

GARMIN.

POLICY AND PROCEDURES WITH RESPECT TO RELATED PERSON TRANSACTIONS

GARMIN LTD. AND SUBSIDIARIES

POLICY AND PROCEDURES WITH RESPECT TO RELATED PERSON TRANSACTIONS

A. POLICY STATEMENT

Garmin Ltd. and each of its subsidiaries (collectively, "Garmin") recognizes that Related Person Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Garmin decisions are based on considerations other than the best interests of Garmin and its shareholders. Garmin recognizes, however, that there are situations in which Related Person Transactions might be in, or at least not inconsistent with, the best interests of Garmin and its shareholders. Such situations could include, without limitation, situations in which Garmin could obtain products or services of a nature, quality or quantity, or on other terms, that are not readily available from alternative sources or in which Garmin could provide products or services to Related Persons (as defined below) on an arm's length basis on terms comparable to those provided to unrelated third persons. Therefore, Garmin has adopted this Policy and Procedures with respect to Related Person Transactions (this "Policy") to set forth the policy and procedure for the review, approval or ratification of Related Person Transactions.

B. ADMINISTRATION OF THE POLICY AND PROCEDURES

This Policy has been approved by the Audit Committee of Garmin Ltd.'s Board of Directors (the "Audit Committee"). The Audit Committee is responsible for setting the procedures contained in this Policy and updating such procedures as it deems appropriate to reflect changes in the legal and regulatory framework applicable to Garmin, as well as in Garmin's own business practices.

C. RELATED PERSON TRANSACTIONS

For purposes of this Policy, a "Related Person Transaction" is a transaction, arrangement or relationship (or any series of transactions, arrangements or relationships), including any indebtedness or guaranty of indebtedness, in which Garmin was, is or will be a participant, and the amount involved exceeds \$60,000 and in which any Related Person had, has or will have a direct or indirect material interest.

For purposes of this Policy, a "Related Person" means:

1. Any person who is, or at any time since the beginning of Garmin's last fiscal year was, a director or executive officer of Garmin or a nominee to become a director of Garmin
2. Any person who is known to be the beneficial owner of more than 5% of any class of Garmin's voting securities
3. Any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner

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4. Any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest

Notwithstanding the foregoing:

- a. A Related Person will not be deemed to have an indirect material interest within the definition of Related Person Transaction where (i) the interest arises only (x) from such Related Person's position as a director of a firm, corporation or other entity that is a party to the transaction, and/or (y) from the direct or indirect ownership by such Related Person and all other Related Persons (as defined in this section C), in the aggregate, of less than a 10% equity interest in a firm, corporation or other entity (other than a partnership) that is a party to the transaction, or (ii) the interest arises only from such Related Person's position as a limited partner in a partnership in which the Related Person and all other Related Persons (as defined in this section C) have an interest of less than 10%, and the Related Person is not a general partner of an does not hold another position in the partnership.
- b. A transaction involving indebtedness will not be deemed to be a Related Person Transaction if the Related Person is a Related Person only under C.2 above.
- c. The following transactions are exempt from the definition of Related Party Transactions: (i) any compensation paid to a director if such compensation is pursuant to the standard compensation arrangement for Garmin's directors; (ii) any transaction where the rates or charges involved are determined by competitive bids, or any transaction involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; (iii) any transaction involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; or (iv) any transaction in which the Related Person's interest arises solely from the ownership of Garmin's equity securities and all holders of Garmin's equity securities received the same benefit on a pro rata basis.

D. APPROVAL PROCEDURES

Related Person Transactions that are identified as such prior to the consummation thereof shall be consummated only if the following steps are taken:

1. Prior to entering into a transaction that would be or potentially would be a Related Person Transaction (a) the Related Person, (b) the director, executive officer, nominee or beneficial owner who is an immediate family member of the Related Person, or (c) the business unit or department leader responsible for the potential Related Person Transaction shall provide notice to the General Counsel of Garmin of the facts and circumstances of the proposed Related Person Transaction, including: (i) the Related Person's relationship to Garmin, the basis upon which such person is a Related Person and the Related Person's interest in the transaction (including (x) the Related Person's position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the transaction, and (y) the dollar amount of the Related Person's interest in the transaction, which shall be computed without regard to the amount of profit or loss); (ii) the material facts of the potential Related Person Transaction, including the proposed aggregate

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dollar value of such transaction or, in the case of indebtedness, the amount of principal that would be involved and the interest rate thereon and other terms thereof; (iii) the benefits to Garmin of the potential Related Person Transaction; (iv) if applicable, the availability of other sources of comparable products or services; (v) an assessment of whether the potential Related Person Transaction is on terms that are comparable to the terms available to an unrelated third person; and (vi) any other information that would be material to the decision to approve or disapprove the transaction or to impose conditions thereon.

2. If the General Counsel determines that the proposed transaction is a Related Person Transaction, as defined under this Policy, then the proposed Related Person Transaction shall be submitted to the Audit Committee for consideration at the next regularly scheduled meeting of the Audit Committee, or at a special meeting of the Audit Committee called for the purpose of considering the proposed Related Person Transaction. If the nature of the timing of the proposed Related Person Transaction is such that it would not be practical to wait for a regular or special meeting of the Audit Committee, then Garmin's management may preliminarily enter into the Related Person Transaction, subject to the ratification of the Related Person Transaction at the next regular or special meeting of the Audit Committee. If such ratification is not forthcoming, then Garmin's management must take all reasonable efforts to cause the Related Person Transaction to be null and void.
3. The Audit Committee shall consider all of the relevant facts and circumstances available to it, including the benefits to Garmin and whether the Related Party Transaction is on terms and conditions comparable to those available in arms-length dealing with an unrelated third party that can provide comparable products or services. No member of the Audit Committee may participate in any review, consideration or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members, or an entity in which he or she is a partner, shareholder or executive officer, is the Related Person.
4. The Audit Committee shall approve only those Related Person Transactions that are in, or are not inconsistent with, the best interests of Garmin and its stockholders, as the Audit Committee determines in good faith. The Audit Committee shall convey its decision to the General Counsel, who shall then convey the decision to the appropriate persons within Garmin.

E. RATIFICATION PROCEDURES

In the event that Garmin's Chief Executive Officer, Chief Financial Officer, General Counsel or other executive officer of Garmin becomes aware of a Related Person Transaction that has not been previously approved or previously ratified under this Policy, the following shall apply:

1. If the Related Person Transaction is pending or ongoing, then it will be promptly submitted to the Audit Committee. The Audit Committee shall review and consider the Related Person Transaction taking into account the same factors described in D.3 above. Based on the determinations made, the Audit Committee shall evaluate all options, including without limitation, ratification, amendment or termination of the Related Person Transaction.
2. If the Related Person Transaction is completed, then the Audit Committee shall evaluate the Related Person Transaction, taking into account the same factors described in D.3 above to determine if rescission of the Related Person Transaction is appropriate.

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3. In the case of any Related Person Transaction described above in 1 or 2 of this Section E, the Audit Committee shall request that the General Counsel evaluate Garmin's controls and procedures to ascertain the reason the Related Person Transaction was not submitted to the Audit Committee for prior approval and whether any changes to this Policy are recommended.

F. REVIEW OF ONGOING TRANSACTIONS

At the first meeting of each fiscal year, the Audit Committee shall review any previously approved or ratified Related Person Transactions that remain ongoing. Based on all relevant facts and circumstances, the Audit Committee shall determine if it is still in the best interests, or not inconsistent with the best interests, of Garmin and its shareholders to continue the Related Person Transaction, or if Garmin should modify or terminate the Related Person Transaction.

G. DISCLOSURE

All Related Person Transactions that are required to be disclosed in Garmin's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations.

The material provisions of this Policy shall be disclosed in Garmin's annual report on Form 10-K or in Garmin's proxy statement, as required by applicable laws, rules and regulations.