

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

FORM 10-Q

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

For the quarterly period ended March 29, 2014

or

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

For the transition period from _____ to _____

Commission file number 0-31983

GARMIN LTD.

(Exact name of Company as specified in its charter)

Switzerland

(State or other jurisdiction
of incorporation or organization)

**Mühlentalstrasse 2
8200 Schaffhausen**

Switzerland

(Address of principal executive offices)

98-0229227

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

N/A
(Zip Code)

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

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

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

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

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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

Number of shares outstanding of the registrant's common shares as of April 28, 2014
CHF 10.00 par value: 208,077,418 (including treasury shares)

Garmin Ltd.
Form 10-Q
Quarter Ended March 29, 2014

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

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

	(Unaudited) March 29, 2014	December 28, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$1,136,691	\$1,179,149
Marketable securities	163,660	149,862
Accounts receivable, net	427,457	564,586
Inventories, net	442,025	382,226
Deferred income taxes	67,792	69,823
Deferred costs	52,009	57,368
Loan receivable	42,862	137,379
Prepaid expenses and other current assets	54,999	55,243
Total current assets	2,387,495	2,595,636
Property and equipment, net	417,164	414,848
Marketable securities	1,571,166	1,502,106
Restricted cash	246	249
Noncurrent deferred income tax	87,524	88,324
Noncurrent deferred costs	38,384	41,157
Other intangible assets, net	216,260	219,494
Other assets	20,675	17,789
Total assets	<u>\$4,738,914</u>	<u>\$4,879,603</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$124,241	\$146,582
Salaries and benefits payable	58,166	59,794
Accrued warranty costs	25,016	26,767
Accrued sales program costs	31,245	50,903
Deferred revenue	238,285	256,908
Accrued royalty costs	7,901	64,538
Accrued advertising expense	12,643	19,448
Other accrued expenses	73,911	65,657
Deferred income taxes	1,974	989
Income taxes payable	36,009	38,043
Dividend payable	87,717	175,675
Total current liabilities	697,108	905,304
Deferred income taxes	1,750	1,758
Non-current income taxes	141,723	140,933
Non-current deferred revenue	144,664	171,012
Other liabilities	1,299	890
Stockholders' equity:		
Shares, CHF 10 par value, 208,077,418 shares authorized and issued;		
194,773,186 shares outstanding at March 29, 2014		
and 195,150,102 shares outstanding at December 28, 2013	1,797,435	1,797,435
Additional paid-in capital	80,837	79,263
Treasury stock	(145,609)	(120,620)
Retained earnings	1,984,405	1,865,587
Accumulated other comprehensive income	35,302	38,041
Total stockholders' equity	<u>3,752,370</u>	<u>3,659,706</u>
Total liabilities and stockholders' equity	<u>\$4,738,914</u>	<u>\$4,879,603</u>

See accompanying notes.

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

	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Net sales	\$583,221	\$531,957
Cost of goods sold	252,387	255,824
Gross profit	330,834	276,133
Advertising expense	24,428	22,249
Selling, general and administrative expense	89,873	86,269
Research and development expense	96,164	87,689
Total operating expense	210,465	196,207
Operating income	120,369	79,926
Other income (expense):		
Interest income	9,768	8,898
Foreign currency gains (losses)	12,814	(8,348)
Other	(484)	1,158
Total other income (expense)	22,098	1,708
Income before income taxes	142,467	81,634
Income tax provision (benefit):	23,649	(7,032)
Net income	\$118,818	\$88,666
Net income per share:		
Basic	\$0.61	\$0.45
Diluted	\$0.61	\$0.45
Weighted average common shares outstanding:		
Basic	195,090	195,630
Diluted	195,860	196,457

See accompanying notes.

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

	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Net income	\$118,818	\$88,666
Translation adjustment	(15,518)	(8,080)
Change in fair value of available-for-sale marketable securities, net of deferred taxes	12,779	(1,119)
Comprehensive income	<u>\$116,079</u>	<u>\$79,467</u>

See accompanying notes.

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

	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Operating Activities:		
Net income	\$118,818	\$88,666
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,672	12,619
Amortization	6,740	8,271
(Gain) loss on sale of property and equipment	(617)	36
Provision for doubtful accounts	(189)	727
Deferred income taxes	5,942	1,493
Unrealized foreign currency gains	(15,334)	(495)
Provision for obsolete and slow moving inventories	3,384	6,033
Stock compensation expense	6,325	5,438
Realized loss (gain) on marketable securities	1,544	(1,073)
Changes in operating assets and liabilities:		
Accounts receivable	137,198	152,307
Inventories	(64,083)	(13,608)
Other current and non-current assets	(1,591)	(49,321)
Accounts payable	(20,411)	(18,377)
Other current and non-current liabilities	(80,011)	(100,784)
Deferred revenue	(45,290)	(23,329)
Deferred cost	8,129	4,813
Income taxes payable	(1,053)	(14,053)
Net cash provided by operating activities	71,173	59,363
Investing activities:		
Purchases of property and equipment	(15,537)	(11,616)
Proceeds from sale of property and equipment	609	12
Purchase of intangible assets	(1,111)	(347)
Purchase of marketable securities	(298,695)	(258,604)
Redemption of marketable securities	223,786	270,925
Proceeds from repayment (advances) on loan receivable	94,507	(18,324)
Change in restricted cash	3	(1)
Net cash provided by (used in) investing activities	3,562	(17,955)
Financing activities:		
Dividends paid	(87,853)	(175,956)
Purchase of treasury stock under share repurchase plan	(32,986)	-
Purchase of treasury stock related to equity awards	(58)	(62)
Proceeds from issuance of treasury stock related to equity awards	1,107	1,474
Tax benefit from issuance of equity awards	2,199	258
Net cash used in financing activities	(117,591)	(174,286)
Effect of exchange rate changes on cash and cash equivalents	398	(4,862)
Net decrease in cash and cash equivalents	(42,458)	(137,740)
Cash and cash equivalents at beginning of period	1,179,149	1,231,180
Cash and cash equivalents at end of period	\$1,136,691	\$1,093,440

See accompanying notes.

Garmin Ltd. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

March 29, 2014

(In thousands, except share and per share information)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Additionally, the condensed consolidated financial statements should be read in conjunction with Item 2 of Management's Discussion and Analysis of Financial Condition and Results of Operations, included in this Form 10-Q. Operating results for the 13-week period ended March 29, 2014 are not necessarily indicative of the results that may be expected for the year ending December 27, 2014.

The condensed consolidated balance sheet at December 28, 2013 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 28, 2013.

The Company's fiscal year is based on a 52-53 week period ending on the last Saturday of the calendar year. Therefore the financial results of certain fiscal years, and the associated 14-week quarters, will not be exactly comparable to the prior and subsequent 52-week fiscal years and the associated quarters having only 13 weeks. The quarters ended March 29, 2014 and March 30, 2013 both contain operating results for 13 weeks.

2. Inventories

The components of inventories consist of the following:

	March 29, 2014	December 28, 2013
Raw materials	\$163,833	\$131,408
Work-in-process	50,642	50,110
Finished goods	256,813	229,089
Inventory reserves	(29,263)	(28,381)
Inventory, net of reserves	<u>\$442,025</u>	<u>\$382,226</u>

3. Earnings Per Share

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

	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Numerator:		
Numerator for basic and diluted net income per share - net income	<u>\$118,818</u>	<u>\$88,666</u>
Denominator:		
Denominator for basic net income per share – weighted-average common shares	195,090	195,630
Effect of dilutive securities – stock options, stock appreciation rights and restricted stock units	<u>770</u>	<u>827</u>
Denominator for diluted net income per share – adjusted weighted-average common shares	<u>195,860</u>	<u>196,457</u>
Basic net income per share	<u>\$0.61</u>	<u>\$0.45</u>
Diluted net income per share	<u>\$0.61</u>	<u>\$0.45</u>

There were 4,379,940 and 5,567,166 anti-dilutive stock options, stock appreciation rights and restricted stock units (collectively “equity awards”) outstanding during the 13-week periods ended March 29, 2014 and March 30, 2013, respectively.

There were 241,784 and 66,718 shares issued as a result of exercises of equity awards for the 13-week periods ended March 29, 2014 and March 30, 2013, respectively.

4. Segment Information

The Company has identified five operating segments – Auto/Mobile, Aviation, Marine, Outdoor and Fitness. Each operating segment is individually reviewed and evaluated by our Chief Operating Decision Maker, who allocates resources and assesses performance of each segment individually.

Net sales, operating income, and income before taxes for each of the Company’s reportable segments are presented below:

	Reportable Segments					
	<u>Outdoor</u>	<u>Fitness</u>	<u>Marine</u>	<u>Auto/ Mobile</u>	<u>Aviation</u>	<u>Total</u>
13-Weeks Ended March 29, 2014						
Net sales	\$83,985	\$100,288	\$60,002	\$242,952	\$95,994	\$583,221
Operating income	\$23,683	\$33,512	\$3,810	\$30,564	\$28,800	\$120,369
Income before taxes	\$28,103	\$37,522	\$6,645	\$40,148	\$30,049	\$142,467
13-Weeks Ended March 30, 2013						
Net sales	\$76,165	\$72,437	\$50,296	\$252,589	\$80,470	\$531,957
Operating income (loss)	\$21,588	\$19,892	(\$2,440)	\$20,032	\$20,854	\$79,926
Income (loss) before taxes	\$22,503	\$19,888	(\$2,032)	\$19,981	\$21,294	\$81,634

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

Net sales and property and equipment, net by geographic area are as follows as of and for the 13-week periods ended March 29, 2014 and March 30, 2013. Note that APAC includes Asia Pacific and EMEA includes Europe, the Middle East and Africa:

	Americas	APAC	EMEA	Total
March 29, 2014				
Net sales to external customers	\$304,808	\$57,810	\$220,603	\$583,221
Property and equipment, net	\$243,726	\$119,850	\$53,588	\$417,164
March 30, 2013				
Net sales to external customers	\$285,813	\$55,369	\$190,775	\$531,957
Property and equipment, net	\$224,049	\$130,415	\$53,127	\$407,591

5. Warranty Reserves

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

	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Balance - beginning of the period	\$26,767	\$37,301
Accrual for products sold	9,485	9,186
Expenditures	(11,236)	(11,833)
Balance - end of the period	<u>\$25,016</u>	<u>\$34,654</u>

6. Commitments and Contingencies

The Company is party to certain commitments, which includes raw materials, advertising and other indirect purchases in connection with conducting our business. Pursuant to these agreements, the Company is contractually committed to make purchases of approximately \$212,691 over the next five years.

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

On March 14, 2013, the Company entered into a Memorandum of Agreement (the "Agreement") with Bombardier, Inc. ("Bombardier"). The Company is the supplier of the avionics system for the Lear 70 and Lear 75 aircraft currently in development for Learjet, Inc., which is a subsidiary of Bombardier (the "Program"). In order to assist Bombardier in connection with delayed cash flows from the Program partially related to the certification of avionics for the Program exceeding the planned delivery date, the Company agreed to provide Bombardier a short

term, interest free, loan of \$173,708 in cash in seven installments beginning on March 22, 2013 and ending on September 20, 2013 pursuant to the terms and conditions of the Agreement. Bombardier will repay the loan in five installments beginning in November 2013 and ending in April 2014 pursuant to the terms and conditions of the Agreement and subsequent amendment signed December 6, 2013. As of March 29, 2014, the Company had a loan receivable balance of \$42,862 from Bombardier in the accompanying consolidated balance sheet, which was collected in full in April 2014.

7. Income Taxes

The Company's income tax expense increased by \$30,681, to \$23,649 for the 13-week period ended March 29, 2014, from (\$7,032) for the 13-week period ended March 30, 2013. The effective tax rate was 16.6% in the first quarter of 2014 compared to (8.6%) in the first quarter of 2013. The first quarter 2014 effective tax rate increased as compared to first quarter 2013 due to expiration of certain Taiwan tax holidays in 2013, the expiration of the Federal Research & Development Tax Credit on December 31, 2013 and reduced reserve releases. Release of uncertain tax position reserves due to expiration of certain statutes of limitations or completion of tax audits reduced our expense by \$5,795 and \$16,536, respectively, in first quarter 2014 and first quarter 2013. Also, contributing to the lower rate in the first quarter 2013 is the impact of \$6,301 of research and development tax credits related to 2012 which were recognized when the related legislation was enacted in January 2013.

8. Marketable Securities

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

Level 1 Unadjusted quoted prices in active markets for identical assets or liability

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

Level 3 Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The valuation methods used by the Company for each significant class of investments are summarized below.

Mortgage-backed securities, corporate bonds and obligations of states and political subdivisions – Valued based on prices obtained from an independent pricing vendor using both market and income approaches. The primary inputs to the valuation include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, and credit spreads.

Common stocks – Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to

determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Fair Value Measurements as of March 29, 2014					
Description	Total	Level 1	Level 2	Level 3	
Mortgage-backed securities	\$ 455,015	\$ -	\$ 455,015	\$ -	
Obligations of states and political subdivisions	599,889	-	599,889	-	
Corporate bonds	565,769	-	565,769	-	
Common stocks	30,568	30,568	-	-	
Other	83,585	-	83,585	-	
Total	\$ 1,734,826	\$ 30,568	\$ 1,704,258	\$ -	

Fair Value Measurements as of December 28, 2013					
Description	Total	Level 1	Level 2	Level 3	
Mortgage-backed securities	\$ 437,330	\$ -	\$ 437,330	\$ -	
Obligations of states and political subdivisions	647,354	-	647,354	-	
Corporate bonds	457,148	-	457,148	-	
Common stocks	29,854	29,854	-	-	
Other	80,282	-	80,282	-	
Total	\$ 1,651,968	\$ 29,854	\$ 1,622,114	\$ -	

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

Available-For-Sale Securities as of March 29, 2014					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses-OTTI ⁽¹⁾	Gross Unrealized Losses-Other ⁽²⁾	Estimated Fair Value (Net Carrying Amount)
Mortgage-backed securities	\$ 468,237	\$ 2,885	\$ (13,585)	\$ (2,522)	\$ 455,015
Obligations of states and political subdivisions	617,971	1,454	(19,417)	(119)	599,889
U.S. corporate bonds	572,389	1,030	(7,400)	(250)	565,769
Common stocks	29,203	1,587	(222)	-	30,568
Other	82,958	687	(60)	-	83,585
Total	\$ 1,770,758	\$ 7,643	\$ (40,684)	\$ (2,891)	\$ 1,734,826

**Available-For-Sale Securities as
of December 28, 2013**

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses-OTTI ⁽¹⁾	Gross Unrealized Losses-Other ⁽²⁾	Estimated Fair Value (Net Carrying Amount)
Mortgage-backed securities	\$ 461,054	\$ 2,692	\$ (22,614)	\$ (3,802)	\$ 437,330
Obligations of states and political subdivisions	673,529	1,601	(27,509)	(267)	647,354
U.S. corporate bonds	463,437	1,050	(7,031)	(308)	457,148
Common stocks	24,540	5,413	(99)	-	29,854
Other	78,059	2,326	(103)	-	80,282
Total	\$ 1,700,619	\$ 13,082	\$ (57,356)	\$ (4,377)	\$ 1,651,968

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

(2) Represents unrealized losses on investment securities that have not been determined to be other-than-temporarily impaired.

The Company's investment policy requires investments to be rated A or better with the objective of minimizing the potential risk of principal loss. The Company does not intend to sell the securities that have an unrealized loss shown in the table above and it is not more likely than not that the Company will be required to sell the investment before recovery of their amortized costs bases, which may be maturity. The Company recognizes the credit component of other-than-temporary impairments of debt securities in "Other Income" and the noncredit component in "Other comprehensive income (loss)" for those securities that we do not intend to sell and for which it is not more likely than not that we will be required to sell before recovery. During 2013 and the first quarter of 2014, the Company did not record any material impairment charges on its outstanding securities.

The fair value of our securities varies from period to period due to changes in interest rates, in the performance of the underlying collateral and in the credit performance of the underlying issuer, among other factors. In 2013, the Company experienced unrealized, non-cash losses on its investment portfolio resulting in a balance of \$57,356 and \$4,377 of gross other-than-temporary impairment and other unrealized losses on marketable securities at December 28, 2013. The amortized cost and estimated fair value of the securities at an unrealized loss position at December 28, 2013 were \$1,215,498 and \$1,153,765, respectively. This decrease in estimated fair value was primarily due to market valuations on mortgage-backed securities and obligations of states and political subdivisions declining. The decline was due to increases in the 10 Year Treasury Bond Yield during 2013, which caused market valuations of securities in our investment portfolios to decline.

The 10 Year Treasury Bond Yield has decreased in 2014, resulting in a balance of \$40,684 and \$2,891 of gross other-than-temporary impairment and other unrealized losses on marketable securities at March 29, 2014. The amortized cost and estimated fair value of the securities at an unrealized loss position at March 29, 2014 were \$1,231,505 and \$1,187,930, respectively. Approximately 46% of securities in our portfolio were at an unrealized loss position at March 29, 2014. An immaterial amount of unrealized losses relate to securities that have been in a continuous unrealized loss position for 12 months or longer. We have the ability to hold these securities until maturity or their value is recovered. We do not consider these unrealized losses to be other than temporary credit losses because there has been no deterioration in credit quality and no change in the cash flows of the underlying securities. We do not intend to sell the securities and it is not more likely than not that we will be required to sell the securities; therefore, no impairment has been recorded in the accompanying condensed consolidated statement of income.

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

The amortized cost and estimated fair value of marketable securities at March 29, 2014, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

	Cost	Estimated Fair Value
Due in one year or less	\$ 164,940	\$ 163,660
Due after one year through five years	763,230	759,414
Due after five years through ten years	240,920	233,601
Due after ten years	534,829	509,308
Other (No contractual maturity dates)	66,839	68,843
	\$ 1,770,758	\$ 1,734,826

9. Share Repurchase Plan

On February 15, 2013, the Board of Directors approved a share repurchase program authorizing the Company to purchase up to \$300,000 of its common shares. A Rule 10b5-1 plan was adopted and allows the repurchase of its shares at times when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods. The share repurchase authorization expires on December 31, 2014. As of March 29, 2014, the Company had repurchased 1,995,200 shares using cash of \$91,526. There remains approximately \$208,474 available to repurchase additional shares under this authorization.

10. Accumulated Other Comprehensive Income

The following provides required disclosure of changes in accumulated other comprehensive income (AOCI) balances by component for the 13-week period ended March 29, 2014:

	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Available for Sale Securities	Total
Balance - beginning of period	\$ 85,363	\$ (47,322)	\$ 38,041
Other comprehensive income before reclassification	(15,518)	13,927	(1,591)
Amounts reclassified from accumulated other comprehensive income	-	(1,148)	(1,148)
Net current-period other comprehensive income	(15,518)	12,779	(2,739)
Balance - end of period	\$ 69,845	\$ (34,543)	\$ 35,302

The following provides required disclosure of reporting reclassifications out of AOCI for the 13-week period ended March 29, 2014:

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Statement Where Net Income is Presented
Unrealized gains (losses) on available-for-sale securities	\$ 1,544	Other income (expense)
	(396)	Income tax provision
	<u>\$ 1,148</u>	Net of tax

11. Recently Issued Accounting Pronouncements

In July 2013, the FASB issued Accounting Standards Update No. 2013-11 "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" (ASU 2013-11), which is included in ASC Topic 740 (Income Taxes). ASU 2013-11 requires an entity to net its liability for unrecognized tax positions against a net operating loss carryforward, a similar tax loss or a tax credit carryforward when settlement in this manner is available under the tax law. The provisions of this new guidance are effective for reporting periods beginning after December 15, 2013. The implementation of the amended accounting guidance did not have a material impact on the Company's financial statements.

12. Subsequent events

No significant events occurred subsequent to the balance sheet date but prior to April 30, 2014 that would have a material impact on the financial statements.

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

The discussion set forth below, as well as other portions of this Quarterly Report, contains statements concerning potential future events. Such forward-looking statements are based upon assumptions by our management, as of the date of this Quarterly Report, including assumptions about risks and uncertainties faced by the Company. Readers can identify these forward-looking statements by their use of such verbs as expects, anticipates, believes or similar verbs or conjugations of such verbs. If any of our assumptions prove incorrect or should unanticipated circumstances arise, our actual results could materially differ from those anticipated by such forward-looking statements. The differences could be caused by a number of factors or combination of factors including, but not limited to, those factors identified in the Company's Annual Report on Form 10-K for the year ended December 28, 2013. This report has been filed with the Securities and Exchange Commission (the "SEC" or the "Commission") in Washington, D.C. and can be obtained by contacting the SEC's public reference operations or obtaining it through the SEC's web site on the World Wide Web at <http://www.sec.gov>. Readers are strongly encouraged to consider those factors when evaluating any forward-looking statement concerning the Company. The Company will not update any forward-looking statements in this Quarterly Report to reflect future events or developments.

The information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Condensed Consolidated Financial Statements and Notes thereto included in this Form 10-Q and the audited financial statements and notes thereto in the Company's Annual Report on Form 10-K for the year ended December 28, 2013.

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

Results of Operations

The following table sets forth our results of operations as a percentage of net sales during the periods shown:

	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Net sales	100%	100%
Cost of goods sold	43%	48%
Gross profit	57%	52%
Advertising	4%	4%
Selling, general and administrative	15%	16%
Research and development	16%	17%
Total operating expenses	35%	37%
Operating income	21%	15%
Other income (expense), net	3%	0%
Income before income taxes	24%	15%
Provision/(benefit) for income taxes	4%	-2%
Net income	20%	17%

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

Garmin Ltd. And Subsidiaries Net Sales, Operating Income (Loss) and Income (Loss) before Taxes by Segment (Unaudited)

	Reportable Segments					
	<u>Outdoor</u>	<u>Fitness</u>	<u>Marine</u>	<u>Auto/ Mobile</u>	<u>Aviation</u>	<u>Total</u>
13-Weeks Ended March 29, 2014						
Net sales	\$83,985	\$100,288	\$60,002	\$242,952	\$95,994	\$583,221
Operating income	\$23,683	\$33,512	\$3,810	\$30,564	\$28,800	\$120,369
Income before taxes	\$28,103	\$37,522	\$6,645	\$40,148	\$30,049	\$142,467
13-Weeks Ended March 30, 2013						
Net sales	\$76,165	\$72,437	\$50,296	\$252,589	\$80,470	\$531,957
Operating income (loss)	\$21,588	\$19,892	(\$2,440)	\$20,032	\$20,854	\$79,926
Income (loss) before taxes	\$22,503	\$19,888	(\$2,032)	\$19,981	\$21,294	\$81,634

Comparison of 13-Weeks Ended March 29, 2014 and March 30, 2013

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

Net Sales

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Net Sales	% of Revenues	Net Sales	% of Revenues	\$ Change	% Change
Outdoor	\$83,985	14%	\$76,165	14%	\$7,820	10%
Fitness	100,288	17%	72,437	13%	27,851	38%
Marine	60,002	10%	50,296	10%	9,706	19%
Automotive/Mobile	242,952	42%	252,589	48%	(9,637)	-4%
Aviation	95,994	17%	80,470	15%	15,524	19%
Total	\$583,221	100%	\$531,957	100%	\$51,264	10%

Net sales increased 10% for the 13-week period ended March 29, 2014 when compared to the year-ago quarter. All segments, excluding automotive/mobile, grew in the quarter. Automotive/mobile revenue remains the largest portion of our revenue mix at 42% in the first quarter of 2014 compared to 48% in the first quarter of 2013.

Total unit sales were flat at 2,492 in the first quarter of 2014 from 2,491 in the same period of 2013. Unit sales volume in the first quarter of fiscal 2014 grew in fitness, aviation, automotive OEM and outdoor with offsetting declines in PND and marine.

Automotive/mobile segment revenue decreased 4% from the year-ago quarter, as volumes decreased 12% partially offset by average selling price (ASP) improvement primarily due to the amortization of previously deferred revenue exceeding current period revenue deferrals in the first quarter of 2014. Revenues in our fitness segment increased 38% from the year-ago quarter on the strength of recent running product introductions and vívofit™, our first fitness band. Revenues in our marine segment increased 19% as new products, which garner higher ASPs, led to improved demand and market share gains. Aviation revenues increased 19% from the year-ago quarter as OEM market share gains and aftermarket products contributed. Outdoor revenues increased 10% from the year-ago quarter with contributions from all major product categories and ASP improvement.

Cost of Goods Sold

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Cost of Goods	% of Revenues	Cost of Goods	% of Revenues	\$ Change	% Change
Outdoor	\$33,075	39%	\$31,690	42%	\$1,385	4%
Fitness	36,203	36%	27,469	38%	8,734	32%
Marine	28,949	48%	26,949	54%	2,000	7%
Automotive/Mobile	129,161	53%	145,469	58%	(16,308)	-11%
Aviation	24,999	26%	24,247	30%	752	3%
Total	\$252,387	43%	\$255,824	48%	(\$3,437)	-1%

Cost of goods sold decreased 1% in absolute dollars for the 13-week period ended March 29, 2014 when compared to the year ago quarter. The decrease was driven by the automotive/mobile segment which recorded a cost of goods as a percentage of revenues decrease of 440 basis points primarily due to benefit from the amortization of previously deferred revenue and costs exceeding new deferrals on current period sales in the first quarter of 2014.

As a percentage of revenue, cost of goods sold decreased 480 basis points from the year ago quarter with improvement in each segment. This margin improvement was primarily related to product mix shifting toward new products in marine, outdoor and fitness. In addition, ASP improvement also contributed in marine and outdoor. Aviation margin improvement was primarily due to increased software sales.

Gross Profit

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Gross Profit	% of Revenues	Gross Profit	% of Revenues	\$ Change	% Change
Outdoor	\$50,910	61%	\$44,475	58%	\$6,435	14%
Fitness	64,085	64%	44,968	62%	19,117	43%
Marine	31,053	52%	23,347	46%	7,706	33%
Automotive/Mobile	113,791	47%	107,120	42%	6,671	6%
Aviation	70,995	74%	56,223	70%	14,772	26%
Total	\$330,834	57%	\$276,133	52%	\$54,701	20%

Gross profit dollars in the first quarter of 2014 increased 20% while gross profit margin increased 480 basis points compared to the first quarter of 2013 with all segments improving. The automotive/mobile gross margin improved to 47% driven by the amortization of previously deferred high margin revenues, as discussed above. Each of the remaining segments also recorded improved gross margins, as discussed above.

Advertising Expense

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Advertising Expense	% of Revenues	Advertising Expense	% of Revenues	\$ Change	% Change
Outdoor	\$5,176	6%	\$3,111	4%	\$2,065	66%
Fitness	5,868	6%	5,640	8%	228	4%
Marine	4,163	7%	3,053	6%	1,110	36%
Automotive/Mobile	7,406	3%	9,209	4%	(1,803)	-20%
Aviation	1,815	2%	1,236	2%	579	47%
Total	\$24,428	4%	\$22,249	4%	\$2,179	10%

Advertising expense increased 10% in absolute dollars while holding steady as a percent of revenues. The increase in absolute dollars occurred primarily in outdoor and marine to support new product introductions and was partially offset by decreased spending in automotive/mobile due to reduced cooperative advertising associated with lower volumes.

Selling, General and Administrative Expense

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Selling, General & Admin. Expenses	% of Revenues	Selling, General & Admin. Expenses	% of Revenues	\$ Change	% Change
Outdoor	\$14,744	18%	\$13,891	18%	\$853	6%
Fitness	16,082	16%	12,826	18%	3,256	25%
Marine	11,782	20%	10,909	22%	873	8%
Automotive/Mobile	41,548	17%	43,521	17%	(1,973)	-5%
Aviation	5,717	6%	5,122	6%	595	12%
Total	\$89,873	15%	\$86,269	16%	\$3,604	4%

Selling, general and administrative expense increased 4% in absolute dollars and declined 80 basis points as a percent of revenues compared to the year-ago quarter. The absolute dollar increase is primarily related to legal fees and occupancy costs. Variances by segment are primarily due to the allocation of certain selling, general and administrative expenses based on percentage of total revenues.

Research and Development Expense

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Research & Development	% of Revenues	Research & Development	% of Revenues	\$ Change	% Change
Outdoor	\$7,307	9%	\$5,885	8%	\$1,422	24%
Fitness	8,623	9%	6,610	9%	2,013	30%
Marine	11,298	19%	11,825	24%	(527)	-4%
Automotive/Mobile	34,273	14%	34,358	14%	(85)	0%
Aviation	34,663	36%	29,011	36%	5,652	19%
Total	\$96,164	16%	\$87,689	16%	\$8,475	10%

Research and development expense increased 10% due to ongoing development activities for new products and the addition of over 100 new engineering personnel to our staff since the year-ago quarter. In absolute dollars, research and development costs increased \$8.5 million when compared with the year-ago quarter but remained flat as a percent of revenue. Aviation, fitness and outdoor increased to support new product initiatives while marine and automotive/mobile declined.

Operating Income

	13-weeks ended March 29, 2014		13-weeks ended March 30, 2013		Year over Year	
	Operating Income	% of Revenues	Operating Income	% of Revenues	\$ Change	% Change
Outdoor	\$23,683	28%	\$21,588	28%	\$2,095	10%
Fitness	33,512	33%	19,892	27%	13,620	68%
Marine	3,810	6%	(2,440)	-5%	6,250	NM
Automotive/Mobile	30,564	13%	20,032	8%	10,532	53%
Aviation	28,800	30%	20,854	26%	7,946	38%
Total	\$120,369	21%	\$79,926	15%	\$40,443	51%

NM = not meaningful

Operating income increased 51% in absolute dollars and 560 basis points as a percent of revenue when compared to the first quarter of 2013. Revenue growth, an improving gross margin percentage and reduced selling, general and administrative as a percentage of revenue, as discussed above, contributed to the growth.

Other Income (Expense)

	13-weeks ended March 29, 2014	13-weeks ended March 30, 2013
Interest Income	\$9,768	\$8,898
Foreign Currency Exchange	12,814	(8,348)
Other	(484)	1,158
Total	\$22,098	\$1,708

The average return on cash and investments during the first quarter of 2014 was 1.2% compared to 1.5% during the same quarter of 2013. The increase in interest income is attributable to a higher cash balance offset by a declining interest rate.

Foreign currency gains and losses for the Company are primarily tied to movements by the Taiwan Dollar, the Euro, and the British Pound Sterling in relation to the U.S. Dollar. The Taiwan Dollar is the functional currency of Garmin Corporation. The U.S. Dollar remains the functional currency of Garmin (Europe) Ltd. The Euro is the functional currency of most European subsidiaries. As these entities have grown, currency fluctuations can generate material gains and losses. Additionally, Euro-based inter-company transactions can also generate currency gains and losses. Due to the relative size of the entities using a functional currency other than the Taiwan Dollar, the Euro and the British Pound Sterling, currency fluctuations related to these entities are not expected to have a material impact on the Company's financial statements.

The majority of the \$12.8 million currency gain in the first quarter of 2014 was due to the strengthening of the U.S. Dollar compared to the Taiwan Dollar. During the first quarter of 2014, the U.S. Dollar strengthened 1.4% compared to the Taiwan Dollar resulting in a gain of \$13.4 million. The remaining net currency loss of \$0.6 million is related to other currencies and timing of transactions.

The majority of the \$8.3 million currency loss in the first quarter of 2013 was due to the strengthening of the U.S. Dollar compared to the Euro and British Pound Sterling. The strengthening of the U.S. Dollar compared to the Taiwan Dollar contributed a partially offsetting gain. The movements of the Taiwan Dollar and Euro/British Pound Sterling have offsetting impacts due to the use of the Taiwan Dollar for manufacturing costs and cash held in non-functional currency while the Euro and British Pound Sterling transactions relate to revenue. During the first quarter of 2013, the U.S. Dollar strengthened 3.1% and 5.7% compared to the Euro and the British Pound Sterling, respectively, resulting in a loss of \$10.6 million. In addition, the U.S. Dollar strengthened 0.3% against the Taiwan Dollar, resulting in a \$3.3 million gain. The remaining net currency loss of \$1.0 million is related to other currencies and timing of transactions.

Income Tax Provision

Our income tax expense increased by \$30.7 million, to \$23.6 million for the 13-week period ended March 29, 2014, from (\$7.0) million for the 13-week period ended March 30, 2013. The effective tax rate was 16.6% in the first quarter of 2014 compared to (8.6%) in the first quarter of 2013. The first quarter 2014 effective tax rate increased as compared to first quarter 2013 due to expiration of certain Taiwan tax holidays in 2013, the expiration of the Federal Research & Development Tax Credit on December 31, 2013 and reduced reserve releases. Release of uncertain tax position reserves due to expiration of certain statutes of limitations or completion of tax audits reduced our expense by \$5.8 million and \$16.5 million, respectively, in first quarter 2014 and first quarter 2013. Also, contributing to the lower rate in the first quarter 2013 is the impact of \$6.3 million of research and development tax credits related to 2012 which were recognized when the related legislation was enacted in January 2013.

Net Income

As a result of the above, net income increased 34% for the 13-week period ended March 29, 2014 to \$118.8 million compared to \$88.7 million for the 13-week period ended March 30, 2013.

Liquidity and Capital Resources

Operating Activities

(In thousands)	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Net cash provided by operating activities	\$ 71,173	\$ 59,363

The \$11.8 million increase in cash provided by operating activities in first quarter 2014 compared to first quarter 2013 was primarily due to the following:

- other current and noncurrent assets providing \$47.7 million more cash primarily due to a \$41 million tax-related prepayment made in first quarter of 2013 that was subsequently recovered in the second quarter of 2013
- net income increasing by \$30.2 million as discussed in the Results of Operations section above
- other current and non-current liabilities providing \$20.8 million more cash due to lower 2013 royalty costs on decreased revenues and the timing of such payments and
- income taxes payable providing \$13.0 million more cash due to the timing of disbursements

Partially offset by:

- inventories providing \$50.5 million less cash due primarily to new product categories and increasing product demand
- deferred revenue/costs providing \$18.6 million less working capital benefit due to the increased amortization of previously deferred revenue/cost as discussed in the Results of Operations section above
- accounts receivable providing \$15.1 million less cash primarily due to lower revenue in fourth quarter 2013 and
- the impact of increasing unrealized foreign currency gains providing \$14.8 million less cash due primarily to foreign currency rate fluctuations related to our Taiwan operations which utilize the Taiwan Dollar as their functional currency resulting in translation of assets and liabilities to U.S. Dollar

Investing Activities

(In thousands)	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Net cash provided by (used in) investing activities	\$ 3,562	\$ (17,955)

The \$21.5 million increase in cash provided by investing activities in first quarter 2014 compared to first quarter 2013 was primarily due to the following:

- collection of cash advanced under a loan receivable commitment with Bombardier of \$94.5 million

Partially offset by:

- increased net investments in marketable securities of \$87.2 million

It is management's goal to invest the on-hand cash consistent with Garmin's investment policy, which has been approved by the Board of Directors. The investment policy's primary purpose is to preserve capital, maintain an acceptable degree of liquidity, and maximize yield within the constraint of low credit risk. Garmin's average interest rate returns on cash and investments during first quarter 2014 and 2013 were approximately 1.2% and 1.5%, respectively.

Financing Activities

(In thousands)	13-Weeks Ended	
	March 29, 2014	March 30, 2013
Net cash used in financing activities	\$ (117,591)	\$ (174,286)

The \$56.7 million decrease in cash used in financing activities in first quarter 2014 compared to first quarter 2013 was primarily due to the following:

- decreased dividend payments of \$88.1 million due to the timing of our calendar fourth quarter 2012 dividend occurring in our fiscal first quarter 2013

Partially offset by:

- increased purchase of treasury stock of \$33.0 million under a share repurchase authorization

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

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Sensitivity

We have market risk primarily in connection with the pricing of our products and services and the purchase of raw materials. Product pricing and raw material costs are both significantly influenced by semiconductor market conditions. Historically, during cyclical economic downturns, we have been able to offset pricing declines for our products through a combination of improved product mix and success in obtaining price reductions in raw material costs.

Inflation

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could adversely affect our business, financial condition and results of operations.

Foreign Currency Exchange Rate Risk

The operation of the Company's subsidiaries in international markets results in exposure to movements in currency exchange rates. The potential of volatile foreign exchange rate fluctuations in the future could have a significant effect on our results of operations. In accordance with the Accounting Standards Code, the financial statements of all Company entities with functional currencies that are not United States dollars (USD) are translated for consolidation purposes into USD, the reporting currency of Garmin Ltd. Sales, costs, and expenses are translated at rates prevailing during the reporting periods and at end-of-period rates for all assets and liabilities. The effect of this translation is recorded in a separate component of stockholders' equity and have been included in accumulated other comprehensive income/(loss) in the accompanying condensed consolidated balance sheets and condensed consolidated statements of comprehensive income.

Foreign currency gains and losses for the Company are primarily tied to movements by the Taiwan Dollar (TD), the Euro, and the British Pound Sterling. The USD remains the functional currency of Garmin (Europe) Ltd. The Euro is the functional currency of most European subsidiaries, and as a result, Euro currency movement may generate material gains and losses. Additionally, Euro-based inter-company transactions in Garmin Ltd. can also generate currency gains and losses. Due to the relative size of entities using a functional currency other than the Taiwan Dollar, the Euro and the British Pound Sterling, currency fluctuations within these entities are not expected to have a material impact on the Company's financial statements.

Interest Rate Risk

As of March 29, 2014, we are exposed to interest rate risk in connection with our investments in marketable securities. As interest rates change, the unrealized gains and losses associated with those securities will fluctuate accordingly. As we have no outstanding long term debt, we have no meaningful debt-related interest rate risk.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* The Company maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. As of March 29, 2014, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded as of March 29, 2014 that our disclosure controls and procedures were effective such that the information relating to the Company, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in internal control over financial reporting.* There has been no change in the Company's internal controls over financial reporting that occurred during the Company's fiscal quarter ended March 29, 2014 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

American Vehicular Sciences LLC, v. Garmin International, Inc., Garmin USA, Inc., and Garmin Ltd.

On March 7, 2014, American Vehicular Sciences LLC (AVS) filed suit in the United States District Court for the Eastern District of Texas against Garmin International, Inc, Garmin USA, Inc., and Garmin Ltd. (collectively “Garmin”), alleging infringement of U.S. Patent No. 8,630,795 (the “’795 patent”). On April 9, 2014, Garmin filed its answer asserting that each asserted claim of the ’795 patent is invalid and/or not infringed. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Furuno Electric Co., Ltd. and Furuno U.S.A., Inc. v. Garmin Ltd., Garmin International, Inc., Garmin North America, Inc., and Garmin USA, Inc.

On September 23, 2013 Furuno Electric Co., Ltd. and Furuno U.S.A., Inc. filed suit in the United States District Court for the District of Oregon against Garmin Ltd., Garmin International, Inc., Garmin North America, Inc., and Garmin USA, Inc. (collectively “Garmin”), alleging infringement of U.S. Patent Nos. 6,084,565 (“the ’565 patent”), 6,424,292 (“the ’292 patent”), 7,161,561 (“the ’561 patent”), and 7,768,447 (“the ’447 patent”). On October 22, 2013, Garmin filed its answer asserting that each asserted claim of the ’565 patent, the ’292 patent, the ’561 patent, and the ’447 patent is invalid and/or not infringed. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Harbinger Capital Partners LLC et al v. Deere & Company et al; LightSquared Inc. et al. v. Deere & Company et al.

On August 9, 2013, Harbinger Capital Partners LLC and ten related entities filed a lawsuit (the “Harbinger Lawsuit”) in the United States District Court for the Southern District of New York against Deere & Company (“Deere”), Garmin International, Inc. (“Garmin”), Trimble Navigation Ltd. (“Trimble”), The U.S. GPS Industry Council (the “Council”), and the Coalition to Save Our GPS. The Coalition to Save Our GPS is no longer a defendant. Plaintiffs filed a first amended complaint on August 16, 2013, a second amended complaint on January 21, 2014, and a third amended complaint on March 18, 2014. The third amended complaint seeks damages of at least \$1.9 billion based on allegations of violation of Rule 10b5-1 of the Securities Exchange Act of 1934 (the “1934 Act”), violation of Section 20(a) of the 1934 Act, fraud, negligent misrepresentation, constructive fraud, equitable estoppel, breach of contract, and violation of Section 349 of the New York General Business Law. Plaintiffs allege that they invested in a company now called LightSquared in the belief that LightSquared would be able to operate a new terrestrial, mobile telecommunications network (the “Terrestrial Plan”) on certain satellite radio frequencies. Plaintiffs also allege that LightSquared was not able to obtain approval from the Federal Communications Commission (FCC) to operate the proposed Terrestrial Plan because of interference it would cause to Global Positioning System (GPS) receivers operating in an adjacent frequency band. Plaintiffs further allege that defendants concealed the likelihood of such interference and breached an earlier alleged agreement with a predecessor of LightSquared regarding a different technical issue. Plaintiffs allege they were third-party beneficiaries of the agreement.

On November 1, 2013, LightSquared, Inc. and two related entities (collectively, “LightSquared”) filed an adversary proceeding (the “LightSquared Lawsuit”) in the United States Bankruptcy Court for the Southern District of New York (where a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code filed by LightSquared and certain related entities is pending) against Deere, Garmin, Trimble, the Council, and the Coalition to Save Our GPS. LightSquared filed a first amended complaint on March 18, 2014. LightSquared’s amended complaint seeks damages based on claims of promissory estoppel, quantum meruit, breach of contract, breach of implied covenant of good faith, unjust enrichment, negligent misrepresentation, constructive fraud, civil conspiracy, and tortious interference with contractual or business relationships. Like the allegations in the Harbinger Lawsuit, LightSquared alleges that it was not able to obtain approval from the FCC to operate its proposed Terrestrial Plan

because of interference it would cause to GPS receivers. LightSquared also alleges that the inability to obtain FCC approval caused LightSquared damages, including the loss of third-party contracts. LightSquared further alleges that defendants concealed the likelihood of such interference and/or represented to LightSquared that any interference issues had been resolved and that defendants breached earlier alleged agreements with LightSquared regarding a different technical issue. On November 15, 2013, Garmin, Deere, Trimble, and the Council filed a motion to withdraw the reference of the LightSquared adversary proceeding from the Bankruptcy Court to the United States District Court for the Southern District of New York (the "District Court"). On January 31, 2014 the District Court granted the defendants' motion to withdraw the reference.

The defendants intend to file a motion to dismiss both the Harbinger and LightSquared Lawsuits in late May 2014. Although there can be no assurance that an unfavorable outcome of the Harbinger and LightSquared Lawsuits would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in the Harbinger and LightSquared Lawsuits are without merit and intends to vigorously defend these actions.

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

On November 18, 2011, ICON Health & Fitness, Inc. filed suit in the United States District Court for the District of Utah against Garmin Ltd., Garmin International, Inc., and Garmin USA, Inc. (collectively "Garmin"), alleging infringement of U.S. Patent Nos. 7,789,800 (the '800 patent") and 6,701,271 ("the '271 patent"). On June 8, 2012, ICON filed an amended complaint alleging infringement of U.S. Patent Nos. 6,626,799 and 6,921,351. On June 25, 2012, Garmin filed its answer asserting that each asserted claim of these additional patents-in-suit is invalid and/or not infringed. On April 11, 2013, the Court dismissed ICON's allegations of infringement of the '800 and '271 patents against Garmin without prejudice pursuant to a motion filed by ICON. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Innovative Display Technologies LLC. v. Garmin International, Inc., and Garmin Ltd.

On February 26, 2014, Innovative Display Technologies LLC. (IDT) filed suit in the United States District Court for the Eastern District of Texas against Garmin International, Inc., and Garmin Ltd. (collectively "Garmin") alleging infringement of U.S. Patent Nos. 7,300,194, 7,384,177, 7,404,660, 7,434,974, 8,215,816, 7,160,015, 7,736,043, 8,142,063, and 6,079,838 (collectively the "Asserted Patents"). On March 24, 2014, Garmin filed its answer asserting that each asserted claim of the Asserted Patents is invalid and/or not infringed. On April 25, 2014, the parties finalized a settlement agreement resolving this matter.

In the Matter of Certain Navigation Products, Including GPS Devices, Navigation and Display Systems, Radar Systems, Navigational Aids, Mapping Systems and Related Software

On September 23, 2013, Furuno Electric Co., Ltd. and Furuno U.S.A., Inc. filed a complaint with the United States International Trade Commission against several companies, including Garmin Ltd., Garmin International, Inc., Garmin North America, Inc., and Garmin USA, Inc. (collectively "Garmin") alleging a violation of Section 337 of the Tariff Act of 1930, as amended, through alleged infringement by Garmin and the other respondents of U.S. Patent Nos. 6,084,565 ("the '565 patent"), 6,424,292 ("the '292 patent"), 7,161,561 ("the '561 patent"), and 7,768,447 ("the '447 patent"). On December 3, 2013, Garmin filed its response asserting that each asserted claim of the '565 patent, the '292 patent, the '561 patent, and the '447 patent is invalid and/or not infringed. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

In the Matter of Certain Wireless Consumer Electronics Devices and Components Thereof

On July 24, 2012, Technology Properties Limited LLC, Phoenix Digital Solutions LLC, and Patriot Scientific Corporation filed a complaint with the United States International Trade Commission against 24 companies,

including Garmin Ltd., Garmin International, Inc., and Garmin USA, Inc. (collectively “Garmin”) alleging a violation of Section 337 of the Tariff Act of 1930, as amended, through alleged infringement by Garmin and the other respondents of U.S. Patent No. 5,809,336 (“the ‘336 patent”). On August 21, 2012 the ITC instituted an investigation under Section 337 of the Tariff Act pursuant to this complaint. On September 6, 2013, the ITC administrative law judge issued an Initial Determination finding that there was no violation of Section 337 by any Garmin company. On February 19, 2014, the ITC issued a Final Determination affirming the finding of no violation by the administrative law judge. The Final Determination is subject to appeal to the Court of Appeals for the Federal Circuit. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Andrea Katz, on behalf of herself and all others similarly situated, v. Garmin Ltd. and Garmin International, Inc.

On December 18, 2013, a purported class action lawsuit was filed against Garmin International, Inc. and Garmin Ltd. in the U.S. District Court for the Northern District of Illinois. The lead plaintiff was Andrea Katz, on behalf of herself and all others similarly situated. The class of plaintiffs that Andrea Katz purported to represent includes all individuals who purchased any model of Forerunner watch in the State of Illinois and the United States. Plaintiff asserted claims for breach of contract, breach of express warranty, breach of implied warranties, negligence, negligent misrepresentation, and violations of Illinois statutory law. Plaintiff alleged that Forerunner watch bands have an unacceptable rate of failure in that they detach from the watch. Plaintiff sought compensatory and punitive damages, prejudgment interest, costs, and attorneys’ fees, and injunctive relief. On January 29, 2014 the court dismissed the lawsuit without prejudice. On January 30, 2014, the plaintiff re-filed the lawsuit with the same claims for relief as the earlier action and adding an additional claim for unjust enrichment. Garmin believes that plaintiff Andrea Katz’s claims were mooted prior to the lawsuit being re-filed. On February 4, 2014, the court ordered the case to be transferred to the United States District Court for the District of Utah. Garmin sought reconsideration of that order. On February 13, 2014, the court ordered the parties to brief a dispositive motion concerning whether Andrea Katz had legal standing at the time she filed her second action. After Garmin filed a motion to dismiss, Andrea Katz voluntarily dismissed the litigation. On March 6, 2014, she refiled the lawsuit in the District Court for the District of Utah with the same claims, but with additional claims for violations of the Utah Consumers Sales Practice Act, Lanham Act, and Utah Truth in Advertising Act. The relief she requests is the same. On March 31, 2014, Garmin filed a motion to transfer the Utah action back to the Northern District of Illinois. On April 17, 2014 the plaintiff filed an opposition to the motion to transfer. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Brian Meyers, on behalf of himself and all others similarly situated, v. Garmin International, Inc. Garmin USA, Inc. and Garmin Ltd.

On August 13, 2013, Brian Meyers filed a putative class action complaint against Garmin International, Inc., Garmin USA, Inc. and Garmin Ltd. in the United States District Court for the District of Kansas. Meyers alleges that lithium-ion batteries in certain Garmin products are defective and alleges violations of the Kansas Consumer Protection Act, breach of an implied warranty of merchantability, breach of contract, unjust enrichment, breach of express warranty and also requests declaratory relief that the batteries are defective and must be covered by Garmin’s warranties. The complaint seeks an order for class certification, a declaration that the batteries are defective, an order of injunctive relief, payment of damages in an unspecified amount on behalf of a putative class of all purchasers of certain Garmin products, and an award of attorneys’ fees. On September 18, 2013 the plaintiff voluntarily dismissed Garmin Ltd. as a defendant without prejudice. On October 18, 2013 the plaintiff filed an amended class action complaint. On November 1, 2013 the remaining Garmin defendants filed a motion to dismiss all counts of the complaint for failure to state a claim on which relief can be granted. On January 24, 2014, the Court granted the motion to dismiss in part and denied it in part, dismissing the count for declaratory relief and the prayer for a declaration that the batteries are defective, but allowing the case to proceed on other substantive counts. No class has been certified at this time. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

MSPBO, LLC v. Garmin International, Inc.

On December 16, 2013, MSPBO, LLC filed suit in the United States District Court for the District of Colorado against Garmin International, Inc. alleging infringement of U.S. Patent No. 6,744,375. On January 9, 2014, Garmin filed a motion to dismiss the complaint alleging that the claims are subject to arbitration pending in Kansas and alternatively asked the District of Colorado to stay the suit until the arbitration in Kansas is resolved. Garmin filed a petition on January 8, 2014 with the District Court of Johnson County, Kansas to compel arbitration with Phatrat Technology, Inc. and Phatrat Technology, LLC, alleging Garmin's prior license agreement with Phatrat covers MSPBO's current claims as MSPBO is an affiliate of Phatrat under the license agreement with Garmin. On April 28, 2014, the District Court of Johnson County, Kansas granted Garmin's motion to compel arbitration. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Pacing Technologies, LLC v. Garmin International, Inc., Garmin USA, Inc. and Garmin Ltd.

On May 1, 2012, Pacing Technologies, LLC filed suit in the United States District Court for the Southern District of California against Garmin International, Inc., Garmin USA, Inc. and Garmin Ltd alleging infringement of U.S. Patent No. 8,101,843. On July 6, 2012, Garmin filed its answer asserting that each asserted claim of the patent-in-suit is invalid and/or not infringed. The court held a hearing on claim construction on June 27, 2013. On October 15, 2013 the court issued a claim construction order. On March 11, 2014, the court granted Garmin's motion for summary judgment of non-infringement and found that Garmin's products could not infringe Pacing's patent as a matter of law. Pacing Technologies LLC has appealed the court's summary judgment order to the Court of Appeals for the Federal Circuit. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Silver State Intellectual Technologies, Inc. v. Garmin International, Inc. and Garmin USA, Inc.

On September 29, 2011, Silver State Intellectual Technologies, Inc. filed suit in the United States District Court for the District of Nevada against Garmin International, Inc. and Garmin USA, Inc. (collectively "Garmin"), alleging infringement of U.S. Patent Nos. 6,525,768; 6,529,824; 6,542,812; 7,343,165; 7,522,992; 7,593,812; 7,650,234; 7,702,455 and 7,739,039. On December 8, 2011, Garmin filed its answer asserting that each asserted claim of the patents-in-suit is invalid and/or not infringed. On April 5, 2013, the Court held a claim construction hearing and on August 15, 2013 the Court issued an order construing the claims of the patents in suit. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Technology Properties Limited, LLC et al v. Garmin Ltd., Garmin International, Inc. and Garmin USA, Inc.

On July 24, 2012 Technology Properties Limited LLC, Phoenix Digital Solutions LLC, and Patriot Scientific Corporation filed suit in the U.S. District Court for the Northern District of California against Garmin Ltd., Garmin International, Inc., and Garmin USA, Inc. (collectively "Garmin") alleging infringement by Garmin of one or more of the following patents: U.S. Patent No. 5,809,336, U.S. Patent 5,440,749 and U.S. Patent No. 5,530,890. By agreement of the parties, on October 29, 2012 this lawsuit was stayed pending the resolution of the investigation by the International Trade Commission in *In the Matter of Certain Wireless Consumer Electronics Devices and Components Thereof* which is described above. On March 21, 2012, Technology Properties Limited LLC filed a petition for reorganization under Chapter 11 of the federal bankruptcy laws. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity, or financial position, Garmin believes that the claims in this action are without merit and intends to vigorously defend this action.

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

On February 10, 2010, Visteon Global Technologies, Inc. and Visteon Technologies LLC filed suit in the United States District Court for the Eastern District of Michigan, Southern Division, against Garmin International, Inc. alleging infringement of U.S. Patent No. 5,544,060 (“the ‘060 patent”), U.S. Patent No. 5,654,892 (“the ‘892 patent”), U.S. Patent No. 5,832,408 (“the ‘408 patent”), U.S. Patent No. 5,987,375 (“the ‘375 patent”) and U.S. Patent No. 6,097,316 (“the ‘316 patent”). On May 17, 2010, Garmin filed its answer asserting that each claim of the ‘060 patent, the ‘892 patent, the ‘408 patent and the ‘375 patent is invalid and/or not infringed. On April 12, 2011, the special master appointed by the court held a claim construction hearing. On December 12, 2011, the court issued an order adopting the special master’s report construing the claims of the patents-in-suit. On September 14, 2012, Garmin filed with the U.S. Patent and Trademark Office petitions for *ex parte* reexamination of the ‘408 patent and the ‘060 patent as being anticipated and obvious in view of the prior art. The U.S. Patent and Trademark Office subsequently granted Garmin’s requests for *ex parte* reexaminations and initially rejected all identified claims. On April 15, 2013, the U.S. Patent and Trademark Office issued a reexamination certificate confirming the patentability of the challenged claims of the ‘060 patent. On November 30, 2012, Garmin filed motions for summary judgment of non-infringement and/or invalidity for the ‘892, ‘316, and ‘375 patents. Visteon filed its own motions for summary judgment of infringement of the ‘408 patent and validity, under section 112, of the ‘375 and ‘060 patents. On February 4, 2013, the summary judgment motions were referred to the special master for consideration. Although there can be no assurance that an unfavorable outcome of this litigation would not have a material adverse effect on our operating results, liquidity or financial position, Garmin believes that the claims in this lawsuit are without merit and intends to vigorously defend this action.

Item 1A. Risk Factors

There are many risks and uncertainties that can affect our future business, financial performance or share price. In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 28, 2013. There have been no material changes during the 13-week period ended March 29, 2014 in the risks described in our Annual Report on Form 10-K. These risks, however, are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

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

(c) Issuer Purchases of Equity Securities

The Board of Directors approved a share repurchase program on February 15, 2013, authorizing the Company to purchase up to \$300 million of its common shares as market and business conditions warrant. The share repurchase authorization expires on December 31, 2014. The following table lists the Company’s share purchases during the first quarter of fiscal 2014:

Period	Total # of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or approx. Dollar Value of Shares in Thousands) That May Yet Be Purchased Under the Plans or Programs
13-weeks ended March 29, 2014	618,700	\$53.32	618,700	\$208,474
Total	618,700	\$53.32	618,700	\$208,474

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits

Exhibit 3.1	Articles of Association of Garmin Ltd., as amended on April 25, 2014
Exhibit 31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a).
Exhibit 31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a).
Exhibit 32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase

SIGNATURES

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

GARMIN LTD.

By /s/ Kevin Rauckman
Kevin Rauckman
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Dated: April 30, 2014

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
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EXHIBIT 3.1

Statuten

der

Garmin Ltd.
(Garmin AG)

mit Sitz in Schaffhausen

Articles of Association

of

Garmin Ltd.
(Garmin AG)

with registered office in Schaffhausen

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I. Firma, Sitz und Zweck

Art. 1 Firma und Sitz

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

Art. 2 Zweck

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

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

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

II. Aktienkapital und Aktien

Art. 3 Aktienkapital

Das Aktienkapital der Gesellschaft („**Aktienkapital**“) beträgt CHF 2,080,774,180 und ist eingeteilt in 208,077,418 Namenaktien („**Aktien**“) mit einem Nennwert von je CHF 10. Die Aktien sind vollständig liberriert.

Art. 3 a) Sacheinlage

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

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 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

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 *[absichtlich leer gelassen]*

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 Verwaltungsrat die Ausgabe von Aktienzertifikaten beschliesst. Aktienzertifikate werden in der vom Verwaltungsrat festgelegten Form ausgegeben. Ein Aktionär kann jederzeit eine Bescheinigung über die Anzahl der von ihm gehaltenen Aktien verlangen.

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

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

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 *[intentionally omitted]*

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

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

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

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.

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

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.

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

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 Art. 9 darf die Übertragung von unzertifizierten Aktien, die im Namen eines Aktionärs durch einen Transfer Agenten, Trust oder einer ähnlichen Einrichtung (der „**Transfer Agent**“) verwaltet werden, nur in Co-Operation mit diesem Transfer Agenten erfolgen.

Art. 10 Umwandlung und Zerlegung von Aktien

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

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

Art. 11 Bezugsrechte

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

Die Generalversammlung setzt die Emissionsbedingungen fest, sofern sie nicht durch Beschluss den Verwaltungsrat dazu ermächtigt. Der Verwaltungsrat setzt die Einzahlungsbedingungen fest

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 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

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 Verwaltungsrates sowie Wahl und Abberufung derselben;
3. Wahl und Abberufung der Revisionsstelle;
4. Genehmigung des Jahresberichtes des Verwaltungsrates;
5. Genehmigung der Jahresrechnung und einer allfälligen Konzernrechnung;
6. Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere Festsetzung der Dividende sowie der Tantième des Verwaltungsrates;
7. Entlastung der Mitglieder des Verwaltungsrates und der übrigen mit der Geschäftsführung betrauten Zivilrechtlichen Personen;
8. Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind;
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.

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.

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 the Board of Directors as well as their appointment and removal;
3. appointment and removal of the Auditors;
4. approval of the annual report of the Board of Directors;
5. approval of the annual financial accounts and (if applicable) the group accounts;
6. resolution on the application of the balance sheet profit, in particular, determination of dividend and the profit share of the Board of Directors;
7. discharge of the members of the Board of Directors and the Persons entrusted with the management;
8. resolution on matters which are reserved to the general meeting of the shareholders either by law or the Articles of Association;
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.

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 der Einberufung

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

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

Die Aktionäre sind bei der ordentlichen Generalversammlung darüber zu orientieren, dass der Geschäftsbericht (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

Art. 14 Form of the calling of a General Meeting

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

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

As far as the ordinary general meeting is concerned, the shareholders have to be notified, that the annual business report (the management report of the Board of Directors and the annual financial accounts, comprising the profit and loss statement, the balance sheet and notes) 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

oder die Stimmzähler müssen nicht Aktionäre sein. Der Vorsitzende kann zugleich auch Protokollführer und Stimmzähler sein.

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 ausübaren Stimmen, soweit Gesetz oder Statuten nichts anderes bestimmen. Bei Stimmengleichheit gilt ein Beschluss als nicht zustande gekommen; bei Wahlen entscheidet das Los.

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

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 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 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

Art. 20 Special Vote

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

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

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

1. The approval of Business Combinations (definition of this term is in Art. 41 of these Articles of Association) pursuant to Art. 12 (9) of these Articles of Association. The foregoing requiring a special resolution of the shareholders shall not be applicable to any particular Business Combination, and such Business Combination shall require only such vote as is required by the law or by these Articles of Association, whichever is greater, if the Business Combination shall have been approved by a majority of the Disinterested Directors (as hereinafter defined in Art. 41 of these Articles of Association) whereby it is understood that such majority of the Disinterested Directors shall have the power and duty to determine for the purposes of this Article, on the basis of information known to them after reasonable inquiry, (i) whether a person is an Interested Shareholder; (ii) the number of Shares of which any person is the beneficial owner; (iii) whether a Person is an Affiliate of another; and (iv) whether the assets which are the subject of any Business Combination have, or any securities to be issued or transferred by the Company or any Subsidiary in any Business Combination have, an aggregate Fair Market Value equaling or exceeding twenty-five percent (25 %) of the Fair

im Zusammenhang mit einem solchen Zusammenschluss ausgegebenen oder übertragenden Effekten einen aggregierten Marktwert von mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor dem Zusammenschluss haben. Die Mehrheit der Unparteiischen Mitglieder des Verwaltungsrates hat zudem das Recht, sämtliche Bestimmungen und Begriffe dieses Art. 20 auszulegen.

2. Jede Änderung dieser Bestimmung.

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

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

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

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

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

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

Art. 21 Auskunfts- und Einsichtsrecht der Aktionäre

Jeder Aktionär ist berechtigt, an der Generalversammlung vom Verwaltungsrat Auskunft über die Angelegenheiten der Gesellschaft und von der Revisionsstelle über

Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries. A majority of the Disinterested Directors shall have the further power to interpret all of the terms and provisions of this Art. 20.

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

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

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

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

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

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

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

Art. 21 Information and Inspection Rights of the Shareholders

At the general meeting of the shareholders, any shareholder is entitled to request information from the Board of Directors concerning the affairs of the

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 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:

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 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:

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. Die Verwaltungsräte sind wieder wählbar.

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.

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.

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

Art. 26 Konstituierung

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:

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

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.

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.

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

Art. 26 Constitution

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:

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.

Er hat überdies die folgenden Aufgaben:

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

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

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

Im Rahmen des gesetzlich Zulässigen, hält die Gesellschaft sämtliche Personen sowie deren Erben, Konkurs- oder Nachlassmassen, welche wegen ihrer Tätigkeit als Verwaltungsrat, Mitglied der

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.

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. Art. 30 paragraph 2);
Proposals regarding the application of the balance sheet profit;
Defining the business year (cf. Art. 36).
Treatment of registration applications (cf. Art. 8).

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

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

Art. 28 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

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, 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 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

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 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 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

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 ausgesprochen 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 müssen in einem Reglement festgehalten werden. Bei Stimmengleichheit 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 zu-

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.

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.

weisen.

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 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.

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 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

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 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

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.

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

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 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

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 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

unter den Aktionären verteilt, soweit diese Statuten nichts anderes vorsehen.

Art. 39 Mitteilungen und Bekanntmachungen

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

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

pursuant to the amounts paid-up, unless these Articles of Association provide otherwise.

Art. 39 Communications and Notifications

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

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

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

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

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

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

indirekt im Eigentum eines Nahestehenden Aktionärs standen, sofern die Übertragung (unabhängig davon ob in einer oder mehreren Transaktionen) ausserhalb eines öffentlichen Angebots stattgefunden hat.

Eine natürliche oder juristische Person gilt dann nicht als Nahestehender Aktionär, falls eine solche Person nur darum ein Nahestehender Aktionär wird, weil die Anzahl der ausgegebenen Aktien der Gesellschaft reduziert werden, unabhängig davon ob eine solche Reduktion auf den Rückkauf von Aktien der Gesellschaft durch die Gesellschaft zurückzuführen ist. Die Reduktion der ausgegebenen Aktien erhöht den prozentualen Anteil der ausgegebenen Aktien im direkten oder indirekten Eigentum der betreffenden Person bis diese Person direkte oder indirekte Eigentümerin zusätzlicher Aktien wird.

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

course of a transaction or series of transactions not involving a public offering.

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

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

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 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

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 Shareholder, and in connection with his or her initial assumption of office is recommended for appointment or election by a majority of Disinterested Directors then on the Board of Directors.

Board of Directors

The term **Board of Directors** has the meaning assigned

dieser Statuten aufgeführte Bedeutung.

Vewaltungsratspräsident

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 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

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%) 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

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.

Schaffhausen, 25. April 2014

Der Vorsitzende:
The chairperson:

/s/ Min H. Kao

Min H. Kao

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.

Schaffhausen, April 25, 2014

Der Protokollführer und Stimmenzähler:
The secretary and scrutineer:

/s/ Andrew R. Etkind

Andrew R. Etkind

Beglaubigung
Notarization

Die unterzeichnende Urkundsperson bescheinigt hiermit, dass es sich bei den vorliegenden Statuten um die vollständigen, unter Berücksichtigung der heutigen Änderung gültigen Statuten der Garmin Ltd., in Schaffhausen, handelt.

The signing Notary Public herewith certifies that the present Articles of Association are the complete and valid Articles of Association (including today's amendments) of Garmin Ltd., Schaffhausen.

Schaffhausen,

Handelsregisteramt Schaffhausen
Die Urkundsperson / *The Notary public*

/s/ Marcel Dubois

Marcel Dubois

CERTIFICATION

I, Clifton A. Pemble, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Garmin Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2014

By /s/ Clifton A. Pemble

Clifton A. Pemble
President and Chief Executive Officer

CERTIFICATION

I, Kevin Rauckman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Garmin Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2014

By /s/ Kevin Rauckman

Kevin Rauckman
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Garmin Ltd. (the "Company") on Form 10-Q for the period ending March 29, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Clifton A. Pemble, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2014

By /s/ Clifton A. Pemble

Clifton A. Pemble
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Garmin Ltd. (the "Company") on Form 10-Q for the period ending March 29, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Rauckman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2014

By /s/ Kevin Rauckman

Kevin Rauckman
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.