Modification, and Termination</b> .....	<b>27</b>
13.1. Amendment, Modification, and Termination. ....	27
13.2. Adjustments Upon Certain Unusual or Nonrecurring Events. ....	28
13.3. Awards Previously Granted. ....	28
13.4. Adjustments in Connection with Change of Control. ....	28
13.5. Prohibition on Repricings. ....	29
<b>Article 14. Withholding</b> .....	<b>29</b>
14.1. Mandatory Tax Withholding.....	29
14.2. Notification under Code Section 83(b). ....	30
<b>Article 15. Equity Incentive Plans of Foreign Subsidiaries</b> .....	<b>30</b>
<b>Article 16. Additional Provisions</b> .....	<b>30</b>
16.1. Successors. ....	30
16.2. Gender and Number. ....	31
16.3. Severability. ....	31
16.4. Requirements of Law. ....	31
16.5. Securities Law Compliance. ....	31
16.6. No Rights as a Shareholder. ....	31
16.7. Nature of Payments. ....	32
16.8. Military Service. ....	32
16.9. Data Protection. ....	32
16.10. Governing Law. ....	32
<b>Annex</b> .....	<b>A1</b>

**GARMIN LTD.**  
**2005 Equity Incentive Plan**

as amended and restated on June 27, 2010

**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
- 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 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 ten million (10,000,000) 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 three million (3,000,000) 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.

**EXHIBIT 10.6**

*GARMIN LTD.*  
*AMENDED AND RESTATED 2000 NON-EMPLOYEE DIRECTORS' OPTION PLAN*  
as amended and restated on June 27, 2010

***STOCK OPTION AGREEMENT***

Garmin Ltd., (the “Company”), grants to \_\_\_\_\_, an option (the “Option”) to purchase that number of the Company’s shares, CHF 10 par value per share (“Shares”), all subject to the terms and conditions, in the attached Exhibit A and in the Garmin Ltd. Amended and Restated 2000 Non-Employee Directors' Option Plan, as may from time to time be amended (the “Plan”), a copy of which is attached. Please refer to the Plan documents for definitions of terms used in this Agreement and Exhibit A.

*Grant Date* \_\_\_\_\_

*Expiration Date* \_\_\_\_\_

*Number of Shares* \_\_\_\_\_

*Option Price* \$ \_\_\_\_\_

<i>Exercisability</i>	<u>Time Elapsed Since Grant</u>	<u>Percentage Exercisable</u>
	Less than 1 year	0%
	1 year but less than 2 years	33-1/3%
	2 years but less than 3 years	66-2/3%
	3 years or more	100%

Please indicate your acceptance of this Agreement and Exhibit A by entering your OptionsLink password and clicking on the “Accept” button on the previous screen. Responses should be delivered electronically within 10 days of your receipt.

Garmin Ltd.

By: \_\_\_\_\_

**EXHIBIT A**  
**TO**  
**GARMIN LTD. 2000 AMENDED AND RESTATED**  
**NON-EMPLOYEE DIRECTORS' OPTION PLAN**  
**STOCK OPTION AGREEMENT**

1. Manner of Exercise. This Option may be exercised by delivering to the Company (or its authorized agent), during the period in which the Option is exercisable, (i) a written notice to purchase a specific number of Shares under this Option, and (ii) full payment of the Option Price. Payment of the Option Price shall be made by any one or more of the following:

(a) as instructed by the Committee; or

(b) the sale of the Shares acquired on exercise of this Option (i) through a broker-dealer to whom you have 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 the Shares, or (ii) through simultaneous sale through a broker of Shares acquired on exercise, as permitted by Regulation T of the Federal Reserve Board.

The exercise will become effective on the date on which both such notice and full payment have been actually received by the Company (which date must be before the Expiration Date shown on the Stock Option Agreement). You will not have any rights as a shareholder of the Company with respect to the Shares that you receive upon exercise of this Option until the Shares are issued to your account .

2. Exercise upon death or Disability. This Option shall become fully exercisable upon your Termination of Affiliation due to death or Disability, and will remain exercisable until the earlier of one year after your Termination of Affiliation or the Expiration Date. After death, the executor or administrator of your estate, your heirs or legatees, or beneficiary designated in accordance with the Plan, as applicable, may exercise this Option at any time during the Option Term.

3. Exercise Upon Change of Control. If a Change of Control occurs and, within one year thereafter, your service as a director is terminated (a) by the Company other than for Cause, (b) because, despite your willingness to be slated, you were not slated for reelection, or (c) having been slated for reelection, you were not reelected, then your options, whether or not previously exercisable, shall be fully exercisable upon the later of such termination of your service and shall remain exercisable for the balance of their initial term, notwithstanding Section 5 of this Agreement. The preceding provision shall not apply if you were terminated on or after reaching Mandatory Retirement Age, or if you would have reached Mandatory Retirement Age during your ensuing term if you were to be reelected.

4. Termination for Cause. This Option shall terminate immediately and any unexercised portion shall be forfeited immediately upon your Termination of Affiliation by the Company for Cause.

5. Exercise After Termination. This Option may be exercised only while you are serving on the Board of Directors, except as described in Sections 2 or 3, or as follows:

(a) Except as provided in Section 3, you are removed from the Board by the Company for any reason other than for Cause including, but not limited to, the Company's decision not to slate you for reelection, you may exercise this Option to the extent the Option is vested immediately prior to such termination, at any time during the first 12 months after your Termination of Affiliation. This Section 5(a) does not apply if you are slated for reelection but not elected.

(b) If you have a Termination of Affiliation for any reason not described in Sections 2, 3, 4 or 5(a), including your failure to be reelected to the Board or voluntary resignation, you may exercise this Option to the extent vested immediately prior to such termination, at any time during the first 6 months after your Termination of Affiliation.

Under no circumstances can this Option be exercised on or after the Expiration Date.

6. Transfer of Option. This Option is not generally transferable except by will or the laws of descent and distribution and is exercisable during your lifetime only by you or your guardian or legal representative; provided, that this Option may be transferred prior to your death on such terms and conditions as the Committee may prescribe from time to time to one or any combination of the following: (a) your 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, (including adoptive relationships), (b) any person sharing your 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 you or persons described in (a) or (b) 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 you or persons described in (a) or (b) above, in exchange for an interest in that entity.

7. Amendments. This Agreement may be amended only by a writing executed by the Company and you which specifically states that it is amending this Agreement; *provided* that this Agreement is subject to the power of the Board to amend the Plan as provided therein, except that no such amendment shall adversely affect your rights under this Agreement without your consent.

9. Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company, Attention: General Counsel, Vorstadt 40/42, 8200 Schaffhausen, Switzerland. Any notice to be given to you shall be addressed to you at the address listed in the Company's records. By a notice given pursuant to this Section, either party may designate a different address for notices. Any notice shall have been deemed given when actually delivered.

10. Severability. If any part of this 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 Agreement not declared to be unlawful or invalid. Any part so

declared unlawful or invalid shall, if possible, be construed in a manner that gives effect to the terms of such part to the fullest extent possible while remaining lawful and valid.

11. Applicable Law. This Agreement shall be governed by the substantive laws of Kansas without regard to principles governing conflicts of laws. 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.

12. Compliance with Laws. Upon the request by the Company, you agree to deliver to the Company at the time of any complete or partial exercise of this Option a written representation that the Shares being acquired upon such exercise are being acquired for investment and not for resale or with a view to the distribution thereof. You hereby consent to any withholding and other actions that the Company deems reasonably necessary to enable the Company to obtain the benefit of an income tax deduction under the Internal Revenue Code of 1986, as amended, and any related state or local income tax laws.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and such counterparts shall, together, constitute and be one and the same instrument.

**Exhibit 10.7**

**GARMIN LTD.  
2005 EQUITY INCENTIVE PLAN  
as amended and restated on June 27, 2010  
PERFORMANCE SHARES AWARD AGREEMENT**

**To:** \_\_\_\_\_ ("you" or the "Grantee")

**Date of Grant:** \_\_\_\_\_

**NOTICE OF GRANT:**

You have been granted performance shares ("Performance Shares") relating to the shares, CHF 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 and on June 27, 2010 (the "Plan"), and the Award Agreement between you and Garmin Ltd. (the "Company"), attached as Exhibit A. Provided you satisfy the conditions set forth in this Notice of Grant and Exhibit A, the Company agrees to pay you Shares as follows:

Number of Performance Shares Granted:	_____ Shares
Performance Condition Required for Grantee To Receive Award	For the period commencing _____ and ending _____, (the "Performance Period"), the growth in the Company's Operating Income (as presented in the Company's annual audited consolidated financial statements included in its annual reports on Form 10-K) must equal or exceed _____%
Date Grantee Must Be Employed To Receive Award :	_____, 2012*
Date Payable:	_____, 2012**

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 Performance Shares, you must enter your E\*Trade password and click the "Accept" button on the previous screen. Acceptances shall be made electronically within ten (10) days of your receipt of this Notice and Award Agreement. **By accepting these Performance Shares, you are also agreeing to be bound by Exhibit A, including the restrictive covenants in Section 6 of Exhibit A.**

GARMIN LTD.

By:           /s/ Min H. Kao  
Name: Min H. Kao  
Title: Chairman and CEO

\*Third Anniversary of Date of Grant

## 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 Performance 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 that number of unrestricted Shares identified opposite the heading "Number of Performance Shares Granted" (the "Performance Shares") on the Notice of Grant. All Performance Shares are forfeitable until such time as they become nonforfeitable as provided herein. Provided (1) that performance condition above identified opposite the heading "Performance Condition Required for Grantee To Receive Award" on the Notice of Grant is satisfied and (2) 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 Performance Shares has been forfeited pursuant to Section 3 below, your Performance Shares will become nonforeitable and you will be paid a number of unrestricted Shares (subject to Section 12 below) equal to the aggregate number of Performance Shares on the date above identified opposite the heading "Date Payable" on the Notice of Grant.<sup>1</sup> 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 Performance Shares is as provided below.

- (a) If at the end of the applicable Performance Period, the Performance Condition set forth on the Notice of Grant is achieved but you incurred a Termination of Affiliation on account of death or Disability, the Performance Shares shall thereupon become

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<sup>1</sup> If on the Date Payable, the Company has not had sufficient time to make a determination of whether the applicable performance condition has been satisfied, the Date Payable may be extended by the Company for up to 90-days after the original Date Payable. In addition, if the Date Payable (as extended, if applicable) is a Saturday or Sunday or any other non-business day, then the Performance Shares payable to you on that date will be paid to you on the next business day.

nonforfeitable and the Company shall, promptly settle all Performance Shares by delivery to you (or, after your death, to your personal representative or designated beneficiary) a number of unrestricted Shares equal to the number of your Performance Shares.

- (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 Performance Shares that were forfeitable shall thereupon become nonforfeitable and the Company shall immediately settle all Performance Shares by delivery to you a number of unrestricted Shares equal to the number of your Performance Shares.
- (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 immediately above in Section 3(b), your Performance Shares, 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 Performance Shares, 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 Performance 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 5. Nontransferability of Performance Shares**

No rights under this Award Agreement relating to the Performance 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 Performance Shares 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 Performance 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 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 Performance 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 Performance 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 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 Performance Shares and (ii) does not have nor may he or she exercise any voting rights with respect to any of the Performance Shares, in both cases (i) and (ii) above, unless and until the actual Shares underlying the Performance Shares 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 Performance Shares are delivered to you pursuant to this Award Agreement, the Company will be obligated to pay withholding 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 and 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 Performance Shares deliverable to you. If the Company elects to reduce the number of Performance Shares deliverable to you and less than the full value of a Performance 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 Date Payable multiplied by the remaining fractional Performance Share.

**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) provided, however, that the exercise of an option

to receive shares out of conditional capital must be made by way of a document signed by the Grantee. 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, Vorstadt 40/42, 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 June 27, 2010  
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 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 and on June 27, 2010 (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:

Number of RSUs Granted	Dates Payable	Date Grantee Must Be Employed To Receive Award
_____ Shares	_____, 2010	_____, 2010
_____ Shares	_____, 2011	_____, 2011
_____ Shares	_____, 2012	_____, 2012
_____ Shares	_____, 2013	_____, 2013
_____ Shares	_____, 2014	_____, 2014

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: /s/ Min H. Kao  
Name: Min H. Kao  
Title: Chairman 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, Vorstadt 40/42, 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 June 27, 2010  
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 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 and on June 27, 2010 (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:

Number of RSUs Granted	Dates Payable	Date Grantee Must Be Employed To Receive Award
_____ Shares	_____, 2010	_____, 2010
_____ Shares	_____, 2011	_____, 2011
_____ Shares	_____, 2012	_____, 2012
_____ Shares	_____, 2013	_____, 2013
_____ Shares	_____, 2014	_____, 2014

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: /s/ Min H. Kao  
Name: Min H. Kao  
Title: Chairman 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, 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, Vorstadt 40/42, 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.

## Exhibit 99.1

### **MEDIA CONTACT:**

Ted Gartner  
Phone | +1 913/397-8200  
E-Mail | [media.relations@garmin.com](mailto:media.relations@garmin.com)

### **INVESTOR CONTACT:**

Kerri Thurston  
Phone | +1 913/397-8200  
E-Mail | [investor.relations@garmin.com](mailto:investor.relations@garmin.com)

### **Garmin Completes Redomestication to Switzerland**

SCHAFFHAUSEN, SWITZERLAND/June 28, 2010/Business Wire/ - Garmin Ltd. (NASDAQ: GRMN) announced the completion today of the change of place of incorporation of the ultimate parent company of the Garmin group from the Cayman Islands to Switzerland (the "Redomestication"). Pursuant to the Redomestication, each outstanding common share of Garmin Ltd., a Cayman Islands company ("Garmin Cayman"), was exchanged for one share of a newly-formed Swiss holding company, also named Garmin Ltd. ("Garmin Switzerland"). The shares of Garmin Switzerland are listed on the NASDAQ Global Select Market under the trading symbol "GRMN," the same symbol under which the common shares of Garmin Cayman were listed.

#### **About Garmin Ltd.**

The global leader in satellite navigation, Garmin Ltd. and its subsidiaries have designed, manufactured, marketed and sold navigation, communication and information devices and applications since 1989 – most of which are enabled by GPS technology. Garmin's products serve automotive, mobile, wireless, outdoor recreation, marine, aviation, and OEM applications. Garmin Ltd. is incorporated in Switzerland, and its principal subsidiaries are located in the United States, Taiwan and the United Kingdom. For more information, visit Garmin's virtual pressroom at [www.garmin.com/pressroom](http://www.garmin.com/pressroom) or contact the Media Relations department at 913-397-8200. Garmin is a registered trademark of Garmin Ltd.