

GARMIN LTD
Form PRE 14A
April 08, 2011

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
[Amendment No. ____]

Filed by the Registrant ☒
Filed by a Party other than the Registrant ☐

Check the appropriate box:

☒ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☐ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Materials under §240.14a-12

GARMIN LTD.

(Name of Registrant as Specified in Its Charter)

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☒ No fee required
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1) Title of each class of securities to which transaction applies:

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 - 3) Filing Party:_____
 - 4) Date Filed:_____
-

GARMIN LTD.

NOTICE AND PROXY STATEMENT

for

The Annual General Meeting of Shareholders

to be held

Friday, June 3, 2011

YOUR VOTE IS IMPORTANT!

Please mark, date and sign the enclosed proxy card
and promptly return it in the enclosed envelope.
If you reviewed your materials electronically or through a broker
or other nominee,
please follow the instructions provided.

This Notice and Proxy Statement, the accompanying Proxy Card and the 2010 Annual Report are first being furnished
on or about April 21, 2011.

Garmin Ltd.
Vorstadt 40/42
8200 Schaffhausen
Switzerland

INVITATION TO ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 3, 2011

To the Shareholders of Garmin Ltd:

We cordially invite you to attend the Annual General Meeting (the “Annual Meeting”) of Shareholders of Garmin Ltd., a Swiss company, (“Garmin” or the “Company”) to be held at the Ritz Charles, located at 9000 West 137th Street, Overland Park, Kansas, 66221, USA, at 10:00 a.m., local time, on Friday, June 3, 2011, to consider and vote upon the following matters:

Agenda Items

1. Approval of Garmin’s 2010 Annual Report, including the consolidated financial statements of Garmin for the fiscal year ended December 25, 2010 and the statutory financial statements of Garmin for the fiscal year ended December 25, 2010 and acknowledgment of the Auditor’s Report

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting to approve Garmin’s 2010 Annual Report, including the consolidated financial statements of Garmin for the fiscal year ended December 25, 2010 and the statutory financial statements of Garmin for the fiscal year ended December 25, 2010, and to acknowledge the Auditor’s Report.

2. Discharge of the members of the Board of Directors and the executive officers from liability for the fiscal year ended December 25, 2010

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting that the members of the Board of Directors and the executive officers be discharged from personal liability for the fiscal year ended December 25, 2010.

3. Election of two directors

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting that the directors listed below be reelected for a three-year term that will expire at the annual general meeting in 2014:

Donald H. Eller

Clifton A. Pemble

4. Ratification of the appointment of Ernst & Young LLP as Garmin's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011 and re-election of Ernst & Young Ltd. as Garmin's statutory auditor for the fiscal year ending December 31, 2011

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting that the appointment of Ernst & Young LLP as Garmin's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011 be ratified and that Ernst & Young Ltd. be reelected as Garmin's statutory auditor for the fiscal year ending December 31, 2011.

5. Approval of the appropriation of available earnings and the payment of a cash dividend in the aggregate amount of \$2.00 per share out of Garmin's general reserve from capital contribution in four installments

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting that the net loss of Garmin on a stand-alone unconsolidated basis for the period in the amount of CHF 9,775,000 be carried forward and further proposes that Garmin pay a cash dividend in the amount of \$2.00 per share out of Garmin's general reserve from capital contribution payable in four installments as follows: \$0.80 on June 30, 2011 to shareholders of record on June 15, 2011, \$0.40 on September 30, 2011 to shareholders of record on September 15, 2011, \$0.40 on December 30, 2011 to shareholders of record on December 15, 2011 and \$0.40 on March 30, 2012 to shareholders of record on March 15, 2012; and further proposes that CHF 479,410,371 be allocated to dividend reserves from capital contribution in order to pay such dividend of \$2.00 per share with a nominal value of CHF 10.00 each (assuming a total of 208,077,418 shares eligible to receive the dividend); and further proposes that the remaining balance of CHF 6,955,211,589 be carried forward within the general reserve from capital contribution.

6. Approval of the Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting that the Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan be approved.

7. Advisory vote on executive compensation

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting to approve an advisory resolution approving the compensation of Garmin's Named Executive Officers, as disclosed in Garmin's proxy statement for the 2011 annual general meeting of shareholders pursuant to the executive compensation disclosure rules promulgated by the Securities and Exchange Commission.

8. Advisory vote on the frequency of future advisory votes on executive compensation

Proposal of the Board of Directors

The Board of Directors proposes to the Annual Meeting that Garmin shareholders be provided with an advisory resolution on whether the advisory vote on the compensation of Garmin's named executive officers should occur every one, two or three years.

9. Such other matters as may properly come before the meeting or any adjournment thereof

Information concerning the matters to be acted upon at the Annual Meeting is contained in the accompanying Proxy Statement.

A proxy card is being sent with this proxy statement to each holder of shares registered in Garmin's share register with voting rights at the close of business, U.S. Eastern Time, on April 8, 2011. In addition, a proxy card will be sent with this proxy statement to each additional holder of shares who is registered with voting rights in Garmin's share register as of the close of business, U.S. Eastern Time, on May 23, 2011. Shareholders registered in Garmin's share register with voting rights as of the close of business, U.S. Eastern Time, on May 23, 2011 are entitled to notice of, and to vote at, the Annual Meeting and any adjournments thereof. A shareholder entitled to attend and to vote at the Annual Meeting is entitled to appoint a proxy to attend and vote on each of the proposals described in this proxy statement.

We are pleased to again take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders on the Internet. We are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our beneficial owners of shares held in "street name" through a broker or other nominee as of April 8, 2011, and we are mailing our proxy materials to shareholders whose shares are held directly in their names with our transfer agent, Computershare Trust Company, N.A. as of May 23, 2011, and to participants in the Garmin International, Inc. 401(k) and Pension Plan with a beneficial interest in our shares as of April 8, 2011. We believe these rules allow us to provide our shareholders with the information they need, while lowering costs of delivery and reducing the environmental impact of our Annual Meeting. Garmin's 2010 Annual Report which contains the consolidated financial statements of Garmin for the fiscal year ended December 25, 2010, the statutory financial statements of Garmin for the fiscal year ended December 25, 2010 and the Auditor's Report, is available in the Investor Relations section of Garmin's website www.garmin.com and will also be available for physical inspection by the shareholders at Garmin's registered office at Vorstadt 40/42, 8200 Schaffhausen, Switzerland, as of May 13, 2011. Copies of the 2010 Annual Report may also be obtained without charge by contacting Garmin's Investor Relations department at +1 (913) 397-8200.

If you received the Notice, you can access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a printed copy by mail may be found in the Notice.

Please vote your shares regardless of whether you plan to attend the Annual Meeting. If you received these proxy materials through the mail, please use the enclosed Proxy Card to direct the vote of your shares, regardless of whether you plan to attend the Annual Meeting. Please date the Proxy Card, sign it and promptly return it in the enclosed envelope, which requires no postage if mailed in the United States, or you may vote by Internet or telephone using the instructions provided on the Proxy Card. If you received the Notice and reviewed the proxy materials on the Internet, please follow the instructions included in the Notice.

Any shareholder who may need special assistance or accommodation to participate in the Annual Meeting because of a disability should contact Garmin's Corporate Secretary at the above address or call +1 (913) 440-1355. To provide Garmin sufficient time to arrange for reasonable assistance, please submit all such requests by May 30, 2011.

By Order of the Board of Directors,

April 21, 2011

Andrew R. Etkind
Vice President, General Counsel and Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on June 3, 2011

This Proxy Statement and our 2010 Annual Report are available at
<http://materials.proxyvote.com/H2906T>

Garmin Ltd.
Vorstadt 40/42
8200 Schaffhausen
Switzerland

PROXY STATEMENT

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PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors (“Board”) of Garmin Ltd., a Swiss company (“Garmin” or the “Company”), for use at the Annual General Meeting of Shareholders (the “Annual Meeting”) to be held at 10:00 a.m., U.S. Central Time, on Friday, June 3, 2011, at the Ritz Charles, 9000 West 137th Street, Overland Park, Kansas, 66221, USA and at any adjournment(s) or postponement(s) thereof for the purposes set forth herein and in the accompanying Notice of Annual General Meeting of Shareholders. This Proxy Statement and the accompanying proxy card are first being furnished to shareholders on or about April 21, 2011.

INFORMATION CONCERNING SOLICITATION AND VOTING

We are sending a Notice of Internet Availability of Proxy Materials (the “Notice”) to our beneficial owners of shares held in “street name” through a broker or other nominee (“Broker Customers”), and we are mailing our proxy materials to shareholders whose shares are held directly in their names with our transfer agent, Computershare Trust Company, N.A. (“Record Holders”), and to participants in the Garmin International, Inc. 401(k) and Pension Plan with a beneficial interest in our shares (“Plan Participants”).

Proposals

At the Annual Meeting, the Garmin Board intends to ask you to vote on:

1. Approval of Garmin’s 2010 Annual Report, which includes the consolidated financial statements of Garmin for the fiscal year ended December 25, 2010, the statutory financial statements of Garmin for the fiscal year ended December 25, 2010 and acknowledgment of the Auditor’s Report;
2. Discharge of the members of the Board and the executive officers from liability for the fiscal year ended December 25, 2010;
3. Election of two directors;
4. Ratification of the appointment of Ernst & Young LLP as Garmin’s Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011 and re-election of Ernst & Young Ltd. as Garmin’s statutory auditor for the fiscal year ending December 31, 2011;
5. Approval of the appropriation of available earnings and the payment of a cash dividend in the aggregate amount of \$2.00 per share out of Garmin’s general reserve from capital contribution in four installments;
6. Approval of the Garmin Ltd. 2011 Non-Employee Directors’ Equity Incentive Plan;
7. Advisory vote on the compensation of Garmin’s Named Executive Officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure in this Proxy Statement;
8. Advisory vote on whether future advisory votes on the compensation of Garmin’s Named Executive Officers should occur every one, two or three years; and
9. Such other matters as may properly come before the meeting.

Shareholders Entitled to Vote

April 8, 2011 is the record date (the "Record Date") for the Annual Meeting. On the Record Date there were _____ shares outstanding and entitled to vote at the Annual Meeting. Shareholders registered in our share register at the close of business, U.S. Eastern Time, on the Record Date are entitled to vote at the Annual Meeting, except as provided below. Any additional shareholders who are registered in Garmin's share register on May 23, 2011 will receive a copy of the proxy materials after May 23, 2011 and are entitled to attend and vote, or grant proxies to vote, at the Annual Meeting. Shareholders not registered in Garmin's share register as of May 23, 2011, will not be entitled to attend, vote or grant proxies to vote at, the Annual Meeting. No shareholder will be entered in Garmin's share register as a shareholder with voting rights between the close of business on May 23, 2011 and the opening of business on the day following the Annual Meeting. Computershare Trust Company, N.A., which maintains Garmin's share register will, however, continue to register transfers of Garmin's shares in the share register in its capacity as transfer agent during this period. Shareholders who are registered in Garmin's share register on May 23, 2011 but have sold their shares before the meeting date are not entitled to attend, vote or grant proxies to vote at, the Annual Meeting.

Solicitation of Proxies

The cost of soliciting proxies will be borne by Garmin. In addition to soliciting shareholders by mail and through its regular employees not specifically engaged or compensated for that purpose, Garmin will request banks and brokers, and other custodians, nominees and fiduciaries to solicit their customers who have shares of Garmin registered in the names of such persons and, if requested, will reimburse them for their reasonable, out-of-pocket costs. Garmin may use the services of its officers, directors and others to solicit proxies, personally or by telephone, facsimile or electronic mail, without additional compensation.

Voting

Each shareholder is entitled to one vote on each proposal presented in this Proxy Statement for each share held. There is no cumulative voting in the election of directors. The required presence quorum for the transaction of business at the Annual Meeting is the presence in person or by proxy of shareholders holding not less than a majority of the shares entitled to vote at the meeting with abstentions, invalid ballots and broker non-votes regarded as present for purposes of establishing the quorum.

A shareholder who purchases shares from a registered holder after the Record Date but before May 23, 2011, and who wishes to vote his or her shares at the Annual Meeting must ask to be registered as a shareholder with respect to such shares in our share register prior to May 23, 2011. Registered holders of our shares (as opposed to beneficial shareholders) on May 23, 2011 who sell their shares prior to the Annual Meeting will not be entitled to vote those shares at the Annual Meeting.

Each of the proposals requires the affirmative vote of a majority of the share votes cast (in person or by proxy) at the Annual Meeting, excluding unmarked, invalid and non-exercisable votes and abstentions.

The votes of any member of our Board or any of our executive officers will not be counted toward the proposal to discharge the members of the Board and the executive officers from liability for the fiscal year ended December 25, 2010.

Shareholder ratification of the appointment of Ernst & Young LLP as Garmin's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011 is not legally required, but your views are important to the Audit Committee and the Board. If shareholders do not ratify the appointment of Ernst & Young LLP, our Audit

Committee will reconsider the appointment of Ernst & Young LLP as Garmin's independent auditor.

The proposals relating to the advisory vote on executive compensation and the advisory vote on the frequency of the executive compensation advisory vote are advisory and non-binding on Garmin. However, the compensation committee of our Board will review voting results on these proposals and will give consideration to such voting.

The proposal relating to the frequency of the executive compensation advisory vote provides for three possible options, i.e., an advisory vote every one, two or three years. If there is not an option that receives more votes than the other two options taken together, the compensation committee of our Board will consider the option that receives the highest number of votes cast by shareholders to be the option that has been selected by shareholders.

Abstentions and Broker Non-Votes

Pursuant to Garmin's Articles of Association and Swiss law, (i) shares represented at the Annual Meeting which are not voted on any matter, and (ii) shares which are represented by "broker non-votes" (i.e., shares held by brokers or nominees which are represented at the Annual Meeting but with respect to which the broker or nominee is not empowered to vote on a particular proposal) are not included in the determination of the shares voting on such matter. Therefore, shares represented at the Annual Meeting which are not voted on any matter and shares represented by "broker non-votes" will not be counted toward the determination of the majority required to approve the proposals submitted to the Annual Meeting and, therefore, will not have the effect of a vote against such proposals..

Although brokers have discretionary authority to vote shares of Broker Customers on "routine" matters, they do not have authority to vote shares of Broker Customers on "non-routine" matters under New York Stock Exchange ("NYSE") rules. We believe that the following proposals to be voted on at the Annual Meeting will be considered to be "non-routine" under NYSE rules and, therefore, brokers will not be able to vote shares owned by Broker Customers with respect to these proposals unless the broker receives instructions from such customers: Proposal No. 3 (election of two directors); Proposal No. 5b (payment of a cash dividend); Proposal No. 6 (Approval of the Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan); Proposal No. 7 (Advisory resolution to approve the compensation of Garmin's Named Executive Officers); and Proposal No. 8 (Advisory vote on the frequency of future advisory votes on the compensation of Garmin's Named Executive Officers).

How Shareholders Vote

Shareholders, Plan Participants and Broker Customers may vote (or in the case of Plan Participants, may direct the trustee of the Garmin International, Inc. 401(k) and Pension Plan to vote) their shares as follows:

Shares of Record

Shareholders may only vote their shares if they or their proxies are present at the Annual Meeting. Shareholders may appoint Garmin (as corporate proxy) as their proxy or, if you are a registered shareholder, you may as an alternative appoint as your proxy the independent representative, Ms. Victoria Westerhaus, Attorney-at-Law, Stinson Morrison Hecker LLP, 1201 Walnut Street, Suite 2800, Kansas City, MO 64106-2150, USA to vote your shares by checking the appropriate box on the enclosed proxy card. Garmin, as corporate proxy, and the independent representative will vote all shares for which they are the proxy as specified by the shareholders on the Proxy Cards. A shareholder desiring to name as proxy someone other than Garmin or the independent representative may do so by crossing out the names of Garmin and the independent representative on the Proxy Card and inserting the full name of such other person. In that case, the shareholder must sign the Proxy Card and deliver it to the person named, and the person named must be present and vote at the Annual Meeting.

Shares owned by shareholders who have timely submitted a properly executed Proxy Card and specifically indicated their votes will be voted as indicated. Shares owned by shareholders who have timely submitted a properly executed Proxy Card and have not specifically indicated their votes (irrespective of whether a proxy has been granted to Garmin or the independent representative or neither is specified) will be voted in the manner recommended by the Board of Directors. If new proposals (other than those on the agenda for the Annual Meeting) are put forth before the Annual Meeting, Garmin will vote in accordance with the position of the Board of Directors and the independent representative will abstain from voting on such new proposals. Any Proxy Card marked to grant a proxy to both Garmin and the independent representative will be counted as a proxy granted to Garmin only. Any timely submitted and properly executed Proxy Card without indication of a representative will be counted as a proxy granted to Garmin.

We urge you to return your proxy card by the close of business, U.S. Central Time on June 2, 2011 to ensure that your proxy is timely submitted.

Proxy Holders of Deposited Shares:

Institutions subject to the Swiss Federal Law on Banks and Savings Banks and professional asset managers who hold proxies for beneficial owners who did not grant proxies to Garmin or the independent representative are requested to inform Garmin of the number and par value of the registered shares they represent as soon as possible, but no later than 9:30 a.m., U.S. Central Time on June 3, 2011 at the admission table for the Annual Meeting.

Shares Held Under the 401(k) Plan

On the voting instructions card, Plan Participants may instruct the trustee of our 401(k) Plan how to vote the shares allocated to their respective participant accounts. The trustee will vote all allocated shares accordingly. Shares for which inadequate or no voting instructions are received generally will be voted by the trustee in the same proportion as those shares for which instructions were actually received from Plan Participants. The trustee of our 401(k) Plan may vote shares allocated to the accounts of the 401(k) Plan participants either in person or through a proxy.

Shares Held Through a Broker or Other Nominee

Each broker or nominee must solicit from the Broker Customers directions on how to vote the shares, and the broker or nominee must then vote such shares in accordance with such directions. Brokers or nominees are to forward the Notice to the Broker Customers, at the reasonable expense of Garmin if the broker or nominee requests reimbursement. See "Abstentions and Broker Non-Votes".

Revoking Proxy Authorizations or Instructions

Until the polls close (or in the case of Plan Participants, until the trustee of the 401(k) Plan votes), votes of Record Holders and voting instructions of Plan Participants may be recast with a later-dated, properly executed and delivered Proxy Card or, in the case of Plan Participants, a voting instruction card. Otherwise, shareholders may not revoke a vote, unless: (a) in the case of a Record Holder, the Record Holder either (i) attends the Annual Meeting and casts a ballot at the meeting or (ii) delivers a written revocation to the Corporate Secretary of Garmin at any time before the Chairman of the Annual Meeting closes the polls; (b) in the case of a Plan Participant, the revocation procedures of the trustee of the 401(k) Plan are followed; or (c) in the case of a Broker Customer, the revocation procedures of the broker or nominee are followed.

Attendance and Voting in Person at the Annual Meeting

Attendance at the Annual Meeting is limited to Record Holders or their properly appointed proxies, beneficial owners of shares having evidence of such ownership, and guests of Garmin. Plan Participants and Broker Customers, absent special direction to Garmin from the respective 401(k) Plan trustee, broker or nominee, may only vote by instructing the trustee, broker or nominee and may not cast a ballot at the Annual Meeting. Record Holders may vote by casting a ballot at the Annual Meeting.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of April 8, 2011, Garmin had outstanding _____ shares. The following table contains information as of April 8, 2011 concerning the beneficial ownership of shares by: (i) beneficial owners of shares who have publicly filed a report acknowledging ownership of more than 5% of the number of outstanding shares; (ii) the directors and the executive officers who are named in the Summary Compensation Table; and (iii) all of the directors and the named executive officers as a group. Beneficial ownership generally means either the sole or shared power to vote or dispose of the shares. Except as otherwise noted, to Garmin's knowledge the holders listed below have sole voting and dispositive power. No officer or director of Garmin owns any equity securities of any subsidiary of Garmin.

| Name and Address | Shares(1) | | Percent of Class(2) |
|--|------------|-------|---------------------|
| AllianceBernstein LP(3) | 15,642,595 | _____ | % |
| Danny J. Bartel Vice President, Worldwide Sales of Garmin International, Inc. | 144,729 | (4) | * |
| BlackRock, Inc. (5) | 9,745,081 | _____ | % |
| Gene M. Betts Director | 17,916 | (6) | * |
| Gary L. Burrell(7) Shareholder | 29,563,570 | (8) | _____ % |
| Donald H. Eller, Ph.D. Director | 911,624 | (9) | * |
| Andrew R. Etkind Vice President, General Counsel and Corporate Secretary | 129,410 | (10) | * |
| Min H. Kao, Ph.D. (11) Director, Chairman and CEO | 44,017,580 | (12) | _____ % |
| Ruey-Jeng Kao(13) Shareholder | 11,997,962 | (14) | _____ % |
| Charles W. Pfeffer Director | 24,449 | (15) | * |
| Clifton A. Pemble Director, President and COO | 188,477 | (16) | * |
| Thomas P. Poberezny Director | 1,994 | (17) | * |
| Kevin Rauckman Chief Financial Officer and Treasurer | 137,313 | (18) | * |

| | | | |
|--|-----------------|-------|---|
| Directors and Named Executive Officers as a Group (9 persons) | 45,573,492 (19) | _____ | % |
|--|-----------------|-------|---|

* Less than 1% of the outstanding shares

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- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission ("SEC"). In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares subject to options held by that person that are currently exercisable as of April 8, 2011 or within 60 days of such date are deemed outstanding. The holders may disclaim beneficial ownership of any such shares that are owned by or with family members, trusts or other entities. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, to Garmin's knowledge, each shareholder named in the table has sole voting power and dispositive power with respect to the shares set forth opposite such shareholder's name.
- (2) The percentage is based upon the number of shares outstanding as of April 8, 2011 and computed as described in footnote (1) above.
- (3) The information is based on a Schedule 13G dated February 9, 2011 filed by AllianceBernstein LP. According to the Schedule 13G, AllianceBernstein LP's address is 1345 Avenue of the Americas, New York, NY 10105.
- (4) Mr. Bartel's beneficial ownership includes 93,000 shares that may be acquired through stock options and stock appreciation rights that are currently exercisable or will become exercisable within 60 days of April 8, 2011 and 142 shares that were purchased for Mr. Bartel's account in December 2010 as a participant in Garmin's Employee Stock Purchase Plan. The number of shares reported includes 1,400 shares held in an account on which Mr. Bartel's spouse has signing authority, over which Mr. Bartel does not have any voting or dispositive power. Mr. Bartel disclaims beneficial ownership of those shares held in the account on which his spouse has signing authority.
- (5) The information is based on Amendment No. 1 dated April 9, 2010 to a Schedule 13G dated January 20, 2010 filed by BlackRock, Inc. According to Amendment No. 1 to the Schedule 13G, BlackRock, Inc.'s address is 40 East 52nd Street, New York, NY 10022.
- (6) Mr. Betts' beneficial ownership includes 14,916 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of April 8, 2011.
- (7) Mr. Burrell's address is c/o Garmin International, Inc., 1200 East 151st Street, Olathe, Kansas 66062.
- (8) The number of shares reported includes 863,570 shares held by a revocable trust established by Mr. Burrell's wife, over which shares Mr. Burrell does not have any voting or dispositive power. Mr. Burrell disclaims beneficial ownership of these shares owned by his wife's revocable trust. The number of shares reported also includes 28,700,000 shares that are held by a revocable trust established by Mr. Burrell, over which shares Mr. Burrell shares voting and dispositive power with his son, Jonathan Burrell, who is Mr. Burrell's attorney-in-fact.
- (9) Dr. Eller's beneficial ownership includes 23,626 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of April 8, 2011.
- (10) Mr. Etkind's beneficial ownership includes 113,000 shares that may be acquired through stock options and stock appreciation rights that are currently exercisable or will become exercisable within 60 days of April 8, 2011.
- (11) Dr. Kao's address is c/o Garmin International, Inc., 1200 East 151st Street, Olathe, Kansas 66062.
- (12) Of the 44,017,580 shares, (i) 10,366,188 shares are held by the Min-Hwan Kao Revocable Trust 9/28/95, over which Dr. Kao has sole voting and dispositive power, (ii) 28,443,568 shares are held by revocable trusts established by Dr. Kao's children over which Dr. Kao has shared voting and dispositive power, and (iii) 5,207,824 shares are held by a revocable trust established by Dr. Kao's wife, over which Dr. Kao does not have any voting or dispositive power. Dr. Kao disclaims beneficial ownership of those shares owned by the revocable trust established by his wife and by the revocable trusts established by his children.
- (13) Mr. Kao's address is c/o Fortune Land Law Offices, 8th Floor, 132, Hsinyi Road, Section 3, Taipei, Taiwan.
- (14) The 11,997,962 shares are held by Karuna Resources Ltd. Mr. Kao owns 100% of the voting power of Karuna Resources Ltd. Mr. Kao is the brother of Dr. Min Kao. The information is based on Amendment No. 6 dated February 11, 2011 to a Schedule 13G dated February 9, 2001.
- (15) Mr. Pfeffer's beneficial ownership includes 20,849 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of April 8, 2011.
- (16) Mr. Pemble's beneficial ownership includes 171,000 shares that may be acquired through stock options and stock appreciation rights that are currently exercisable or will become exercisable within 60 days of April 8, 2011.

- (17) Mr. Poberezny's beneficial ownership constitutes 1,994 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of April 8, 2011.
- (18) Mr. Rauckman's beneficial ownership includes 124,000 shares that may be acquired through stock options and stock appreciation rights that are currently exercisable or will become exercisable within 60 days of April 8, 2011 and 520 shares that were purchased for Mr. Rauckman's account in December 2010 as a participant in Garmin's Employee Stock Purchase Plan. The number of shares reported includes 5,100 shares held by a revocable trust established by Mr. Rauckman's wife, over which Mr. Rauckman does not have any voting or dispositive power, and 300 shares held by revocable trusts established by his children. Mr. Rauckman disclaims beneficial ownership of these shares owned by the revocable trusts established by his wife and children.
- (19) The number includes 562,385 shares that may be acquired through stock options and stock appreciation rights that are currently exercisable or will become exercisable within 60 days of April 8, 2011. Individuals in the group have disclaimed beneficial ownership as to a total of 34,521,762 of the shares listed.

PROPOSAL ONE – Approval of Garmin's 2010 Annual Report, including the consolidated financial statements of Garmin for the fiscal year ended December 25, 2010 and the statutory financial statements of Garmin for the fiscal year ended December 25, 2010 and acknowledgment of the Auditor's Report

The consolidated financial statements of Garmin for the fiscal year ended December 25, 2010 and the Swiss statutory financial statements of Garmin for the fiscal year ended December 25, 2010 are contained in the 2010 Annual Report of Garmin which was mailed to all registered shareholders with this proxy statement. A copy of this Annual Report is available in the Investor Relations section of Garmin's website at www.garmin.com. The 2010 Annual Report also contains the reports of Ernst & Young Ltd., Garmin's auditors pursuant to the Swiss Code of Obligations, and information on our business activities and financial situation.

Under Swiss law, the 2010 Annual Report and the consolidated financial statements and Swiss statutory financial statements must be submitted to shareholders for approval at each annual general meeting.

Ernst & Young Ltd., as Garmin's statutory auditor, has issued a recommendation to the Annual General Meeting that the statutory financial statements of Garmin for the fiscal year ended December 25, 2010 be approved. As Garmin's statutory auditor, Ernst & Young Ltd. has expressed its opinion that such statutory financial statements comply with Swiss law and Garmin's Articles of Association.

Ernst & Young Ltd. has also issued a recommendation to the Annual Meeting that the consolidated financial statements of Garmin for the fiscal year ended December 25, 2010 be approved. As Garmin's statutory auditor, Ernst & Young Ltd. has expressed its opinion that such consolidated financial statements present fairly, in all material respects, the financial position of Garmin, the results of operations and the cash flows in accordance with accounting principles generally accepted in the United States (US GAAP) and comply with Swiss law.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE 2010 ANNUAL REPORT, THE CONSOLIDATED FINANCIAL STATEMENTS OF GARMIN FOR THE FISCAL YEAR ENDED DECEMBER 25, 2010 AND THE STATUTORY FINANCIAL STATEMENTS OF GARMIN FOR THE FISCAL YEAR ENDED DECEMBER 25, 2010 AND ACKNOWLEDGMENT OF THE AUDITOR'S REPORT.

PROPOSAL TWO – Discharge of the members of the Board and the executive officers from liability for the fiscal year ended December 25, 2010

Unlike the position in the United States, pursuant to Art. 752-761 of the Swiss Code of Obligations (“SCO”), directors and officers of a Swiss company are personally liable not only to the company, but also to each shareholder and to the company’s creditors for any loss or damage caused by an intentional or negligent violation of their duties. Accordingly, in accordance with Article 698, subsection 2, item 5 of the SCO it is customary for Swiss companies to request shareholders at the annual general meeting to discharge the members of the board of directors and executive officers from personal liability for their activities during the preceding fiscal year. This discharge is only effective with respect to facts that have been disclosed to shareholders and only binds shareholders who either voted in favor of the proposal or who subsequently acquired shares with knowledge that shareholders have approved this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE DISCHARGE OF THE MEMBERS OF THE BOARD AND THE EXECUTIVE OFFICERS FROM LIABILITY FOR THE FISCAL YEAR ENDED DECEMBER 25, 2010

PROPOSAL THREE – Election of two directors

Garmin’s Articles of Association classify Garmin’s Board of Directors into three classes and stagger the three year terms of each class to expire in consecutive years.

Garmin’s nominees for election at this Annual Meeting are Donald H. Eller and Clifton A. Pemble. Dr. Eller and Mr. Pemble are being nominated as Class II directors to hold office for a three-year term expiring at the annual general meeting in 2014.

References to the length of time during which (and, in the case of persons who are employees of Garmin, the positions in which they have served) the nominees for election and the existing directors have served as directors and/or employees of Garmin in their biographies included in this section of this Proxy Statement refer to their service as directors and/or officers of both (i) Garmin Ltd., a Cayman Islands company (“Garmin Cayman”) which was the ultimate parent holding company of the Garmin group of companies until June 27, 2010 and (ii) Garmin Ltd., a Swiss company, which became the ultimate parent holding company of the Garmin group of companies on June 27, 2010 pursuant to a scheme of arrangement under Cayman Islands law that was approved by the shareholders of Garmin Cayman on May 20, 2010.

Dr. Eller and Mr. Pemble are currently directors of Garmin, having each been elected at the annual general meeting in 2008 for a term expiring on the date of this Annual Meeting. Dr. Eller and Mr. Pemble have each indicated that they are willing and able to continue serving as directors if elected and have consented to being named as nominees in this Proxy Statement. If either or both of these nominees should for any reason become unavailable for election, Garmin, as corporate proxy, will vote for such other nominee as may be proposed by the Board of Directors and the independent representative will refrain from voting.

Donald H. Eller, age 68, has served as a director of Garmin since March 2001. Dr. Eller has been a private investor since January 1997. From September 1979 to November 1982 he served as the Manager of Navigation System Design for a division of Magnavox Corporation. From January 1984 to December 1996 he served as a consultant on Global Positioning Systems and other navigation technology to various U.S. military agencies and U.S. and foreign corporations. Dr. Eller holds B.S., M.S. and Ph.D. degrees in Electrical Engineering from the University of Texas. Dr. Eller has not been a member of the Board of Directors of any other entity during the last five years. The Board of Directors has concluded that Dr. Eller should continue to serve as a director of

Garmin because: (1) his significant experience in the navigation and GPS fields provides the Board of Directors with valuable experience in the technology utilized by Garmin and its potential applications; (2) he meets the requirements to be an independent director as defined in the listing standards for the NASDAQ Global Select Market; and (3) he satisfies the general criteria described below under “Nominating and Corporate Governance Committee”.

Clifton A. Pemble, age 45, has served as a director of Garmin since August 2004 and has been President and Chief Operating Officer of Garmin since October 2007. He has served as a director and officer of various subsidiaries of Garmin since August 2003. He has been President and Chief Operating Officer of Garmin International, Inc. since October 2007. Previously, he was Vice President, Engineering of Garmin International, Inc. from 2005 to October 2007, Director of Engineering of Garmin International, Inc. from 2003 to 2005, Software Engineering Manager of Garmin International, Inc. from 1995 to 2002, and a Software Engineer with Garmin International, Inc. from 1989 to 1995. Garmin International, Inc. is a subsidiary of Garmin. Mr. Pemble holds BA degrees in Mathematics and Computer Science from MidAmerica Nazarene University. Mr. Pemble has not been a member of the Board of Directors of any entity other than Garmin and various subsidiaries of Garmin during the last five years. The Board of Directors has concluded that Mr. Pemble should continue to serve as a director of Garmin because: (1) he has served Garmin and its various operating subsidiaries in many important roles for over 20 years; (2) he has a high level of relevant technical and business knowledge and experience; (3) he has a keen understanding of Garmin's vision and values; and (4) he satisfies the general criteria described below under "Nominating and Corporate Governance Committee".

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THESE NOMINEES.

THE BOARD OF DIRECTORS

Information about present directors

In addition to the Board nominees who are described under Proposal Three – Election of Two Directors, the following individuals are also on Garmin's Board, for a term ending on the date of the annual general meeting of shareholders in the year indicated.

Directors Serving Until the Annual General Meeting in 2012

Min H. Kao, age 62, has served as Chairman of Garmin since August 2004 and was previously Co-Chairman of Garmin from August 2000 to August 2004. He has served as Chief Executive Officer of Garmin since August 2002 and previously served as Co-Chief Executive Officer from August 2000 to August 2002. Dr. Kao has served as a director and officer of various subsidiaries of Garmin since August 1990. Dr. Kao holds Ph.D. and MS degrees in Electrical Engineering from the University of Tennessee and a BS degree in Electrical Engineering from National Taiwan University. Dr. Kao has not been a member of the Board of Directors of any entity other than Garmin and various subsidiaries of Garmin during the last five years. The Board of Directors has concluded that Dr. Kao should continue to serve as a director of Garmin because: (1) he is one of the co-founders of Garmin and its various subsidiaries and continues to serve Garmin as its Chairman and Chief Executive Officer; (2) he has a high level of relevant technical and business knowledge and experience; (3) he is uniquely positioned to understand and communicate Garmin's vision and values; and (4) he satisfies the general criteria described below under "Nominating and Corporate Governance Committee".

Charles W. Pfeffer, age 63, has been a director of Garmin since August 2004. Mr. Pfeffer was a partner in KPMG LLP and its predecessor firms from 1979 to 2002 when he retired. He served in KPMG's Kansas City office as Partner in Charge of Audit from 1986 to 1993 and as Managing Partner from 1993 to 2000. Mr. Pfeffer is a director of NPC International, Inc., Sensata Technologies Holding N.V. and of the Commerce Funds, a family of seven mutual funds. Aside from these entities, Mr. Pfeffer has not been a member of the Board of Directors of any other entity during the last five years. The Board of Directors has concluded that Mr. Pfeffer should continue to serve as a director of Garmin because: (1) his significant experience with KPMG and its predecessor firms gives him strong qualifications to be a member of the Audit Committee of the Board of Directors, and he qualifies as an "audit committee financial expert" as defined by the SEC regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002; (2) he meets the requirements to be an independent director as defined in the listing standards for the NASDAQ Global Select Market; and (3) he satisfies the general criteria described below under "Nominating and Corporate Governance Committee".

Directors Serving Until the Annual General Meeting in 2013

Gene M. Betts, age 58, has been a director of Garmin since March 2001. Mr. Betts was the Chief Financial Officer of Embarq Corporation from August 2005 to November 2009. He previously served as Senior Vice President – Finance and Treasurer of Sprint Corporation from 1998 until August 2005. Mr. Betts is a Certified Public Accountant. Prior to joining Sprint he was a partner in Arthur Young & Co. (now Ernst & Young). Mr. Betts is a director of seven registered investment companies in the Buffalo Funds complex. Aside from these entities, Mr. Betts has not been a member of the Board of Directors of any other company during the last five years. The Board of Directors concluded that Mr. Betts should continue to serve as a director of Garmin because: (1) he has many years of experience as a senior executive of two large corporations; (2) he qualifies as an "audit committee financial expert" as defined by the SEC regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002; (3) he meets the requirements to be an independent director as defined in the listing standards for the NASDAQ Global Select Market; and (4) he satisfies the general criteria described below under "Nominating and Corporate Governance Committee".

Thomas P. Poberezny, age 64, has been a director of Garmin since May 2010. Mr. Poberezny has been Chairman of the Experimental Aircraft Association, Inc. ("EAA") since 2009 and also served as President of the EAA from 1989 to 2010. The EAA is a non-profit corporation with approximately 160,000 members. The EAA's mission is to promote and grow general aviation while facilitating innovation. As part of its activities, the EAA organizes the annual EAA AirVenture at Oshkosh, Wisconsin, one of the world's largest aviation events. Mr. Poberezny has been Chairman of EAA AirVenture since 1975. Mr. Poberezny holds a bachelor's degree in Industrial Engineering from Northwestern University and also received an honorary degree from the Milwaukee School of Engineering. Mr. Poberezny is an experienced pilot and was the 1973 U.S. Aerobatic Champion and was a member of the 1970-1972 Aerobatic Teams that represented the United States in world competitions. Mr. Poberezny was also a pilot member of the Red Devils/Eagles Aerobatic Team from 1971 to 1995. Mr. Poberezny was a member of the board of directors of the Oshkosh branch of US Bank from 1985 to 2006. The Board of Directors has concluded that Mr. Poberezny should continue to serve as a director of Garmin because: (1) his significant experience and relationships in the field of general aviation provide the Board of Directors and Garmin with valuable experience and contacts in one of Garmin's principal business segments; (2) his 20 years of experience as President (and currently as Chairman of the Board) of the EAA, an organization with approximately 200 employees, has provided him with significant hands-on experience as a chief

executive; (3) he meets the requirements to be an independent director as defined in the listing standards for the NASDAQ Global Select Market; and (4) he satisfies the general criteria described below under “Nominating and Corporate Governance Committee”.

Director Independence

The Board of Directors has determined that Messrs. Betts, Eller, Pfeffer and Poberezny, who constitute a majority of the Board, are independent directors as defined in the listing standards for the NASDAQ Global Select Market.

Board of Directors Meetings and Standing Committee Meetings

Meetings

The Board of Directors held six meetings and took action by unanimous written consent thirteen times during the fiscal year ended December 25, 2010. Four executive sessions of the independent directors were held in 2010. The Board of Directors has established three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee (the “Nominating Committee”). During the 2010 fiscal year, the Audit Committee held four meetings and took action by unanimous written consent once, the Compensation Committee held four meetings and took action by unanimous written consent once, and the Nominating Committee held two meetings. Each director attended at least 75% of the aggregate of: (1) the total number of meetings of the Board of Directors and (2) the total number of meetings held by all committees on which such director served. It is Garmin’s policy to encourage directors to attend Garmin’s annual general meeting. Five of the six directors of Garmin attended the 2010 annual general meeting.

Audit Committee

Messrs. Pfeffer (Chairman), Betts and Poberezny serve as the members of the Audit Committee. The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is available on Garmin’s website at www.garmin.com. The functions of the Audit Committee include overseeing Garmin’s financial reporting processes on behalf of the Board, and appointing, and approving the fee arrangement with Ernst & Young LLP, Garmin’s independent registered public accounting firm and Ernst & Young Ltd., Garmin’s statutory auditor. The Board of Directors has determined that Mr. Betts and Mr. Pfeffer are “audit committee financial experts” as defined by the SEC regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002. The Board of Directors has determined that all the members of the Audit Committee are independent (as defined by the listing standards of the NASDAQ Global Stock Market).

Compensation Committee

Messrs. Betts (Chairman), Eller, Pfeffer and Poberezny serve as the members of the Compensation Committee. The Board of Directors has adopted a written charter for the Compensation Committee, a copy of which is available on Garmin’s website at www.garmin.com. The primary responsibilities of the Compensation Committee are to (a) review, approve and oversee Garmin’s compensation programs, objectives and policies for senior executives, (b) ensure that Garmin’s compensation programs and practices are effective in attracting, retaining and motivating highly qualified executives, (c) determine the Chief Executive Officer’s compensation level and the components and structure of his compensation package, (d) recommend to the Board the respective compensation levels of the other principal senior officers and the components and structure of their compensation packages, (e) review and approve any employment, change of control or severance agreements with the Chief Executive Officer and other principal senior officers, (f) review and approve executive compensation disclosures made in Garmin’s proxy statements, (g) recommend to the Board any changes in the amount, components and structure of compensation paid to non-employee directors, (h) serve as the Committee administering Garmin’s equity-based incentive plans, and (i) annually review with management succession plans for all principal senior officers. The Board of Directors has determined that all the members of the Compensation Committee are independent (as defined by the listing standards of the NASDAQ Global Select Stock Market). The processes and procedures for considering and determining executive compensation,

including the Compensation Committee's authority and role in the process, its delegation of authority to others, and the roles of Garmin executives and third-party executive compensation consultants in making decisions or recommendations on executive compensation, are described in "Executive Compensation Matters – Compensation Discussion and Analysis" below.

Nominating and Corporate Governance Committee

Messrs. Betts, Eller (Chairman), Peffer and Poberezny serve as the members of the Nominating Committee. The Board of Directors has adopted a written charter for the Nominating Committee. A copy of the Nominating Committee Charter is available on Garmin's website at www.garmin.com. The primary responsibilities of the Nominating Committee are to (a) evaluate the composition, size, role and functions of the Board and its committees to oversee the business of Garmin, (b) determine director selection criteria, (c) recommend and evaluate nominees for election to the Board, (d) advise the Board on committee appointments and removals, (e) evaluate the financial literacy of the Audit Committee members, (f) evaluate the independence of director nominees and Board members under applicable laws, regulations and stock exchange listing standards, (g) create and implement a process for the Board to annually evaluate its performance, and (h) recommend to the Board Corporate Governance Guidelines and review such Guidelines periodically. The Board of Directors has determined that all the members of the Nominating Committee are independent (as defined by the listing standards of the NASDAQ Global Select Stock Market).

In selecting candidates for nomination at the annual meeting of Garmin's shareholders, the Nominating Committee begins by determining whether the incumbent directors whose terms expire at the meeting desire and are qualified to continue their service on the Board. The Nominating Committee is of the view that the continuing service of qualified incumbents promotes stability and continuity in the board room, giving the Board the familiarity and insight into Garmin's affairs that its directors have accumulated during their tenure, while contributing to their work as a collective body. Accordingly, it is the policy of the Nominating Committee, absent special circumstances, to nominate qualified incumbent directors who continue to satisfy the Nominating Committee's criteria for membership on the Board, whom the Nominating Committee believes will continue to make a valuable contribution to the Board and who consent to stand for reelection and, if reelected, to continue their service on the Board. If there are Board vacancies and the Nominating Committee does not re-nominate a qualified incumbent, the Nominating Committee will consider and evaluate director candidates recommended by the Board, members of the Nominating Committee, management and any shareholder owning one percent or more of Garmin's outstanding shares.

The Nominating Committee will use the same criteria to evaluate all director candidates, whether recommended by the Board, members of the Nominating Committee, management or a one percent shareholder. A shareholder owning one percent or more of Garmin's outstanding shares may recommend director candidates for consideration by the Nominating Committee by writing to the Company Secretary, by facsimile at +41 52 620 3812 or by mail at Garmin Ltd., Vorstadt 40/42, 8200 Schaffhausen, Switzerland. The recommendation must contain the proposed candidate's name, address, biographical data, a description of the proposed candidate's business experience, a description of the proposed candidate's qualifications for consideration as a director, a representation that the nominating shareholder is a beneficial or record owner of one percent or more of Garmin's outstanding shares (based on the number of outstanding shares reported on the cover page of Garmin's most recently filed Annual Report on Form 10-K) and a statement of the number of Garmin shares owned by such shareholder. The recommendation must also be accompanied by the written consent of the proposed candidate to be named as a nominee and to serve as a director of Garmin if nominated and elected. A shareholder may not recommend him or herself as a director candidate.

The Nominating Committee requires that a majority of Garmin's directors be independent and that any independent director candidate meet the definition of an independent director under the listing standards of the NASDAQ Global Select Stock Market. The Nominating Committee also requires that at least one independent director qualify as an audit committee financial expert. The Nominating Committee also requires that an independent director candidate should have either (a) at least ten years experience at a policy-making level or other level with significant decision-making responsibility in an organization or institution or (b) a high level of technical knowledge or business experience relevant to the Garmin's technology or industry. In addition, the Nominating Committee requires that an independent director candidate have such financial expertise, character, integrity, ethical standards, interpersonal skills and time to devote to Board matters as would reasonably be considered to be appropriate in order for the director to carry out his or her duties as a director.

In evaluating a director candidate (including the nomination of an incumbent director), the Nominating Committee considers, among other things, whether the candidate meets the Nominating Committee's requirements for independent director candidates, if applicable. The Nominating Committee also considers a director candidate's skills and experience in the context of the perceived needs of the Board at the time of consideration, and whether a diversity of skills and experience would be beneficial at the time. Additionally, in recommending an incumbent director for re-election, the Nominating Committee considers the nominee's prior service to Garmin's Board and continued commitment to service on the Board. Garmin does not have a formal policy regarding diversity among director candidates.

Board Leadership Structure and Role in Risk Oversight

Dr. Kao is the Chief Executive Officer of Garmin and the Chairman of the Board of Directors. Garmin does not have a lead independent director. Instead, all of the independent directors play an active role on the Board of Directors. The independent directors make up a majority of Garmin's Board of Directors, and a majority of the independent directors are or have been leaders in industry with a history of exercising critical thought and sound judgment. The Board of Directors believes this Board leadership structure is appropriate because Dr. Kao is a co-founder of Garmin, which gives him a unique perspective of the company's history, vision and values, and because of his significant ownership of Garmin shares, which aligns his interests with those of Garmin's shareholders. In addition, the Board of Directors believes that having one person serve as both Chief Executive Officer and Chairman of the Board of Directors demonstrates for our employees, strategic partners, customers and shareholders that Garmin has one clear leader.

The entire Board of Directors performs the risk oversight role. Garmin's Chief Executive Officer and President and Chief Operating Officer are members of the Board of Directors, and Garmin's Chief Financial Officer and its General Counsel regularly attend Board meetings, which helps facilitate discussions regarding risk between the Board of Directors and Garmin's senior management, as well as the exchange of risk-related information or concerns between the Board of Directors and the senior management. Further, the independent directors meet in executive session at the majority of the regularly scheduled Board meetings to voice their observations or concerns and to shape the agendas for future Board meetings.

The Board of Directors believes that, with these practices, each director has an equal stake in the Board's actions and oversight role and equal accountability to Garmin and its shareholders.

Compensation and Risk

Garmin regularly assesses risks related to compensation programs, including our executive compensation programs. Garmin does not believe that there are any risks arising from Garmin's compensation policies and practices that are reasonably likely to have a material adverse effect on Garmin.

Shareholder Communications with Directors

The Board of Directors has established a process to receive communications from shareholders. Shareholders may communicate with the Board or with any individual director of Garmin by writing to the Board or such individual director in care of Garmin's Corporate Secretary, by facsimile at +41 52 620 3812 or by mail at Garmin Ltd., Vorstadt 40/42, 8200 Schaffhausen, Switzerland. All such communications must identify the author as a shareholder, state the number of shares owned by the author and state whether the intended recipients are all members of the Board or just certain specified directors. The Company Secretary will make copies of all such communications and send them to the appropriate director or directors.

Compensation Committee Interlocks and Insider Participation; Certain Relationships

None of the members of the Compensation Committee is, or has ever been, an officer or employee of Garmin or any of its subsidiaries. During 2010, Garmin had no compensation committee interlocks of the type required to be disclosed by the rules of the SEC.

Garmin has adopted a written policy for the review by the Audit Committee of transactions in which Garmin is a participant and any related person will have a direct or indirect material interest in the transaction. This policy is generally designed to cover those related party transactions that would be required to be disclosed in a proxy statement, annual report on Form 10-K or registration statement pursuant to Item 404(a) of Regulation S-K. However, the policy is more encompassing in that the amount involved in a transaction covered by the policy must only exceed \$60,000 while disclosure under Item 404(a) is required only if the amount involved exceeds \$120,000. The policy defines the terms "transaction," and "related person" in the same manner as Item 404(a) of Regulation S-K.

If the nature of the timing of a related party transaction is such that it is not practical to obtain advance approval by the Audit Committee, then management may enter into it, subject to ratification by the Audit Committee. If ratification is not subsequently obtained, then management must take all reasonable efforts to cause the related person transaction to be null and void.

The Audit Committee will approve or ratify only those related party transactions that it determines in good faith are in, or are not inconsistent with, the best interests of Garmin and its shareholders. In making that determination, 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.

The Audit Committee will also annually review ongoing related party transactions after considering all relevant facts and circumstances. The Audit Committee will then determine if those transactions should be terminated or modified based on whether it is still in the best interests, or not inconsistent with the best interests, of Garmin and its shareholders.

Non-Management Director Compensation

Each Garmin director, who is not an officer or employee of Garmin or of a subsidiary of Garmin, is compensated for service on the Board and its committees. The annual director compensation package at Garmin is designed to attract and retain highly-qualified, independent professionals to represent Garmin's shareholders.

Garmin's 2010 director compensation package was comprised of cash (annual board and committee chair retainers) and stock option grants.

Each director, who is not an officer or employee of Garmin or its subsidiaries (a “Non-Management Director”), was paid an annual retainer of \$50,000. Each Non-Management Director, who chairs a standing committee of the Board (other than the Audit Committee), also received an annual retainer of \$5,000. The Non-Management Director who chairs the Audit Committee received an annual retainer of \$10,000. In addition, each Non-Management Director was paid \$1,500 for each Board meeting convened in person and \$500 for attending each Board meeting convened by teleconference. For each Audit Committee meeting convened in person or by teleconference, each Non-Management Director was paid \$1,000. For each Compensation Committee or Nominating Committee meeting, convened on a separate day from a Board meeting, each Non-Management Director was paid \$1,500 for each committee meeting convened in person and \$500 for attending each meeting convened by teleconference. Directors are also reimbursed for reasonable travel expenses for attending Board and Committee meetings.

The Non-Management Directors may also be granted awards, including among others, options to buy shares of Garmin, pursuant to the 2000 Non-Employee Directors’ Option Plan, as amended and restated on June 27, 2010 (the “2000 Non-Employee Directors’ Option Plan”), as determined by the Compensation Committee (as defined in such plan).

Each year at the annual general meeting, each Non-Management Director will automatically be granted an option for a number of shares equal to four times the annual retainer divided by the fair market value of a share on the grant date. If a Non-Management Director first joins the Board at a time other than the annual general meeting, he or she will receive a pro-rata grant for that year. The option price per share will be 100% of the fair market value of a share on the date of grant based on the closing stock price on that day. The options vest in equal installments over three years, subject to acceleration in the event the Non-Management Director terminates his or her directorship on the account of death, disability or an involuntary termination within one year after a change in control of Garmin. These options have a term of 10 years. Under the 2000 Non-Employee Directors’ Option Plan the Board may adjust from time to time the automatic option grant formula.

Garmin does not have formal stock ownership guidelines for its directors.

Under Taiwan banking practice, the chairman of a company is generally required to personally guarantee the company’s loans and mortgages. During 2010, Dr. Kao, as chairman of Garmin Corporation, a Taiwan subsidiary of Garmin, received compensation from Garmin Corporation in the amount of \$52,793 for his personal guarantee of Garmin Corporation’s obligations.

2010 Non-Management Director Compensation

The following table shows the compensation paid to our Non-Management Directors in 2010:

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | SAR/Option Awards (\$) ¹ | Non-Equity Incentive Plan Compensation (\$) | Change in Pension Value & Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
|-------------------------------|--|-------------------------|---|--|--|-----------------------------------|---------------|
| Gene Betts | \$ 68,587 | | \$ 53,795 | | | | \$ 122,382 |
| Donald Eller | \$ 71,533 | | \$ 53,795 | | | | \$ 125,328 |
| Thomas McDonnell ² | \$ 6,500 | | | | | | \$ 6,500 |
| Charles Pepper | \$ 72,500 | | \$ 53,795 | | | | \$ 126,295 |
| Thomas Poberezny | \$ 56,772 | | \$ 53,795 | | | | \$ 110,567 |

¹ This column shows the grant date fair value of stock options granted in 2010 to each of the non-management directors. As of December 25, 2010, Messrs. Betts, Eller, Pepper and Poberezny, respectively, owned 21,790, 30,500, 37,723 and 5,981 outstanding stock option awards.

² Mr. McDonnell was a director of Garmin until May 20, 2010.

PROPOSAL FOUR – Ratification of the appointment of Ernst & Young LLP as Garmin’s Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011 and re-election of Ernst & Young Ltd. as Garmin’s statutory auditor for the fiscal year ending December 31, 2011

Ernst & Young LLP has acted as Garmin’s independent registered public accounting firm since 2000 and has been appointed by the Audit Committee to audit and certify the Garmin’s financial statements for the fiscal year ending December 31, 2011.

Ernst & Young Ltd., Zurich, was elected as Garmin’s statutory auditor for the fiscal year ending December 25, 2010 in connection with the redomestication of Garmin to Switzerland in June 2010. Swiss law requires that our shareholders elect a firm as statutory auditor. The statutory auditor's main task is to audit our consolidated financial statements and parent company financial statements that are required under Swiss law. The Audit Committee and Board propose that Ernst & Young Ltd. be reelected as Garmin’s statutory auditor for the fiscal year ending December 31, 2011.

Representatives of Ernst & Young LLP and Ernst & Young Ltd. will be present at the Annual Meeting. They will have the opportunity to make a statement if they desire and will be available to respond to appropriate questions.

If the shareholders do not ratify the appointment of Ernst & Young LLP, the Audit Committee will reconsider whether to appoint Ernst & Young LLP as the Garmin’s registered independent public accounting firm for the fiscal year ending December 31, 2011.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS GARMIN’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM THE FISCAL YEAR ENDING DECEMBER 31, 2011 AND RE-ELECTION OF ERNST & YOUNG LTD. AS GARMIN’S STATUTORY AUDITOR FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011.

PROPOSAL FIVE – Appropriation of available earnings and payment of a cash dividend in the aggregate amount of \$2.00 per share out of Garmin’s general reserve from capital contribution in four installments

Under Swiss law, the appropriation of available earnings as set forth in Garmin’s Swiss statutory financial statements must be submitted to shareholders for approval at each annual general meeting. Also, under Swiss law the shareholders must approve the payment of any dividend at an annual general meeting.

The Board of Directors proposes that Garmin pay a cash dividend in the amount of \$2.00 per share out of Garmin’s general reserve from capital contribution payable in four installments as follows: \$0.80 on June 30, 2011 to shareholders of record on June 15, 2011, \$0.40 on September 30, 2011 to shareholders of record on September 15, 2011, \$0.40 on December 30, 2011 to shareholders of record on December 15, 2011 and \$0.40 on March 30, 2012 to shareholders of record on March 15, 2012.

The proposed reduction to Garmin’s general reserve from capital contribution will be allocated to dividend reserve from capital contributions. This allocation, which is required to be in Swiss francs, shall be determined based on the aggregate amount of the dividend plus a 20% margin for currency fluctuation and shall be calculated based on the CHF/USD exchange rate in effect on June 3, 2011.

The U.S. dollar amount of the dividend shall be capped such that the aggregate dividend shall not exceed the reduction of Garmin’s general reserve from capital contribution as so calculated. To the extent that a dividend payment would exceed the cap either as a result of changes in the Swiss franc/U.S. dollar exchange rate at the time of payment of the dividend installments or as a result of an increase in the issued shares of Garmin, the U.S dollar per share amount of the current or future dividends shall be reduced on a pro rata basis so that the aggregate amount of all dividends paid does not exceed the cap. In any event the dividend payment will not exceed a total of \$2.00 per share. If the aggregate dividend payment is lower than the allocation to dividend reserve from capital contributions, the relevant difference will be allocated back to the general reserve from capital contribution.

Proposed Appropriation of Available Earnings:

| | |
|--|---------------|
| Net loss for the period (on a stand-alone unconsolidated basis): | CHF 9,775,000 |
|--|---------------|

Resolution proposed by the Board of Directors:

| | |
|--|---------------|
| - RESOLVED, that the loss of CHF 9,775,000 shall be carried forward. | CHF 9,775,000 |
|--|---------------|

| | |
|---|-------------------|
| Proposed Dividend Payment from General Reserve from Capital Contribution (part of the legal reserves) | |
| General Reserve from Capital Contribution as per December 31, 2010 | CHF 7,434,621,960 |

Resolutions proposed by the Board of Directors:

- RESOLVED, that Garmin pay a cash dividend in the amount of \$2.00 per share out of Garmin's general reserve from capital contribution payable in four installments as follows: \$0.80 on June 30, 2011 to shareholders of record on June 15, 2011, \$0.40 on September 30, 2011 to shareholders of record on September 15, 2011, \$0.40 on December 30, 2011 to shareholders of record on December 15, 2011 and \$0.40 on March 30, 2012 to shareholders of record on March 15, 2012; and further

- RESOLVED, that CHF 479,410,371 be allocated to dividend reserves from capital contribution from general reserve from capital contribution s in order to pay such dividend of \$2.00 per share with a nominal value of CHF 10.00 each (assuming a total of 208,077,418 shares eligible to receive the dividend) 2; and further CHF 479,410,371
- RESOLVED, that if the aggregate dividend payment is lower than the allocation to dividend reserves from capital contribution from general reserve from capital contribution, the relevant difference will be allocated back to general reserve from capital contribution, and further
- RESOLVED that the remaining balance of CHF 6,955,211,589 be carried forward within the general reserve from capital contributions. CHF 6,955,211,589

1 Based on the currency conversion rate as at December 25, 2010, US\$2.00 equals CHF1.92 per share. With a total of 208,077,418 shares eligible for payout the aggregate dividend total is CHF 399,508,643. This amount will be adjusted based on the currency conversion rate in effect on June 3, 2011.

2 This number is based on the outstanding share capital at December 25, 2010. The number of shares eligible for dividend payments may change due to the repurchase of shares or sale of treasury shares and the issuance of new shares from the conditional share capital reserved for the employee profit sharing program

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE APPROPRIATION OF AVAILABLE EARNINGS AND PAYMENT OF A CASH DIVIDEND IN THE AGGREGATE AMOUNT OF \$2.00 PER SHARE OUT OF GARMIN’S GENERAL RESERVE FROM CAPITAL CONTRIBUTION IN FOUR INSTALLMENTS.

PROPOSAL SIX – Approval of the Garmin Ltd. 2011 Non-Employee Directors’ Equity Incentive Plan

Garmin believes that equity compensation aligns the interests of members of its Board of Directors with the interests of its shareholders. Garmin currently provides for equity incentive compensation to its non-employee Directors through the Amended and Restated 2000 Non-Employee Directors’ Option Plan (the “2000 Plan”). As of March 31, 2011, 122,592 shares remained available for issuance under the 2000 Plan. Stock options for a total of 23,924 Garmin shares were granted to non-employee Directors in 2010.

A new equity incentive plan, the Garmin Ltd. 2011 Non-Employee Directors' Equity Plan (the “2011 Plan”) is being proposed for shareholder approval. The approval of the 2011 Plan would not result in additional shares being available for issuance that are not already available for issuance under the 2000 Plan. The shares that remain available for issuance under the 2000 Plan as of the effective date of the 2011 Plan would be available for issuance under the 2011 Plan, and no new awards would be granted under the 2000 Plan following the effective date of the 2011 Plan. Garmin believes that certain terms of the 2000 Plan (e.g., an automatic formula for grants of stock options to non-employee Directors; and the exclusion of award types other than stock options, such as restricted stock units, stock appreciation rights, restricted shares, bonus shares, and performance awards) provide too little flexibility for Garmin when making determinations regarding the appropriate type and value of awards for Directors individually and/or as a group. Garmin believes the 2011 Non-Employee Directors Equity Incentive Plan would provide this flexibility and would better serve the objectives of Garmin related to non-employee Director compensation.

A copy of the 2011 Plan is attached as Schedule 1 to this Proxy Statement.

The following general description of material features of the 2011 Non-Employee Equity Incentive Plan is qualified in its entirety by reference to the provisions of the Plan set forth in Schedule 1.

General

The 2011 Plan provides for grants of nonqualified stock options, restricted shares, restricted stock units, bonus shares, stock appreciation rights, performance units and performance shares.

The objectives of the Plan are to strengthen Garmin's non-employee Directors' commitment to the success of Garmin, aligning their interests with those of Garmin's shareholders, and to assist Garmin in attracting and retaining experienced and knowledgeable individuals to serve as non-employee Directors.

Eligibility

Any non-employee Director of Garmin will be eligible to receive awards under the 2011 Plan if it is approved by shareholders. As of April 1, 2011, there were four non-employee Directors who would be eligible to receive awards under the 2011 Plan. No determination has been made as to which of the non-employee Directors will receive grants under the 2011 Plan, and, therefore the benefits to be allocated to any individual or to any group of non-employee Directors are not presently determinable.

Administration

The 2011 Plan will be administered by the Board of Directors or the Compensation Committee of the Board of Directors (the "Committee"). The Board or Committee will select the eligible non-employee Directors to whom awards will be granted and will set the terms and conditions applicable to each award. The Board or Committee may delegate its authority under the 2011 Plan to officers of Garmin, subject to guidelines prescribed by the Board or Committee.

Shares Reserved for Awards

No new or additional shares would be authorized or available for issuance under the 2011 Plan. Instead, the shares that are currently available for issuance under the 2000 Plan would be available for issuance under the 2011 Plan. As of March 31, 2011 there were 122,592 shares available for issuance under the 2000 Plan, all of which shares would be available for issuance under the 2011 Plan. Following the effective date of the 2011 Plan, no new awards would be granted under the 2000 Plan. The shares issued under the 2011 Plan may be newly issued shares or treasury shares and to the extent that any shares subject to an award granted under the 2011 Plan or the 2000 Plan are forfeited or an award or any portion thereof otherwise terminates or is settled without the issuance of shares, then the shares subject to such award that were not so issued will again be available for distribution under the 2011 Plan. If a stock appreciation right award or a similar award based on the difference between the award's exercise price and fair market value at the time of exercise is exercised, only the number of shares issued, if any, will be considered delivered for the purpose of determining availability of shares for delivery under the 2011 Plan. The number of shares authorized for awards is subject to adjustment for changes in capitalization, reorganizations, mergers, stock splits, and other corporate transactions as the Board or the Committee determines to require an equitable adjustment.

The 2011 Plan will remain in effect until all the shares available have been used to pay awards, subject to the right of the Board to amend or terminate the 2011 Plan at any time.

General Terms of Awards

The Board or the Committee will select the director(s) eligible to receive awards under the 2011 Plan and set the term of each award, which may not be more than 10 years. The Board or the Committee has the power to determine the terms of the awards granted, including the number of shares subject to each award, the form of consideration payable upon exercise, and all other matters.

The exercise price of an option and the strike price of a stock appreciation right must be at least the fair market value of a share as of the grant date. The Board or the Committee will also set the vesting conditions of the award. Awards granted under the 2011 Plan are not generally transferable by the director except in the event of the director's death or unless otherwise required by law or provided in an award agreement. An award agreement may provide for the transfer of an award in limited circumstances to certain members of the director's family or a trust or trusts established for the benefit of such a family member. Any such transfer, if permitted under the award agreement, cannot be for consideration, other than nominal consideration.

Other terms and conditions of each award will be set forth in award agreements, which can be amended by the Board or the Committee. The number and type of awards that will be granted under the 2011 Plan are not determinable as the Board or Compensation Committee will make these determinations in its sole discretion.

Performance Awards

Performance Unit and Performance Share awards may be granted under the 2011 Plan. Such awards will be earned only if performance goals established by or under the direction of the Board or Committee are met. The specific performance goals will be, on an absolute or relative basis, established based on one or more of the following business criteria for Garmin on a segregated or consolidated basis or for one or more of Garmin's subsidiaries, segments, divisions, or business units as selected by the Board or the Committee:

- (i) Earnings (either in the aggregate or on a per-share basis);
- (ii) Operating profit (either in the aggregate or on a per-share basis);
- (iii) Operating income (either in the aggregate or on a per-share basis);
- (iv) Net earnings on either a LIFO or FIFO basis (either in the aggregate or on a per-share basis);
- (v) Net income or loss (either in the aggregate or on a per-share basis);
- (vi) Ratio of debt to debt plus equity;
- (vii) Net borrowing;
- (viii) Credit quality or debt ratings;
- (ix) Inventory levels, inventory turn or shrinkage;
- (x) Cash flow provided by operations (either in the aggregate or on a per-share basis);
- (xi) Free cash flow (either in the aggregate or on a per-share basis);

(xii) Reductions in expense levels, determined either on a Company-wide basis or in respect of any one or more business units;

(xiii) Operating and maintenance cost management and employee productivity;

- (xiv) Gross margin;
- (xv) Return measures (including return on assets, equity, or sales);
- (xvi) Productivity increases;
- (xvii) Share price (including attainment of a specified per-share price during the relevant performance period; growth measures and total shareholder return or attainment by the shares of a specified price for a specified period of time);
- (xviii) Where applicable, growth or rate of growth of any of the above business criteria;
- (xix) Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, and goals relating to acquisitions or divestitures;
- (xx) Achievement of business or operational goals such as market share and/or business development; and/or
- (xxi) Accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions.

The applicable business criteria may be applied on a pre- or post-tax basis. The Board or the Committee may, when the applicable performance goals are established, provide that the formula for such goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain or loss. As established by the Board or the Committee, the business criteria may include, without limitation, GAAP and non-GAAP financial measures.

Restricted Stock Units

Restricted Stock Units ("RSUs") may be granted to eligible directors, subject to the terms and restrictions that the Board or the Committee may impose. The restrictions may be based on the passage of time, the achievement of specific performance goals, or the passage of time following the achievement of specific performance goals or the occurrence of a specified event. RSUs are subject to a minimum two-year vesting schedule. RSUs entitle the holder to receive an amount of shares equal to the number of shares underlying the RSUs on the date that any restrictions applicable to an award of RSUs have lapsed.

Restricted Shares and Bonus Shares

Restricted shares may also be awarded. The restricted shares will vest and become transferable upon the satisfaction of conditions set forth in the respective restricted share award agreement. Restricted share awards may be forfeited if, for example, the recipient's directorship terminates before the award vests. Restricted shares are subject to a minimum two-year vesting schedule. The Board or Committee may also grant shares to eligible non-employee Directors from time-to-time as a bonus, which will be issued without restrictions.

Stock Options

The 2011 Plan permits the grants of nonqualified stock options to eligible directors. The exercise price for any stock option will not be less than the fair market value of a share on the date of grant. No stock option may be exercised more than ten years after the date of grant. Unless otherwise determined by the Committee, stock options may be exercised by payment in cash or tendering shares to Garmin in full or partial payment of the exercise price, or by a "net exercise" arrangement under which the number of shares to be delivered upon exercise will be reduced by the largest number of whole shares that has a fair market value that does not exceed the aggregate exercise price.

Stock Appreciation Rights

Stock Appreciation Rights ("SARs") may be granted either singly (freestanding SARs) or in combination with underlying stock options (tandem SARs). SARs entitle the holder upon exercise to receive an amount in shares equal in value to the excess of the fair market value of the shares covered by such right over the grant price. The grant price for SARs will not be less than the fair market value of the shares on the SARs' date of grant. The payment upon a SAR exercise shall be solely in whole shares of equivalent value. Fractional shares will be rounded down to the nearest whole share with no cash consideration paid.

Change of Control

In connection with a Change of Control (as defined in the 2011 Plan), separation, spin-off, sale of a material portion of our assets or a "going-private" transaction, the Board or the Committee, or the board of directors of any corporation assuming our obligations, has the power to prescribe and amend the terms and conditions for the exercise, or modification of any outstanding awards in the manner as agreed to by the Board in the definitive agreement relating to the transaction.

Plan Participation Table

The number of awards to be granted to our non-employee directors under the 2011 Plan cannot be determined. The table below shows the number of stock options granted to non-employee Directors under the 2000 Non-Employee Directors' Option Plan since the inception of that plan.

| Name | Options Granted (Number of Shares) |
|---|---------------------------------------|
| All current outside directors (4 persons) | 110,700 |

Federal Income Tax Consequences

Based on current provisions of the Internal Revenue Code and the existing regulations thereunder, the anticipated U.S. federal income tax consequences of stock options, SARs and RSUs granted under the 2011 Plan are as described below. The following discussion is not intended to be a complete discussion of applicable law and is based on the U.S. federal income tax laws as in effect on the date hereof:

Nonqualified Stock Options

A director receiving a nonqualified option will not recognize taxable income on the date of grant of the option. In general, the director will recognize ordinary income at the time of exercise of the nonqualified option in the amount of the difference between the fair market value of the shares on the date of exercise and the option price. Shares acquired

upon the exercise of a nonqualified option will have a tax basis equal to their fair market value on the exercise date or other relevant date on which ordinary income is recognized, and the holding period for the shares generally will begin on the date of exercise or such other relevant date. Upon subsequent disposition of the shares, the Director will recognize long-term capital gain or loss if the director has held the shares for more than one year prior to disposition, or short-term capital gain or loss if the director has held the shares for one year or less.

If a director pays the exercise price, in whole or in part, with previously acquired shares, the director will recognize ordinary income in the amount by which the fair market value of the shares received exceeds the exercise price. The director will not recognize gain or loss upon the delivery of the previously acquired Garmin shares although the new shares exchanged therefore will have the same basis and holding period for long-term capital gain purposes as the previously acquired shares. Shares received by a director in excess of the number of such previously acquired Shares will have a basis equal to the fair market value of the additional shares as of the date ordinary income is recognized. The holding period for the additional shares will commence as of the date of exercise or such other relevant date.

Stock Appreciation Rights

A director receiving a SAR will not recognize taxable income on the date of grant of the SAR. When a director exercises the SAR and receive shares approximate in value to the difference between the SAR exercise price and the fair market value of the shares underlying the SAR, the fair market value of the delivered shares will constitute ordinary income to the director and Garmin will be entitled to deduct the same amount as a business expense in the same year. Any subsequent sale of the shares delivered in connection with the exercise of a SAR will result in short-term or long-term capital gains depending on the length of time the director held the shares since the date of exercise.

Restricted Shares, Restricted Stock Units and Performance Shares

Generally, no taxes are due when an award of restricted shares is made, but the award becomes taxable when it vests or becomes transferable, unless the recipient elects, under Section 83(b) of the Internal Revenue Code within 30 days of receiving the grant, to be taxed in the year the restricted stock is granted. Income tax is paid on the value of the stock at ordinary rates when the award vests or becomes transferable (or, if a Section 83(b) election is made, at the time of grant), and then at long- or short-term capital gains rates when the shares are sold. Garmin is entitled to a deduction at the time and in the amount the recipient recognizes as income.

Generally, no taxes are due when an award of restricted stock units or performance shares is made, but the award becomes taxable when it vests and the underlying shares are transferred. In addition, Garmin is entitled to a deduction at the time and in the amount the recipient recognizes income. In the case of an award of restricted stock units or performance shares, a recipient may not make a Section 83(b) election. Rules relating to the timing of payment of deferred compensation under Section 409A of the Internal Revenue Code are applicable to restricted stock units or performance shares and any violation of Section 409A could trigger interest and penalties applicable to the recipient.

Other Tax Consequences

State tax consequences may in some cases differ from those described above. Because Garmin Ltd. is a Swiss company, non-employee Directors who receive awards under the 2011 Plan may have Swiss Cantonal, Federal and other Swiss tax obligations in addition to their United States tax obligations, and Garmin is entitled to satisfy any withholding taxes by any combination of the following methods: (1) payment of an amount in cash equal to the amount to be withheld; (2) withholding from those shares that would otherwise be received by the Director upon exercise of a stock option or a SAR payable in shares, upon the lapse of restrictions on an award, a number of shares having a fair market value on the applicable tax date equal to the amount to be withheld; or (3) withholding the appropriate amount from compensation otherwise due to the Director.

Awards under the 2011 Plan may in some instances be made to Directors who are subject to tax in jurisdictions other than the United States and Switzerland and may result in tax consequences differing from those described above.

Other Information

If approved by shareholders, the 2011 Plan will be effective June 3, 2011, and will remain in effect, subject to the right of the Board to amend or terminate the Plan (subject to certain limitations set forth in the Plan), at any time until all shares subject to it shall have been purchased or acquired according to the Plan's provisions. Any awards granted before the Plan is terminated may extend beyond the expiration date. The Board may amend the 2011 Plan at any time, provided that no such amendment will be made without stockholder approval if such approval is required under applicable law, regulation, or stock exchange rule, or if such amendment would: (i) decrease the grant or exercise price of any stock option, SAR or other stock-based award to less than fair market value on the date of grant, (ii) increase the number of shares that may be distributed under the 2011 Plan or adversely affect in any material way any award previously granted under the Plan, without the written consent of the grantee of such award.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE APPROVAL OF THE GARMIN LTD. 2011 NON-EMPLOYEE DIRECTORS’ EQUITY INCENTIVE PLAN.

PROPOSAL SEVEN – Advisory vote on executive compensation

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Board of Directors proposes that shareholders be provided with an advisory vote on the compensation of Garmin’s Named Executive Officers, as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables and any related material disclosed in this Proxy Statement. As described in the Compensation Discussion and Analysis, the objectives of Garmin’s executive compensation program are to:

1. Provide fair, reasonable and competitive compensation to executives in order to attract, motivate and retain a highly qualified executive team;
2. Reward executives for individual performance and contribution;
3. Provide incentives to executives to enhance shareholder value;
4. Reward executives for long-term, sustained individual and Company performance; and
5. Provide executive compensation that is internally equitable among the executives and equitable in relation to the broader Garmin employee population.

As an advisory vote, the shareholders’ vote on this proposal is not binding on Garmin. However, we value the opinions of Garmin shareholders and the Compensation Committee of our Board plans to review voting results on this proposal and will give consideration to such voting when making future executive compensation decisions for Garmin’s Named Executive Officers.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE APPROVAL OF THE COMPENSATION OF GARMIN’S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT RELATING TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS PURSUANT TO THE EXECUTIVE COMPENSATION DISCLOSURE RULES PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

PROPOSAL EIGHT – Advisory vote on the frequency of the executive compensation advisory vote

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Board of Directors proposes that shareholders be provided with an advisory vote on whether the advisory vote on the compensation of Garmin's Named Executive Officers should occur every one, two or three years. Shareholders may also, if they wish, abstain from casting a vote on this Proposal Eight. Garmin is presenting this proposal to give shareholders the opportunity to inform us as to how often you wish Garmin to hold an advisory vote on executive compensation. As an advisory vote, the shareholders' vote on this proposal is not binding on Garmin. However, our Board will review voting results and will give consideration to such voting.

Our Board recommends that an advisory vote on executive compensation be held every year. Since the compensation of our Named Executive Officers is evaluated, adjusted and approved by the Compensation Committee of the Board on an annual basis, our Board believes that holding such vote every year will provide a communication channel for shareholders to provide input on our compensation philosophy, policies and practices as disclosed in the proxy statement every year. In the future, we may determine that a less frequent advisory vote is appropriate, either in response to the vote of our shareholders on this Proposal Eight or for other reasons.

The Proxy Card provides shareholders with the opportunity to choose among four options (holding the vote every one, two or three years, or abstaining) and therefore shareholders will not be voting to approve or disapprove the recommendation of the Board of Directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE OPTION TO HOLD AN ADVISORY VOTE ON THE COMPENSATION OF GARMIN’S NAMED EXECUTIVE OFFICERS ONCE EVERY YEAR.

AUDIT MATTERS

Report of Audit Committee

This report is submitted by the Audit Committee of the Board of Directors.

The Board of Directors pursues its responsibility for oversight of Garmin’s financial reporting process through the Audit Committee. The Board of Directors, in its business judgment, has determined that all members of the Audit Committee are independent and financially literate as required by the applicable listing standards of the NASDAQ. The Audit Committee operates pursuant to a charter adopted by the Board of Directors, as amended and restated on February 9, 2009, a copy of which is posted on Garmin’s website at [http://www8.garmin.com/aboutGarmin/invRelations/documents/Audit Committee Charter 2 9 09.pdf](http://www8.garmin.com/aboutGarmin/invRelations/documents/Audit%20Committee%20Charter%202%2009.pdf). The Audit Committee and the Board of Directors annually review and assess the adequacy of the charter.

The Audit Committee meets regularly with the independent auditor, management and Garmin’s internal auditors. The independent auditor and Garmin’s internal auditors have direct access to the Audit Committee, with and without the presence of management representatives, to discuss the scope and results of their work and their comments on the adequacy of internal accounting controls and the quality of financial reporting.

In performing its oversight function, the Audit Committee reviewed and discussed Garmin’s audited consolidated financial statements for the fiscal year ended December 25, 2010 with management and with Ernst & Young LLP, the independent registered public accounting firm retained by Garmin to audit its financial statements. The Audit Committee received and reviewed management’s representation and the opinion of the independent registered public accounting firm that Garmin’s audited financial statements were prepared in accordance with United States generally accepted accounting principles. The Audit Committee also discussed with the independent registered public accounting firm during the 2010 fiscal year the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended, and No. 90 (Audit Committee Communications) and other standards of the Public Company Accounting Oversight Board, rules of the SEC and other applicable regulations.

The Audit Committee received from Ernst & Young LLP the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP’s communications with the Audit Committee concerning independence and discussed with Ernst & Young LLP the independence of their firm. The Audit Committee considered whether the non-audit services provided by Ernst & Young LLP are

compatible with their independence.

Based upon the review and discussions referenced above, the Audit Committee recommended to Garmin's Board of Directors, and the Board of Directors approved, that the audited consolidated financial statements be included in Garmin's Annual Report on Form 10-K for the fiscal year ended December 25, 2010, for filing with the SEC.

Audit Committee

Charles W. Peffer, Chairman
Gene M. Betts
Thomas P. Poberezny

Independent Registered Public Accounting Firm Fees

The following table sets forth the aggregate fees billed to Garmin for the fiscal year ended December 25, 2010 and the fiscal year ended December 26, 2009 by Garmin's independent registered public accounting firm, Ernst & Young LLP (dollars listed in thousands):

| | 2010 | 2009 |
|--------------------|---------|-------------|
| Audit Fees | \$2,949 | \$2,093 |
| Audit Related Fees | \$70 | (a)(b) \$24 |
| Tax Fees | \$46 | (b)(c) \$48 |
| All Other Fees | \$3 | (d) \$12 |
| Total: | \$3,068 | \$2,177 |

(a) Audit related fees for 2010 and 2009 comprise fees for consent needed for additional SEC filings and acquisition due diligence.

(b) The Audit Committee has concluded that the provision of these services is compatible with maintaining the independence of Ernst & Young.

(c) Tax fees for 2010 and 2009 are comprised entirely of tax planning services.

(d) All other fees for 2010 are comprised of \$3 for on-line subscription fees. All other fees for 2009 are comprised of \$3 for on-line subscription fees and \$9 for assistance with a systems implementation in Europe.

Pre-Approval of Services Provided by the Independent Auditor

The Audit Committee has adopted a policy that requires advance approval by the Committee of all audit, audit-related, tax services and other services performed by Ernst & Young. The policy provides for pre-approval by the Audit Committee annually of specifically defined services up to specifically defined fee levels. Unless the specific service has been previously pre-approved with respect to that year, the Audit Committee must approve the permitted service before Ernst & Young is engaged to perform it. The Audit Committee has delegated to the Audit Committee Chairman authority to approve permitted services provided that the Chairman reports any such approval decisions to the Audit Committee at its next meeting. The Audit Committee pre-approved all services that Ernst & Young rendered to Garmin and its subsidiaries in 2010.

EXECUTIVE COMPENSATION MATTERS

Compensation Committee Report

The Compensation Committee reviewed and discussed with management the “Compensation Discussion and Analysis” section of this Proxy Statement. Based upon such review and discussion, the Compensation Committee recommended to the Board that the “Compensation Discussion and Analysis” section be included in this Proxy Statement.

Compensation Committee
Gene M. Betts (Chairman)
Donald H. Eller
Charles W. Peffer
Thomas P. Poberezny

Compensation Discussion and Analysis

Overview

Garmin’s 2010 compensation program utilized the following elements to motivate, reward, and retain executives serving the long term interests of the company:

- Equitable base salary as determined by individual performance and contribution, and validated by compensation benchmarking.

- Long term stock incentives in the form of restricted stock units (RSUs).

- Shorter term incentives in the form of cash bonuses and performance shares awarded only if the company met certain predetermined goals, linked to maintaining or growing operating income over the period of the award.

During 2010 Garmin, like many other companies, continued to face financial challenges because of the slow pace of economic recovery. Garmin was also challenged by lower sales of portable navigation devices (PNDs) in its automotive/mobile segment because of competition from navigation applications on smartphones. The Compensation Committee believed that Garmin’s executives performed well, despite the adverse conditions. In light of their performance and in consideration of benchmarks applied as part of the compensation study, the base salaries of Messrs. Bartel, Etkind, Pemble, and Rauckman were increased. The Compensation Committee also awarded restricted stock units to Messrs. Pemble, Rauckman, Etkind and Bartel based upon their individual duties, experience and overall performance.

Because Garmin’s operating income for the 2010 fiscal year was less than the operating income for the 2009 fiscal year, none of the executives received a bonus under the 2010 annual incentive plan.

In view of the ongoing challenges of declining revenues and operating income driven by the PND market, the chief executive officer and chief operating officer recommended, and the Compensation Committee agreed, that the 2011 base salaries for all the executives will remain the same as their 2010 base salaries. The chief executive officer and the chief operating officer also recommended, and the Compensation Committee agreed, that there would be no 2011 cash bonus and no performance share awards. These awards were originally conceived with the objective of maintaining or growing operating income growth, but this objective has not been possible during the last two years due to the challenges of the PND market which heavily influences the company’s financial performance.

Objectives of the Compensation Program

The objectives of Garmin's executive compensation program are to:

• Provide fair, reasonable and competitive compensation to executives in order to attract, motivate and retain a highly qualified executive team;

• Reward executives for individual performance and contribution;

• Provide incentives to executives to enhance shareholder value;

• Reward executives for long-term, sustained individual and Company performance;

• Provide executive compensation that is internally equitable among the executives and equitable in relation to the broader Garmin employee population; and

• For non-management directors, provide fair, reasonable and competitive compensation to attract and retain highly qualified, independent professionals to represent Garmin shareholders.

Role of Executive Officers

Dr. Kao discussed with the Compensation Committee compensation recommendations for each of the executives, other than himself. In making compensation recommendations, Dr. Kao considered each executive's performance and other relevant factors, including the scope of each executive's position and responsibilities, the achievement of Company goals, the current business environment and anticipated changes, executive retention and recruitment considerations, the mix of fixed compensation (e.g. base salary) versus variable compensation (e.g. performance-based cash bonus and longer-term incentive), and the level of risk associated with the executives' total direct compensation package. Dr. Kao and Mr. Pemble regularly attended meetings of the Compensation Committee in 2009 and 2010, but are not members of the Compensation Committee and do not vote on Compensation Committee matters. Dr. Kao and Mr. Pemble, however, were not present for certain portions of Compensation Committee meetings, such as when the Compensation Committee discussed their respective performance or individual compensation.

Role of Compensation Consultant

The Compensation Committee engaged Towers Watson (formerly known as Towers Perrin), an independent compensation consulting firm, during 2009, to (i) assess the competitiveness of the 2010 pay levels of the executive officers listed in the Summary Compensation Table of this proxy statement (the "Named Executive Officers"); (ii) summarize executive pay trends; and (iii) assist the Compensation Committee with proxy compliance.

Towers Watson performed a competitive review and analysis of base salary and other components of Garmin's compensation program, relative to two identified comparator groups and survey market data. The comparator groups were created with input from management and the Compensation Committee from among the companies that participate in Towers Watson's survey database. The first group was a group of 34 companies from the NASDAQ 100 index that participate in Tower Watson's Executive Compensation Database. The second group was a related industry group of 34 companies selected on the basis that they were in similar industries to Garmin. Towers Watson's review contained detailed information on base salaries, annual incentive bonuses and equity incentives for each named executive officer, as well as Towers Watson's overall findings regarding pay competitiveness. The Compensation Committee considered the information, findings and recommendations of Towers Watson, but all decisions on executive compensation matters were made solely by the Compensation Committee.

Towers Watson was engaged by and reported directly to the Compensation Committee. Towers Watson worked with the Compensation Committee through management in reviewing Garmin's executive compensation program.

Benchmarking Pay

In applying the objectives of Garmin's compensation program, the Compensation Committee seeks to ascertain fair, reasonable, equitable and competitive executive compensation through objective compensation studies comparing positions at Garmin to similar positions at comparable companies.

In years prior to 2009, consistent with the recommendation of Towers Watson, the Compensation Committee targeted total direct compensation for Garmin's Named Executive Officers at the 25th percentile of the comparator groups. In 2010, as in 2009, Towers Watson recommended that the Compensation Committee consider the competitiveness of Garmin's targeted total direct compensation, rather than actual total direct compensation because Towers Watson considers it a better practice to calibrate competitiveness to the target compensation of the comparator groups rather than the actual compensation.

While the Compensation Committee did not target each element of pay at the 25th percentile individually, the Compensation Committee did consider the competitive data from each peer group equally when assessing the competitiveness of Garmin's base salary, target incentive levels, target total cash and target total direct compensation. Garmin's executive base salary is competitive with the 25th percentile of both comparator groups, but Garmin's executive target total cash and target total direct compensation are below the 25th percentile of both comparator groups. Compared to the NASDAQ 100 comparator group, Garmin was 28% below the 25th percentile for target total cash compensation and 45% below the 25th percentile for target total direct compensation. Compared to the related industry group, Garmin was 34% below the 25th percentile for target total cash compensation and 39% below the 25th percentile for target total direct compensation. In setting executive compensation for 2010, the Compensation Committee considered that, even though Garmin's executive compensation as a whole is significantly below the 25th percentile of both comparator groups, (1) the general adverse macro-economic conditions that were prevalent in 2009 could continue to present financial challenges for Garmin in 2010; and (2) Garmin has not experienced executive recruiting or retention issues.

NASDAQ 100 Comparator Group

The NASDAQ 100 Comparator Group used for the purpose of benchmarking 2010 compensation for Garmin's Named Executive Officers consists of the following 34 companies with 25th percentile revenues of approximately \$2.46 billion:

| | | |
|--------------------------------|-----------------------------|-----------------------------|
| Amazon.com Inc. | Citrix Systems Inc. | Intel Corp. |
| Amgen Inc | Dell Inc. | KLA Tencor Corp. |
| Apollo Group Inc. | DENTSPLY International Inc. | Life Technologies Corp. |
| Apple Inc. | eBay Inc. | Microsoft Corp. |
| Applied Materials Inc. | Express Scripts Inc. | QUALCOMM Inc. |
| Automatic Data Processing Inc. | First Solar Inc. | Research in Motion Ltd. |
| Biogen Idec Inc. | Fiserv Inc. | Seagate Technology |
| CA Inc. | Genzyme Corp. | Staples Inc. |
| Celgene Corp. | Gilead Sciences Inc. | Starbucks Corp. |
| Cephalon Inc. | Google Inc. | DIRECTTV Group Inc. |
| Cisco Systems Inc. | Henry Schein Inc. | Vertex Pharmaceuticals Inc. |
| | | Xilinx |

Related Industry Comparator Group

The Related Industry Comparator Group used for the purpose of benchmarking 2010 compensation for Garmin's Named Executive Officers consists of the following 34 companies with 25th percentile revenues of approximately \$5.79 billion:

| | | |
|---------------------------|--------------------|-----------|
| Advanced Micro Devices | Eastman Kodak Inc. | NCR Corp. |
| Agilent Technologies Inc. | Embarq Corp. | Nike Inc. |
| AMETEK Inc. | EMC Corp (Mass) | Nokia OYJ |

| | | |
|------------------------|--------------------------------------|-------------------------|
| Apple Inc. | Emerson Electric Co. | Plexus Corp. |
| Applied Materials Inc. | GTECH Holdings Corp. | QUALCOMM Inc. |
| Arrow Electronics Inc. | Harman International Industries Inc. | Regal-Beloit Corp. |
| Avaya Inc. | Intel Corp | Research in Motion Ltd. |
| Avery Dennison Corp. | L-3 Communications Holdings Inc. | Samina-SCI Corp. |
| Beckman Coulter Inc. | Lexmark International Inc. | Seagate Technology |
| Cisco Systems Inc. | Microsoft Corp. | Sprint Nextel Corp. |
| Dell Inc. | Motorola Inc. | Sun Microsystems Inc. |
| | | Xerox Corp. |

The Committee noted that certain companies, including Apple Inc., Applied Materials Inc., Cisco Systems, Inc., Dell Inc., Intel Corp, Microsoft Corp., QUALCOMM Inc., Research in Motion Ltd. and Seagate Technology, are included in both comparator groups. The Committee believed the overlap was appropriate because the companies met the selection criteria for both comparator groups.

Elements of Compensation

Garmin's executive compensation program consists of the following elements:

Current Year's Performance: Salary and Annual Incentives

Base Salary

Executives are paid a base salary as compensation for the performance of their primary duties and responsibilities. The base salary for Garmin's chief executive officer is determined annually by the Compensation Committee. The Compensation Committee's deliberations regarding the base salary of the chief executive officer are made without the chief executive officer being present. The base salary is based on the Compensation Committee's assessment of the chief executive officer's individual performance and the financial and operating performance of Garmin, as well as on an analysis of the base salaries of chief executive officers of other companies using the two comparator groups described above. However, when setting Dr. Kao's base salary, the Compensation Committee also considers Dr. Kao's significant ownership of Garmin stock.

The base salary for each of the other executives is reviewed annually and is based upon the recommendation of the chief executive officer and the executive's individual duties and responsibilities, experience and overall performance, as well as on an analysis of the market and competitive data, including data from the two comparator groups described above.

The following table shows the base salary of each of the Named Executive Officers in 2008, 2009 and 2010:

| Name | 2008 | 2009 | 2010 |
|--------------|------------|------------|------------|
| Dr. Kao | \$ 500,001 | \$ 500,010 | \$ 500,010 |
| Mr. Pemble | \$ 500,003 | \$ 500,502 | \$ 550,002 |
| Mr. Rauckman | \$ 400,001 | \$ 415,001 | \$ 435,001 |
| Mr. Etkind | \$ 400,002 | \$ 415,002 | \$ 435,002 |
| Mr. Bartel | \$ 350,002 | \$ 364,002 | \$ 380,001 |

When setting 2010 base salaries for all of the Named Executive Officers, the Compensation Committee considered, among other things, that (1) the general adverse macro economic conditions that were prevalent in 2009 could present financial challenges for Garmin in 2010, and (2) Garmin has not experienced any problems recruiting or retaining executives. When deciding that Dr. Kao's base salary would again not be increased in 2010, the Compensation Committee took into account Dr. Kao's significant ownership of Garmin stock. When deciding to increase Mr. Pemble's base salary by 10% for 2010, the Compensation Committee considered his individual performance, the fact that his base salary had not been increased since 2008, and that his base salary continues to be under the 25th percentile of presidents of companies in the two comparator groups. The increases in 2010 base salaries of between approximately 4.4% and 4.8% for Messrs. Rauckman, Etkind and Bartel represent small increases reflecting the good performance of these executives despite the challenging business environment.

In view of Garmin's previously announced expectation that Garmin's operating income for the fiscal year 2011 will not exceed its operating income for the fiscal year 2010, the chief executive officer recommended, and the Compensation Committee agreed, that the base salaries for the Named Executive Officers for the fiscal year 2011 will remain the same as their base salaries for the fiscal year 2010, with no increases.

Annual Incentive Awards

In 2010, Garmin's Named Executive Officers, including the chief executive officer, each received a \$203 annual holiday cash bonus. This is the same annual Christmas bonus that was paid to all employees of Garmin's principal U.S. subsidiary.

In order to reduce the overall risk in the total direct compensation package (since more than 75% of total direct compensation had been historically delivered in the form of SARs) and to better balance the overall compensation mix (between cash and equity), Towers Watson recommended during 2008 that Garmin consider implementing a formalized annual incentive bonus program for Named Executive Officers. At its December 2009 meeting, the Compensation Committee adopted the Garmin Ltd. 2010 Cash Incentive Bonus Plan. Under the plan, if Garmin's operating income for the 2010 fiscal year equaled or exceeded the operating income for the 2009 fiscal year, then each executive would have received a cash bonus equal to between 25% and 100% of his individual target bonus (if the executive also met the other eligibility requirements under the Plan). Garmin's chief executive officer did not participate in the plan given his large ownership of Garmin stock. For the other Named Executive Officers, the target bonuses for 2010 ranged from 39% to 45% of their 2010 base salaries. For purposes of this plan, "operating income" means Garmin's consolidated operating income as represented in its audited consolidated financial statements included in its annual report on Form 10-K for the 2010 fiscal year. Because Garmin's operating income for the 2010 fiscal year was less than the operating income for the 2009 fiscal year, none of the executives received any bonus under the plan for 2010.

In view of Garmin's previously announced expectation that Garmin's operating income for the fiscal year 2011 will not exceed its operating income for the fiscal year 2010, the chief executive officer recommended, and the Compensation Committee agreed, that it would not adopt a Cash Incentive Bonus Plan for the Named Executive Officers for 2011 or award them any performance shares.

Longer-Term Performance: Stock-Settled Appreciation Rights, Restricted Stock Units and Performance Shares

Prior to 2008, the Named Executive Officers' longer-term incentive compensation consisted only of stock-settled stock appreciation rights (SARs). In 2009, the Compensation Committee decided to move toward longer-term incentive compensation that provides more balanced risk and opportunity by shifting from SARs to a combination of restricted stock units (RSUs) and performance shares, as discussed below.

Because the chief executive officer owns a significant amount of Garmin shares, and, therefore, already has significant incentive to create shareholder value, he is not awarded SARs, RSUs, performance shares or any other form of equity compensation. The number of SARs, RSUs and performance shares awarded to each executive is determined by the Compensation Committee after considering the recommendation of the chief executive officer and the executive's individual duties and responsibilities, experience and overall performance, and relevant information from the Towers Watson compensation study. Factors considered by the Compensation Committee in evaluating individual performance include the executive's performance relative to his peers, the nature and scope of the executive's position and responsibilities, retention considerations and the current business environment.

Stock-Settled Stock Appreciation Rights

As is required under the terms of Garmin's equity compensation plans, the base value (exercise price) of each of the SARs is the fair market value of Garmin stock on the date of grant. The Compensation Committee historically believed that stock-settled SARs effectively manage equity dilution and share usage, while strongly linking the earnings of executives with the interests of shareholders.

The following table shows the grant date fair value of the SARs awarded to each of the Named Executive Officers (other than the chief executive officer) in 2008 (no SARs were awarded to any of the Named Executive Officers in 2009 or 2010):

| Name | 2008 SARs |
|--------------|------------|
| Mr. Pemble | \$ 461,500 |
| Mr. Rauckman | \$ 369,200 |
| Mr. Etkind | \$ 369,200 |
| Mr. Bartel | \$ 276,900 |

Restricted Stock Units

This element of longer-term incentive compensation is designed to both assist in balancing risk in the longer-term incentive compensation program and to enhance executive retention. RSUs are full value awards with time-based vesting. While RSUs are dependent upon share price appreciation for increased value, they also offer downside risk protection because they continue to have value even if the share price declines from the price on the date of grant. Furthermore, the time-based vesting feature requires that a Named Executive Officer remain with the company for a period of time before the awards are vested, enhancing retention.

The following table shows the grant date fair value of the RSUs awarded to each of the Named Executive Officers (other than the chief executive officer) in 2008, 2009 and 2010:

| Name | 2008 RSUs | 2009 RSUs | 2010 RSUs |
|--------------|------------|------------|------------|
| Mr. Pemble | \$ 391,800 | \$ 304,500 | \$ 302,300 |
| Mr. Rauckman | \$ 293,850 | \$ 203,102 | \$ 201,483 |
| Mr. Etkind | \$ 293,850 | \$ 203,102 | \$ 201,483 |
| Mr. Bartel | \$ 235,080 | \$ 142,202 | \$ 141,023 |

Performance Shares

This element of the longer-term incentive compensation is designed to focus the Named Executive Officers on delivering business performance and shareholder value over the next three years. The Compensation Committee believes that these awards further align the interests of the executives with those of Garmin's shareholders. Under the award agreements for awards granted to executives in 2008, if Garmin's pro forma net income for the 2011 fiscal year exceeds Garmin's pro forma net income for its 2008 fiscal year by 30% or more, then each Named Executive Officer is eligible to earn a number of Garmin shares specified in his award agreement at the end of fiscal year 2011. As defined in the award agreements, "pro forma net income" means net income calculated using U.S. generally accepted accounting principles as represented in Garmin's annual audited consolidated financial statements included in its annual reports on Form 10-K plus annual income tax provision, plus interest expense, minus interest income, plus foreign currency loss, minus foreign currency gain, plus loss on the sale of equity securities, minus gain on the sale of equity securities, plus other expense, minus other income.

Under the award agreements for performance share awards granted to executives in 2009, if the growth in Garmin's operating income for the fiscal year 2010 through fiscal year 2012 period equals or exceeds 20%, then each of the Named Executive Officers is eligible to earn a number of Garmin shares specified in his award agreement at the end of fiscal year 2012.

For purposes of the 2009 award agreements, “operating income” means Garmin’s consolidated operating income as represented in its audited consolidated financial statements included in its annual report on Form 10-K.

The following table shows the grant date fair value of the performance shares awarded to each of the Named Executive Officers (other than the chief executive officer who did not receive any grant of performance shares) in 2008 and 2009 (no performance shares were awarded in 2010):

| Name | 2008 Performance Shares | 2009 Performance Shares |
|--------------|-------------------------|-------------------------|
| Mr. Pemble | \$ 195,900 | \$ 206,544 |
| Mr. Rauckman | \$ 117,540 | \$ 123,920 |
| Mr. Etkind | \$ 117,540 | \$ 123,920 |
| Mr. Bartel | \$ 97,950 | \$ 103,256 |

In view of Garmin’s previously announced expectation that Garmin’s operating income for the fiscal year 2011 will not exceed its operating income for the fiscal year 2010, the chief executive officer recommended, and the Compensation Committee agreed, that it would not award any performance shares to the Named Executive Officers in 2010.

Benefits; Retirement Contributions

Garmin’s Named Executive Officers participate in the same benefits and are covered by the same plans on the same terms as provided to all the salaried employees of Garmin’s principal U.S. subsidiary. As is the case with all such salaried employees, Garmin matches the executives’ contributions to Garmin’s 401(k) plan and makes an additional employer contribution to this plan. In 2010, for all employees, including the Named Executive Officers, (a) for every dollar the employee contributed to the plan up to 10% of the employee's salary, Garmin contributed 75 cents, and (b) Garmin made an additional contribution equal to 5% of the employee's salary, whether or not the employee contributed to the plan. No salary in excess of \$245,000 was taken into account for either of the foregoing contributions.

Other Considerations

Perquisites

Consistent with Garmin’s belief that executive compensation should be internally equitable among the executives and in relation to the broader Garmin employee population, Garmin does not provide any perquisites to any of its executives.

Executive Ownership; Policies Regarding Hedging

Garmin does not have formal executive stock ownership guidelines. However, Garmin executives receive a large portion of their total direct compensation in Garmin stock appreciation rights, time-based restricted stock units and performance-based performance shares. Pursuant to the Garmin Ltd. Statement of Insider Trading Policy Garmin strongly discourages the Named Executive Officers and other insiders from engaging in transactions pursuant to which they would hedge the economic risk of Garmin stock ownership. According to the Garmin Ltd. Statement of Insider Trading Policy, any Named Executive Officer or other insider who wishes to enter into such a hedging transaction must first pre-clear the proposed transaction with Garmin’s Compliance Officer. Any such request for pre-clearance of a hedging or similar arrangement must be submitted to the Compliance Officer at least two weeks prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.

Adjustment or Recovery of Awards or Payments

If the performance measures upon which compensation awards are based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment, the Compensation Committee would consider on a case-by-case basis whether to adjust such award or recover such award from the executive who received the award. Garmin does not have a formal policy that would require such an adjustment to or recovery of such an award.

Tax and Accounting Considerations

The Compensation Committee reviews projections of the estimated accounting and tax impact of all material elements of the executive compensation program. Generally, an accounting expense is accrued over the requisite service period of the particular pay element (generally equal to the performance period) and Garmin realizes a tax deduction upon the payment to/realization by the executive.

Section 162(m) of the Internal Revenue Code (the “Code”) generally provides that publicly-held corporations may not deduct in any one taxable year compensation in excess of \$1 million paid to the chief executive officer and certain other highly compensated executive officers unless such compensation qualifies as “performance-based compensation” as defined in the Code and related tax regulations. The Compensation Committee believes it has taken the steps required to exclude from the calculation of the \$1 million compensation deduction limitation any performance-based awards granted under the 2000 Equity Incentive Plan and the 2005 Equity Incentive Plan to the Named Executive Officers.

Severance Benefits

Garmin does not have executive employment agreements or executive severance agreements with any of its executives.

Change-in-Control Benefits

If an executive’s employment is terminated without cause, or the executive resigns with good reason, within twelve months following a change in control of Garmin, all of the executive’s unvested stock options and SARs would immediately become exercisable and all of the executive’s unvested RSUs and performance shares would immediately become payable. Such accelerated vesting is the only benefit that would be received by the executives upon a change in control, and such benefit would also be received by all other Garmin employees who own unvested stock options, SARs, RSUs or performance shares. This change-in-control protection is designed to provide adequate protection for executives so that they may focus their efforts on effective leadership, rather than significant compensation loss, during a time that Garmin is considering or undertaking a change in control.

Fiscal Year 2011 Executive Compensation Approach

When determining the overall compensation for the Named Executive Officers for 2011, the Compensation Committee decided to implement the same general approach and processes described above in this “Compensation Discussion and Analysis”. However, in view of Garmin’s previously announced expectation that Garmin’s operating income for the fiscal year 2011 will not exceed its operating income for the fiscal year 2010, the chief executive officer recommended, and the Compensation Committee agreed, that (1) the 2011 base salaries for the Named Executive Officers will remain the same as their 2010 base salaries, with no increases, and (2) it would not adopt a cash incentive bonus plan for the Named Executive Officers for 2011 or award them any performance shares.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table shows 2010, 2009 and 2008 compensation for the Chief Executive Officer, the Chief Financial Officer and the three highest paid executive officers other than the Chief Executive Officer and the Chief Financial Officer (collectively, the “Named Executive Officers”):

| Name & Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | | SARs/Option Awards (\$) | All Other Compensation (\$) | Total (\$) |
|--|------|-------------|------------|-------------------|------------|-------------------------|-----------------------------|------------|
| | | | | 1 | 2 | 3 | 4 | |
| Min H. Kao Chairman & Chief Executive Officer | | | | | | | | |
| | 2008 | \$ 500,011 | \$ 203 | | | | \$ 80,520 | \$ 580,734 |
| | 2009 | \$ 519,242 | \$ 203 | | | | \$ 70,007 | \$ 589,452 |
| | 2010 | \$ 500,011 | \$ 203 | | | | \$ 82,263 | \$ 582,477 |
| Clifton A. Pemble President & Chief Operation Officer | | | | | | | | |
| | 2008 | \$ 500,503 | \$ 203 | \$ 587,700 | \$ 461,500 | \$ 23,569 | \$ 1,573,475 | |
| | 2009 | \$ 519,234 | \$ 203 | \$ 511,044 | | \$ 28,263 | \$ 1,058,743 | |
| | 2010 | \$ 550,000 | \$ 203 | \$ 302,300 | | \$ 25,345 | \$ 877,848 | |
| Kevin S. Rauckman Chief Financial Officer & Treasurer | | | | | | | | |
| | 2008 | \$ 400,001 | \$ 203 | \$ 411,390 | \$ 369,200 | \$ 23,549 | \$ 1,204,343 | |
| | 2009 | \$ 430,963 | \$ 203 | \$ 327,022 | | \$ 26,828 | \$ 785,015 | |
| | 2010 | \$ 435,000 | \$ 203 | \$ 201,483 | | \$ 25,253 | \$ 661,939 | |
| Andrew R. Etkind Vice President, General Counsel & Secretary | | | | | | | | |
| | 2008 | \$ 400,002 | \$ 203 | \$ 411,390 | \$ 369,200 | \$ 28,903 | \$ 1,209,698 | |
| | 2009 | \$ 430,964 | \$ 203 | \$ 327,022 | | \$ 29,349 | \$ 787,538 | |
| | 2010 | \$ 435,000 | \$ 203 | \$ 201,483 | | \$ 29,378 | \$ 666,064 | |
| Danny J. Bartel Vice President, Worldwide Sales | | | | | | | | |
| | 2008 | \$ 350,002 | \$ 203 | \$ 333,030 | \$ 276,900 | \$ 27,251 | \$ 987,386 | |
| | 2009 | \$ 378,002 | \$ 203 | \$ 245,458 | | \$ 29,276 | \$ 652,939 | |
| | 2010 | \$ 380,000 | \$ 203 | \$ 141,023 | | \$ 29,299 | \$ 550,525 | |