

GARMIN LTD
Form DEF 14A
April 28, 2006
Table of Contents

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)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule O-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table of Contents

GARMIN LTD.

NOTICE AND PROXY STATEMENT

for

The Annual General Meeting of Shareholders

to be held

Friday, June 9, 2006

YOUR VOTE IS IMPORTANT!

Please mark, date and sign the enclosed proxy card
and promptly return it in the enclosed envelope.

**Mailing of this Notice and Proxy Statement, the accompanying Proxy Card and the 2005 Annual
Report commenced on or about May 2, 2006.**

Table of Contents

Garmin Ltd.

P.O. Box 30464 SMB

5th Floor, Harbour Place

103 South Church Street

George Town, Grand Cayman

Cayman Islands

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD JUNE 9, 2006

You are hereby notified of and cordially invited to attend the Annual General Meeting (the "Annual Meeting") of Shareholders of Garmin Ltd., a Cayman Islands company ("Garmin" or the "Company") to be held at the offices of Garmin International, Inc. located at 1200 East Street, Olathe, Kansas 66062, USA, at 10:00 a.m. Central Time, on Friday, June 9, 2006, to consider and vote upon the following matters:

1. Election of two directors; and
2. Consideration of such other matters as may properly be brought before the Annual Meeting or any adjournment thereof. Information concerning the matters to be acted upon at the Annual Meeting is contained in the accompanying Proxy Statement.

In accordance with the Company's Articles of Association, the Company's audited consolidated financial statements for the fiscal year ending December 31, 2005 will be presented at the Annual Meeting. There is no requirement under the Company's Articles of Association or Cayman Islands law that such financial statements be approved by shareholders, and no such approval will be sought at the Annual Meeting.

Shareholders of record at the close of business on April 17, 2006 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, on a poll, vote instead of him or her.

It is important that your shares be represented at the Annual Meeting. Please vote your shares regardless of whether you plan to attend the Annual Meeting. 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. You may also appoint another person (who need not be a shareholder) as your proxy to attend and vote at the Annual Meeting.

If you own shares registered in the name of a broker, you should receive a card from that broker permitting you to direct the broker to vote those shares. Please promptly complete the card and return it to the broker.

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. To provide Garmin sufficient time to arrange for reasonable assistance, please submit all such requests by June 1, 2006.

By Order of the Board of Directors

Edgar Filing: GARMIN LTD - Form DEF 14A

May 2, 2006

Andrew R. Etkind
General Counsel and Secretary

Table of Contents

Garmin Ltd.
P.O. Box 30464 SMB
5th Floor, Harbour Place
103 South Church Street
George Town, Grand Cayman
Cayman Islands
PROXY STATEMENT
TABLE OF CONTENTS

	Page
<u>Proxy Statement</u>	1
<u>Information Concerning Solicitation and Voting</u>	1
<u>Stock Ownership of Certain Beneficial Owners and Management</u>	3
<u>Proposal – Election of Two Directors</u>	5
<u>The Board of Directors</u>	6
<u>Audit Matters</u>	11
<u>Executive Compensation Matters</u>	13
<u>Shareholder Proposals</u>	20
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	21
<u>Householding of Annual Meeting Materials for Broker Customers</u>	21
<u>Other Matters</u>	21
<u>Appendix A – Audit Committee Charter</u>	A-1
<u>Appendix B – Form of Proxies</u>	B-1

Table of Contents

PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors (Board) of Garmin Ltd., a Cayman Islands 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., Central Time, on Friday, June 9, 2006, at the offices of Garmin International, Inc., 1200 East 151st Street, Olathe, Kansas 66062, 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 mailed to shareholders on or about May 2, 2006.

INFORMATION CONCERNING SOLICITATION AND VOTING

Proposals

At the Annual Meeting, the Garmin Board intends to present the election of two directors. In accordance with the Company s Articles of Association, the Company s audited consolidated financial statements for the fiscal year ending December 31, 2005 will be presented at the Annual Meeting. There is no requirement under the Company s Articles of Association or Cayman Islands law that such financial statements be approved by shareholders, and no such approval will be sought at the Annual Meeting. The Garmin Board knows of no other matters that will be presented or voted on at the Annual Meeting.

Record Date and Shares Outstanding

Shareholders of record at the close of business on April 17, 2006 (the Record Date) are entitled to notice of, and to vote at, the Annual Meeting. At the Record Date, the Company had issued and outstanding 108,358,126 common shares, par value \$0.01 per share (Common Shares).

Solicitation of Proxies

The cost of soliciting proxies will be borne by the Company. In addition to soliciting shareholders by mail and through its regular employees not specifically engaged or compensated for that purpose, the Company will request banks and brokers, and other custodians, nominees and fiduciaries to solicit their customers who have shares of the Company registered in the names of such persons and, if requested, will reimburse them for their reasonable, out-of-pocket costs. The Company 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 the proposal presented in this Proxy Statement for each share held as of the Record Date. There is no cumulative voting in the election of directors. The required 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 Common Shares issued and outstanding on the Record Date. The affirmative vote of a majority of the Common Shares represented and voting at the Annual Meeting in person or by proxy is required for the election of directors.

Table of Contents

Abstentions and Broker Non-Votes

Pursuant to Cayman Islands law, (i) Common Shares represented at the Annual Meeting whose votes are withheld on any matter, and (ii) Common 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 but are counted for quorum purposes.

How Shareholders Vote

Shareholders holding Common Shares in their own names on the Record Date (Record Holders), persons (Plan Participants) holding Common Shares on the Record Date through the Garmin International, Inc. 401(k) and Pension Plan (the 401(k) Plan) and investors (Broker Customers) holding Common Shares on the Record Date through a broker or other nominee, may vote such shares as follows:

Common Shares of Record

Record Holders may only vote their shares if they or their proxies are present at the Annual Meeting. Record Holders may appoint as their proxy the Proxy Committee, which consists of officers of the Company whose names are listed on the Proxy Card. The Proxy Committee will vote all Common Shares for which it is the proxy as specified by the shareholders on the Proxy Cards. A Record Holder desiring to name as proxy someone other than the Proxy Committee may do so by crossing out the names of the Proxy Committee members on the Proxy Card and inserting the full name of such other person. In that case, the Record Holder 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.

If a properly executed and unrevoked Proxy Card does not specify how the Common Shares represented thereby are to be voted, the Proxy Committee intends to vote such shares for the election as directors of the persons nominated by the Company's Board of Directors (Board Nominees), and in accordance with the discretion of the Proxy Committee upon such other matters as may properly come before the Annual Meeting.

Common Shares Held Under the 401(k) Plan

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

Common Shares Held Through a Broker or Other Nominee

Each broker or nominee must solicit from the Broker Customers directions on how to vote the Common Shares, and the broker or nominee must then vote such shares in accordance with such directions. Brokers or nominees are to forward soliciting materials to the Broker Customers, at the reasonable expense of the Company if the broker or nominee requests reimbursement. Most broker-dealers are members of the National Association of Securities Dealers, which generally does not allow them to vote shares held in street name unless they are permitted to do so under the rules of a national securities exchange to which they belong. Brokers who are members of the New York Stock Exchange (NYSE) may vote the shares of Broker Customers on routine matters, including the election of directors, when they have not received directions from the Broker Customers.

Table of Contents*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 the Company 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 Common Shares having evidence of such ownership, and guests of the Company. Plan Participants and Broker Customers, absent special direction to the Company 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 the Record Date, the Company had outstanding 108,358,126 Common Shares. The following table sets forth information as of the Record Date concerning the beneficial ownership of Common Shares by: (i) beneficial owners of Common Shares who have publicly filed a report acknowledging ownership of more than 5% of the number of outstanding Common Shares; (ii) the directors and certain executive officers of the Company; and (iii) all of the Company's executive officers and directors 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 the Company's knowledge the holders listed below have sole voting and dispositive power. No officer or director of the Company owns any equity securities of any subsidiary of the Company.

Name and Address	Common Shares ⁽¹⁾	Percent of Class ⁽²⁾
Gary L. Burrell ⁽³⁾		
Shareholder	15,631,785 ⁽⁴⁾	14.4%
Capital Research and Management Company ⁽⁵⁾		
Shareholder	7,441,700	6.9%
FMR Corp. ⁽⁶⁾		
Shareholder	5,817,889	5.4%
Ruey-Jeng Kao ⁽⁷⁾		
Shareholder	6,472,481	6.0%
Gene M. Betts		
Director	3,413 ⁽⁸⁾	*
Donald H. Eller, Ph.D.		
Director	1,110,852 ⁽⁹⁾	1.0%
Andrew R. Etkind		
General Counsel and Corporate Secretary	30,435 ⁽¹⁰⁾	*

Edgar Filing: GARMIN LTD - Form DEF 14A

Min H. Kao, Ph.D.

Director, Chairman and CEO	23,530,490 ⁽¹¹⁾	21.7%
Gary Kelley		
Vice President, Marketing		
Garmin International, Inc.	27,205 ⁽¹²⁾	*
Charles W. Peffer		
Director	2,402 ⁽¹³⁾	*
Clifton A. Pemble		
Director and		
Vice President, Engineering		
Garmin International, Inc.	29,307 ⁽¹⁴⁾	*
Brian J. Pokorny		
Vice President, Operations		
Garmin International, Inc.	16,627 ⁽¹⁵⁾	*
Kevin Rauckman		
Chief Financial Officer and Treasurer	27,536 ⁽¹⁶⁾	*
Thomas A. McDonnell		
Director	26,850 ⁽¹⁷⁾	*
All Executive Officers and Directors as a Group		
(10 persons)	24,805,117 ⁽¹⁸⁾	22.9%

* Less than 1% of the outstanding Common Shares

Table of Contents

- (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 at the Record Date 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 the Company 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 the Record Date and computed as described in footnote (1) above.
- (3) Mr. Burrell s address is c/o Garmin International, Inc., 1200 East 151 Street, Olathe, Kansas 66062.
- (4) The number of Common Shares reported includes 431,782 Common Shares held by Judith M. Burrell, Mr. Burrell, Mr. Burrell s wife, over which Mr. Burrell does not have any voting or dispositive power. Mr. Burrell disclaims beneficial ownership of these shares owned by his wife.
- (5) The address of Capital Research and Management Company is 333 South Hope Street, 55th Floor, Los Angeles, California 90071. The number of Common Shares is based on a Schedule 13G filed on February 10, 2006.
- (6) The address of FMR Corporation is 82 Devonshire Street, Boston, Massachusetts 02109. The number of Common Shares is based on a Schedule 13G filed on February 14, 2006.
- (7) Mr. Kao s address is c/o Fortune Land Law Offices, 8 Floor, 132, Hsinyi Road, Section 3, Taipei, Taiwan. Mr. Kao is the brother of Dr. Kao. The information is based on Amendment No. 4 filed January 17, 2006 to Schedule 13G filed February 9, 2001.
- (8) Mr. Betts beneficial ownership includes 3,413 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.

Table of Contents

- (9) Dr. Eller's beneficial ownership includes 200,000 shares subject to a variable prepaid forward agreement and 6,850 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.
- (10) Mr. Etkind's beneficial ownership includes 435 shares held in the 401(k) Plan and 24,200 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.
- (11) Dr. Kao's address is c/o Garmin International, Inc., 1200 East 15th Street, Olathe, Kansas 66062. Of the 23,530,490 Common Shares, (i) 5,704,794 Common Shares are held by the Min-Hwan Kao Revocable Trust 9/28/95, over which Dr. Kao has sole voting and dispositive power, (ii) 15,221,784 Common Shares are held by revocable trusts established by Dr. Kao's children over which Dr. Kao has shared voting and dispositive power, and (iii) 2,603,912 Common 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.
- (12) Mr. Kelley's beneficial ownership includes 20,100 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.
- (13) Mr. Peffer's beneficial ownership includes 902 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.
- (14) Mr. Pemble's beneficial ownership includes 26,900 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.
- (15) Mr. Pokorny's beneficial ownership includes 13,500 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date. The number of Common Shares reported includes 2,386 Common Shares held by a revocable trust established by Mr. Pokorny's wife, over which Mr. Pokorny does not have any voting or dispositive power. Mr. Pokorny disclaims beneficial ownership of those shares owned by the revocable trust established by his wife.
- (16) Mr. Rauckman's beneficial ownership includes 23,000 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date. The number of Common Shares reported includes 2,550 Common Shares held by a revocable trust established by Mr. Rauckman's wife, over which Mr. Rauckman does not have any voting or dispositive power. Mr. Rauckman disclaims beneficial ownership of these shares owned by the revocable trust established by his wife.
- (17) Mr. McDonnell's beneficial ownership includes 6,850 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date.
- (18) The number includes 151,713 shares that may be acquired through options that are currently exercisable or will become exercisable within 60 days of the Record Date. Individuals in the group have disclaimed beneficial ownership as to a total of 17,844,873 of the shares listed.

PROPOSAL ELECTION OF TWO DIRECTORS

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

The Company's nominees for election at this Annual Meeting are Min H. Kao and Charles W. Peffer. Dr. Kao and Mr. Peffer are being nominated as Class III directors to hold office for a three-year term expiring at the Annual General Meeting in 2009.

Dr. Kao and Mr. Peffer are currently directors of the Company. Dr. Kao was elected as a director at the Company's Annual General Meeting in 2003 for a term expiring on the date of this Annual Meeting. Mr. Peffer was elected as a director at the Company's Annual General Meeting in 2005 for a term expiring on the date of this Annual Meeting. Dr. Kao and Mr. Peffer 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, the Proxy Committee will vote for such other nominee as may be proposed by the Company's Board of Directors.

Table of Contents

Min H. Kao, age 57, has served as Chairman of the Company since August 2004 and was previously Co-Chairman of the Company from August 2000 to August 2004. He has served as Chief Executive Officer of the Company 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 the Company 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.

Charles W. Peffer, age 58, has been a director of the Company since August 2004. Mr. Peffer 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. Peffer is a director of the Commerce Funds, a family of eleven mutual funds.

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 Election of Two Directors, the following individuals are also on the Company'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 2007

Gene M. Betts, age 53, has been a director of the Company since March 2001. Mr. Betts currently serves as Senior Vice President Finance at Sprint Nextel Corporation's local telecommunication division, a position he has held since August 2005. He is designated as the Chief Financial Officer of Embarq Corporation, which is expected to separate from Sprint Nextel in the second quarter of 2006. He 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.

Thomas A. McDonnell, age 60, has been a director of the Company since March 2001. Mr. McDonnell has been President of DST Systems, Inc. (DST) since January 1973 (except for a 30-month period from October 1984 to April 1987), Chief Executive Officer of DST since 1984 and a director of DST since 1971. He is also a director of Blue Valley Ban Corp., Commerce Bancshares, Inc., Euronet Worldwide, Inc. and Kansas City Southern.

Table of Contents

Directors Serving Until the Annual General Meeting in 2008

Donald H. Eller, age 63, has been a director of the Company 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.

Clifton A. Pemble, age 40, has served as a director of the Company since August 2004. He has served as a director and officer of various subsidiaries of the Company since August 2003. He has been Vice President, Engineering of Garmin International, Inc. since 2005. Previously, he was Director of Engineering of Garmin International, Inc. from 2003 to 2005 and 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 the Company. Mr. Pemble holds BA degrees in Mathematics and Computer Science from MidAmerica Nazarene University.

Director Independence

The Board of Directors has determined that Messrs. Betts, Eller, Peffer and McDonnell, who constitute a majority of the Board, are independent directors as defined in the listing standards for the Nasdaq National Market.

Board of Directors Meetings and Standing Committee Meetings

Meetings

The Board of Directors held seven meetings and took action by unanimous written consent three times during the fiscal year ended December 31, 2005. Five executive sessions of the independent directors were held in 2005. The Board of Directors has established three standing committees: the Audit Committee, the Compensation Committee and the Nominating Committee. During the 2005 fiscal year, the Audit Committee held seven meetings, the Compensation Committee held three meetings and the Nominating Committee held two meetings. No director attended fewer than 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 the Company's policy to encourage directors to attend the Company's Annual Meeting. All of the directors of the Company attended the 2005 Annual General Meeting.

Table of Contents

Audit Committee

Messrs. Peffer (Chairman), Betts and McDonnell 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 attached as Appendix A to this Proxy Statement. The functions of the Audit Committee include overseeing the Company's financial reporting processes on behalf of the Board, and appointing, and approving the fee arrangement with, the Company's independent registered public accounting firm. The Board of Directors has determined that Mr. Betts, Mr. Peffer and Mr. McDonnell 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 National Market).

Compensation Committee

Messrs. Betts (Chairman), Eller, Peffer and McDonnell serve as the members of the Compensation Committee. The primary responsibilities of the Compensation Committee are to make determinations with respect to compensation arrangements for the Company's executive officers and to administer the Company's benefit plans, including the Company's 2000 Equity Incentive Plan, the Company's 2005 Equity Incentive Plan and the Company's Employee Stock Purchase Plan. 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 National Market).

Nominating Committee

Messrs. Betts, Eller (Chairman), Peffer and McDonnell 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 was attached as Appendix A to the Company's Proxy Statement for the 2005 Annual General Meeting. The primary responsibilities of the Nominating Committee are to make recommendations to the Board concerning all nominees for Board membership, to recruit candidates for new directors as necessary to fill vacancies, to evaluate the qualifications and performance of incumbent directors and to establish and periodically re-evaluate criteria for Board membership. 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 National Market).

In selecting candidates for nomination at the annual meeting of the Company'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 the Company'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 Committee, absent special circumstances, to nominate qualified incumbent directors who continue to satisfy the Committee's criteria for membership on the Board, whom the 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 Committee will not be re-nominating 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 the Company's outstanding Common Shares.

Table of Contents

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 the Company's outstanding shares may recommend director candidates for consideration by the Nominating Committee by writing to the Company Secretary, by facsimile at (345) 945-2197 or by mail at Garmin Ltd., 5th Floor, Harbour Place, P.O. Box 30464 SMB, 103 South Church Street, Grand Cayman, Cayman Islands. Any such recommendation must be delivered to the Company Secretary not less than 180 days prior to the annual general meeting at which the candidate is proposed for consideration as a nominee. 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 the Company's outstanding shares (based on the number of outstanding shares reported on the cover page of the Company's most recently filed Annual Report on Form 10-K) and a statement of the number of the Company's 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 the Company if nominated and elected. A shareholder may not recommend him or herself as a director candidate.

The Nominating Committee requires that a majority of the Company's directors be independent and that any independent director candidate meet the definition of an independent director under the listing standards of the Nasdaq National Market. The Nominating Committee also requires that at least one independent director qualifies 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 Company'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 Committee's requirements for independent director candidates, if applicable. The 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. Additionally, in recommending an incumbent director for re-election, the Nominating Committee considers the nominee's prior service to the Company's Board and continued commitment to service on the Board.

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 the Company by writing to the Board or such individual director in care of the Company Secretary, by facsimile at (345) 945-2197 or by mail at Garmin Ltd., 5th Floor, Harbour Place, P.O. Box 30464 SMB, 103 South Church Street, Grand Cayman, Cayman Islands. 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 communication 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 the Company or any of its subsidiaries. During 2005, the Company had no compensation committee interlocks of the type required to be disclosed by the rules of the SEC.

Table of Contents

Gene M. Betts, a director of Garmin, is Senior Vice President Finance of Sprint Nextel Corporation's local telecommunications division. Garmin International, Inc. made payments to Sprint Nextel Corporation in 2005 for cellular telephone services. These payments did not exceed 5% of either Garmin's consolidated gross revenues for the 2005 fiscal year or Sprint Corporation's consolidated gross revenues for its last full fiscal year.

Compensation of Directors

Directors who are officers or employees of Garmin or its subsidiaries do not receive any fees or other compensation for service on the Board or its committees. Except as set forth below, no fees were paid during 2005 to any director or Named Executive Officer (as defined herein) of Garmin for service on any board of directors of any subsidiary of Garmin.

Each director who is not an officer or employee of Garmin or its subsidiaries (a Non-Management Director) is paid an annual retainer of \$15,000. Each Non-Management Director who chairs a standing committee of the Board also receives an annual retainer of \$1,500. In addition, each Non-Management Director is paid \$1,000 for each Board meeting attended in person and \$350 for attending each Board meeting convened by teleconference. For each Audit Committee meeting attended in person or convened by teleconference, each Non-Management Director is paid \$1,000. For each Compensation Committee or Nominating Committee meeting convened on a separate day from a Board meeting, each Non-Management Director is paid \$1,000 for each committee meeting attended in person and \$350 for attending each committee 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 Garmin Common Shares, pursuant to the 2000 Non-Employee Directors' Option Plan, as determined by the 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 Common Shares equal to four times his or her 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 Meeting, he or she will receive a pro-rata grant for that year. The per-share option price will be 100% of the fair market value of a share on the grant date. The option will vest in equal installments over three years, subject to acceleration in the event the Non-Management Director terminates his or her directorship on account of death, disability or an involuntary termination within one year after a change of control of Garmin. These options will have a term of 10 years, subject to earlier termination on certain terminations of the director's service on the Board.

In 2005 each Non-Management Director received an automatic grant of options to purchase 1,375 of the Company's Common Shares.

Under Taiwan banking practice, the chairman of a company is generally required to personally guarantee the company's loans and mortgages. During 2005, Dr. Kao, as chairman of Garmin Corporation, a Taiwan subsidiary of the Company, received compensation from Garmin Corporation in the amount of \$52,094 for his personal guarantee of Garmin Corporation's obligations.

Table of Contents

AUDIT MATTERS

Report of Audit Committee

The Audit Committee reviewed and discussed the Company's audited consolidated financial statements for the fiscal year ended December 31, 2005 with management and with Ernst & Young LLP, the independent registered public accounting firm retained by the Company 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 the Company'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 2005 fiscal year the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended, and other standards of the Public Company Accounting Oversight Board, rules of the Securities and Exchange Commission and other applicable regulations.

The Audit Committee received from Ernst & Young LLP the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with Ernst & Young LLP the independence of their firm.

Based upon the review and discussions referenced above, the Audit Committee recommended to the Company's Board of Directors, and the Board of Directors approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, for filing with the Securities and Exchange Commission.

Audit Committee

Charles W. Peffer, Chairman

Gene M. Betts

Thomas A. McDonnell

Table of Contents**Independent Registered Public Accounting Firm Fees**

The following table sets forth the aggregate fees billed to Garmin for the fiscal year ended December 31, 2005 and the fiscal year ended December 25, 2004 by Garmin's independent registered public accounting firm, Ernst & Young LLP:

	2005	2004
Audit Fees	\$ 1,132,087	\$ 832,438
Audit Related Fees	\$ 69,950(a)(b)	\$ 306,909(a)(b)
Tax Fees	\$ 122,966(b)(c)	\$ 450,022(b)(c)
All Other Fees	\$	\$
Total:	\$ 1,325,003	\$ 1,589,369

- (a) Audit related fees for 2005 and 2004 comprise primarily fees for financial statement audits of employee benefit plans, internal controls review, transaction due diligence, audit publications and preparation for audit committee meetings.
- (b) The Audit Committee has concluded that the provision of these services is compatible with maintaining the independence of Ernst & Young LLP.
- (c) Tax fees for 2005 comprise \$113,668 for tax compliance/preparation and \$9,298 for tax planning and tax advice. Tax fees for 2004 comprise \$397,362 for tax compliance/preparation and \$52,660 for tax planning and tax advice.

The Audit Committee has appointed Ernst & Young LLP to serve as independent registered public accounting firm to audit the Company's financial statements for the fiscal year ending December 30, 2006. Representatives of Ernst & Young LLP 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.

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 LLP. The policy provides for pre-approval by the Audit Committee annually of specifically defined audit and non-audit 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 LLP is engaged to perform it. The Audit Committee has delegated to the Committee Chairman authority to approve permitted services provided that the Chairman reports any such approval decisions to the Committee at its next meeting.

Table of Contents

EXECUTIVE COMPENSATION MATTERS

Compensation Committee Report on Executive Compensation

Compensation Principles

The Compensation Committee's executive compensation philosophy is based on the belief that fair, reasonable and competitive compensation is essential to attract, motivate and retain highly qualified and industrious executives. In executing its compensation policy, the Compensation Committee seeks to relate compensation with the Company's financial performance and business objectives and reward high levels of individual performance while adhering to the philosophy established by the Company's founders which is to foster a team environment where executive compensation is fair and equitable but not disproportionate relative to that of other employees.

Executive Compensation Program

The compensation of the Company's executive officers consists of three principal elements: base salary, cash bonus and awards under the Company's 2000 Equity Incentive Plan or the Company's 2005 Equity Incentive Plan. In determining the annual base salaries for the Company's executives for 2005, the Compensation Committee reviewed the contribution of each executive along with that of the Company's non-executive key employees. In determining the annual base salaries, cash bonuses and stock option awards for executives other than Dr. Kao, the Compensation Committee considered the recommendations of Dr. Kao and each executive's position, skills, responsibilities, achievements and tenure with the Company.

Discretionary cash bonuses are awarded based on growth in total Company revenues and net earnings and other factors such as new product introductions and innovations and the contribution of the executive to such achievements and the assumption of new management responsibilities. Cash bonuses to executives for 2005 were in the range of 9% to 14% of base salary.

Executive officer compensation also includes long-term incentives afforded by grants of options to purchase shares of the Company's Common Shares or grants of stock appreciation rights pursuant to the Company's 2000 Equity Incentive Plan or the Company's 2005 Equity Incentive Plan. The purposes of the 2000 Equity Incentive Plan and the 2005 Equity Incentive Plan are to strengthen key employees' commitment to the success of the Company, to stimulate employee efforts on behalf of the Company, and to help the Company attract new employees with skills which are in high demand and retain existing key employees. Although the 2000 Equity Incentive Plan and the 2005 Equity Incentive Plan also permit the award of restricted shares, bonus shares, deferred shares, performance units and performance shares, no such awards have been made under such plans. Awards of stock options or stock appreciation rights during the year under the Company's 2000 or 2005 Equity Incentive Plan are made at the grant date fair market value of the Company's Common Shares as quoted on the Nasdaq National Market. Making the awards at the grant date fair market value ensures that the options or stock appreciation rights only become valuable upon the continued appreciation of the Company's share price. Messrs. Etkind, Kelley, Pemble, Pokorny and Rauckman received grants of stock appreciation rights in 2005 based upon their contribution to the Company's long-term growth and profitability. Stock appreciation rights grants to executive officers in 2005 ranged from 7,750 shares to 13,500 shares. The total number of stock appreciation rights granted to executive officers in 2005 represented 6.6% of the total number of stock appreciation rights granted to employees.

Chief Executive Officer's Compensation

A base salary of \$250,001 for Dr. Kao was determined in the same manner as the salaries of the Company's other executive officers. No stock options, stock appreciation rights or cash bonus were awarded to Dr. Kao since he has a significant ownership interest in the Company and, therefore, already has a motivation to maximize shareholder value.

Deductibility of Compensation

Section 162(m) of the Internal Revenue Code limits a public company's deduction for federal income tax purposes of compensation expense in excess of \$1 million paid to the executive officers named in the company's summary compensation table. Performance-based compensation which meets the requirements of Section 162(m) is excluded from the compensation subject to the \$1 million

Table of Contents

deduction limitation. The Company believes it has taken the steps required to exclude from calculation of the \$1 million compensation expense limitation any performance-based awards granted under the 2000 Equity Incentive Plan and the 2005 Equity Incentive Plan to the executive officers listed in the Summary Compensation Table of this Proxy Statement.

Compensation Committee

Gene M. Betts (Chairman)

Donald H. Eller

Thomas A. McDonnell

Charles W. Peffer

Stock Performance Graph

The following graph illustrates the cumulative total shareholder return (rounded to the nearest whole dollar) of Garmin Common Shares during the period beginning December 31, 2000 through December 31, 2005, and compares it to the cumulative total return on the Nasdaq Composite Total Return Index (U.S.) and the Nasdaq 100 Index. Garmin is one of the constituent companies of the Nasdaq 100 Index. The comparison assumes a \$100 investment on December 31, 2000, in Garmin Common Shares and in each of the foregoing indices and assumes reinvestment of dividends.

Table of Contents

	Cumulative Total Return					
	12/00	12/01	12/02	12/03	12/04	12/05
GARMIN LTD.	100.00	107.95	148.35	278.31	313.47	344.93
NASDAQ STOCK MARKET (U.S.)	100.00	79.53	56.34	83.81	91.33	93.30
NASDAQ 100 INDEX	100.00	74.69	44.98	68.34	78.62	84.57

Summary Compensation Table

The following table sets forth information about the compensation earned in the fiscal years ended December 31, 2005, December 25, 2004, and December 27, 2003 by the Chief Executive Officer and our other executive officers (collectively, the "Named Executive Officers").

Name and Principal Position	Year	Annual Compensation(1)			Long-Term Compensation Awards Securities Underlying Options/SARs (#)	All Other Compensation (\$)
		Salary (\$)	Bonus \$(2)	Other Annual Compensation (\$)		
Min H. Kao, Ph.D. Chairman and CEO	2005	250,001	203	53,094(3)		25,686(4)
	2004	230,001	2,391	50,511		23,912(5)
	2003	214,835	203	48,516		22,122
Clifton A. Pemble Vice President of Engineering	2005	220,001	30,203	1,375(6)	13,500	22,686(7)
	2004	200,001	22,391	3,000	12,000	21,662(8)
	2003	175,000	20,203	1,500	10,000	20,424
Andrew R. Etkind General Counsel and Secretary	2005	220,001	32,203(9)		11,000	25,686(10)
	2004	207,001	20,203		10,000	21,662(11)
	2003	190,000	20,305		8,500	20,622
Kevin S. Rauckman Chief Financial Officer and Treasurer	2005	195,001	20,203		11,000	22,686(12)
	2004	171,000	15,311		10,000	20,541
	2003	154,000	15,203		7,500	18,774
Brian J. Pokorny Vice President of Operations	2005	190,000	32,870(13)		11,000	22,686(14)
	2004	165,000	15,203		10,000	20,174
	2003	155,250	15,203		7,500	18,849
Gary V. Kelley Vice President of Marketing	2005	170,000	15,203		7,750	21,198(15)
	2004	161,701	10,203		7,500	19,676
	2003	154,000	10,203		6,500	18,474

- (1) All compensation paid to the Named Executive Officers was paid by Garmin International, Inc. to such Named Executive Officers in their capacities as officers and employees of Garmin International, Inc., except that the Other Annual Compensation amounts for Dr. Kao includes compensation from Garmin Corporation in the following amounts: 2005 \$52,094; 2004 \$50,011; and 2003 \$48,516. Under Taiwan banking practice, the chairman of a company is generally required to personally guarantee the company's loans and mortgages. These amounts from Garmin Corporation were paid as compensation for the personal guarantees of Garmin Corporation's obligations by Dr. Kao.

Table of Contents

- (2) Includes a holiday bonus paid to all employees in a fixed net amount of \$200. This holiday bonus is grossed up to cover taxes (including Social Security and Medicare taxes) on the bonus.
- (3) Includes \$1,000 in incentive payments for inventions by Dr. Kao for which patent applications were filed.
- (4) All Other Compensation for Dr. Kao comprises a contribution to his account under Garmin International, Inc. s 401(k) plan of \$13,500, a contribution to his account under Garmin International, Inc. s pension plan of \$12,060, and premiums on life insurance of \$126.
- (5) An error was discovered in the 2004 All Other Compensation figure previously reported for Dr. Kao. The correct figure for 2004 All Other Compensation is \$23,912, not the \$23,612 figure previously reported.
- (6) Comprises incentive payments for inventions by Mr. Pemble for which patent applications were filed.
- (7) All Other Compensation for Mr. Pemble comprises a contribution to his account under Garmin International, Inc. s 401(k) plan of \$10,500, a contribution to his account under Garmin International, Inc. s pension plan of \$12,060, and premiums on life insurance of \$126.
- (8) An error was discovered in the 2004 All Other Compensation figure previously reported for Mr. Pemble. The correct figure for 2004 All Other Compensation is \$21,662, not the \$21,362 figure previously reported.
- (9) Includes a bonus payment of \$2,000 under Garmin s referral program for referring certain new employees
- (10) All Other Compensation for Mr. Etkind comprises a contribution to his account under Garmin International, Inc. s 401(k) plan of \$13,500, a contribution to his account under Garmin International, Inc. s pension plan of \$12,060, and premiums on life insurance of \$126.
- (11) An error was discovered in the 2004 All Other Compensation figure previously reported for Mr. Etkind. The correct figure for 2004 All Other Compensation is \$21,662, not the \$21,362 figure previously reported.
- (12) All Other Compensation for Mr. Rauckman comprises a contribution to his account under Garmin International, Inc. s 401(k) plan of \$10,500, a contribution to his account under Garmin International, Inc. s pension plan of \$12,060, and premiums on life insurance of \$126.
- (13) Includes a bonus payment payable to an employee upon completion of 10 years of service.
- (14) All Other Compensation for Mr. Pokorny comprises a contribution to his account under Garmin International, Inc. s 401(k) plan of \$10,500, a contribution to his account under Garmin International, Inc. s pension plan of \$12,060, and premiums on life insurance of \$126.
- (15) All Other Compensation for Mr. Kelley comprises a contribution to his account under Garmin International, Inc. s 401(k) plan of \$10,500, a contribution to his account under Garmin International, Inc. s pension plan of \$10,572.19, and premiums on life insurance of \$126.

Table of Contents**Option/SAR Grants in Last Fiscal Year**

The following table sets forth information about the stock appreciation rights (SARs) granted to the Named Executive Officers during 2005. No options to acquire Garmin Common Shares were granted to the Named Executive Officers during 2005.

Name	Number of Securities Underlying SARs Granted	SARs Granted to Employees in Fiscal Year(3)	Exercise or Base Price (\$/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Share Price Appreciation for SAR Term(4)	
					5% (\$)	10% (\$)
Min H. Kao	N/A	N/A	N/A	N/A	N/A	N/A
Clifton A. Pemble	(a) 6,000 (1) (b) 7,500 (2)	1.6% 1.7%	43.17 61.32	6/23/15 12/16/15	162,896 289,229	412,811 732,962
Andrew R. Etkind	(a) 5,000 (1) (b) 6,000 (2)	1.3% 1.4%	43.17 61.32	6/23/15 12/16/15	135,747 231,383	344,009 586,370
Kevin S. Rauckman	(a) 5,000 (1) (b) 6,000 (2)	1.3% 1.4%	43.17 61.32	6/23/15 12/16/15	135,747 231,383	344,009 586,370
Brian J. Pokorny	(a) 5,000 (1) (b) 6,000 (2)	1.3% 1.4%	43.17 61.32	6/23/15 12/16/15	135,747 231,838	344,009 586,370
Gary V. Kelley	(a) 3,750 (1) (b) 4,000 (2)	1.0% 0.9%	43.17 61.32	6/23/15 12/16/15	101,810 154,255	258,007 390,913

- (1) The SARs were granted on June 23, 2005. The SARs granted to Messrs. Etkind, Kelley, Pokorny and Rauckman were granted under Garmin's 2000 Equity Incentive Plan. The SARs granted to Mr. Pemble were granted under Garmin's 2005 Equity Incentive Plan. The SARs become exercisable in equal increments over five years, subject to accelerated vesting in the case of certain events occurring within one year after a change of control of Garmin.
- (2) The SARs were granted on December 19, 2005 under Garmin's 2005 Equity Incentive Plan. The SARs become exercisable in equal increments over five years, subject to accelerated vesting in the case of certain events occurring within one year after a change of control of Garmin.
- (3) SARs for a total of 375,725 Garmin Common Shares were granted to eligible employees on June 23, 2005. SARs for a total of 441,100 Garmin Common Shares were granted to eligible employees on December 19, 2005.
- (4) The 5% and 10% assumed annual rates of compounded stock price appreciation are permitted by rules of the SEC and do not represent Garmin's estimate or projection of future prices of its Common Shares. The actual value realized may be greater or less than the potential realizable values set forth in the table.

Table of Contents**Aggregated Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Values**

The following table gives aggregated information about the Named Executive Officers' exercises during 2005 of options to purchase Garmin Common Shares and shows the number and value of their exercisable and unexercisable options and stock appreciation rights at December 31, 2005 fiscal year end.

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs At December 31, 2005 (#)		Value of Unexercised In-the-Money Options/SARs At December 31, 2005 (\$)(1)
			Exercisable/ Unexercisable	Exercisable/ Unexercisable	
Min H. Kao	N/A	N/A	N/A	N/A	N/A
Clifton A. Pemble	N/A	N/A	46,900 / 34,600	\$2,105,828 / \$714,417	
Andrew R. Etkind	N/A	N/A	26,200 / 28,800	\$1,066,345 / \$601,655	
Kevin S. Rauckman	3,000	\$147,300	23,000 / 27,500	\$932,615 / \$566,265	
Brian J. Pokorny	500	\$26,150	27,000 / 27,500	\$1,142,015 / \$566,265	
Gary V. Kelley	N/A	N/A	20,100 / 21,650	\$816,706 / \$466,944	

- (1) The dollar values in this column are calculated by multiplying (a) the difference between the fair market value of the shares of Garmin Common Shares underlying the options and/or SARs on December 30, 2005 (the last trading day of the fiscal year) and the exercise price of the options and/or SARs by (b) the number of options held at year-end.

Employment Agreements

Garmin does not have employment agreements with any of the Named Executive Officers.

Other Compensatory Plans

Garmin and its subsidiaries maintain compensation plans for certain of their officers and employees. Certain of those plans have vesting provisions under which the plan participants do not have the right to receive all of the plan benefits allocated to their accounts until certain conditions have been satisfied. Described below are the portions of those plans in which the accounts of the officers named in the Summary Compensation Table become vested as a result of their retirement from or termination of employment with the Company or a change in control of the Company.

Table of Contents*Garmin International, Inc. 401(k) and Pension Plan*

Effective January 1, 1990, Garmin International, Inc. established a retirement plan called a money purchase pension plan (the Pension Plan). Effective as of July 1, 2002, the Pension Plan was frozen and merged into a 401(k) plan. The Named Executive Officers, as employees of Garmin International, Inc., were covered by the Pension Plan prior to its merger into the 401(k) plan.

Garmin International, Inc. sponsors a retirement plan which is sometimes called a 401(k) plan (the 401(k) Plan) because of the section of the Internal Revenue Code which authorizes this type of plan. As noted above, the Pension Plan was merged into the 401(k) Plan effective July 1, 2002. Every employee of Garmin International, Inc. is eligible to participate in the 401(k) Plan as of the first January 1 or July 1 after he or she reaches age 21 and completes three months of service. Participants can elect to make pre-tax contributions to the 401(k) Plan from their eligible compensation, up to the limits imposed by law. Participants are fully vested in their pre-tax contributions and earnings on those contributions. In addition, Garmin International, Inc. makes a matching contribution for each participant equal to 75% of his or her pre-tax contributions up to 10% of the participant's eligible compensation. Garmin International, Inc. may also make a profit sharing contribution. Garmin International, Inc. has total discretion on whether to make any profit sharing contributions to the 401(k) Plan, and on the amount of such contribution, if any. If Garmin International, Inc. makes a profit sharing contribution to the 401(k) Plan, the maximum amount which each participant is entitled to receive is an amount equal to 3% of the participant's eligible compensation plus an amount equal to 3% multiplied by the amount by which the participant's eligible compensation exceeds 20% of the Taxable Wage Base. The Taxable Wage Base is defined as the maximum amount of compensation subject to social security tax on the first day of the current plan year. Participants become vested in their matching contributions, and earnings on those contributions, gradually over five years, and in their profit sharing contributions, and earnings on those contributions, gradually over seven years. Participants become fully vested automatically if they reach age 65, die or become disabled while they are still working for Garmin International, Inc. Participants are allowed to direct the investment of their accounts in a menu of authorized investment alternatives. Participants may direct the investment of their accounts up to 100% in Garmin Common Shares. Accounts are distributable when the participant terminates employment, retires, dies, becomes disabled, reaches age 59 1/2 or suffers a financial hardship. Participants may also be permitted to request a loan from their 401(k) Plan accounts. The 401(k) Plan is intended to be a tax-qualified plan under the Internal Revenue Code which means that participants are generally not taxed on contributions to the 401(k) Plan or earnings on those contributions until they are withdrawn from the 401(k) Plan, and that contributions by Garmin International, Inc. are tax deductible when made. The Named Executive Officers, as employees of Garmin International, Inc., are covered by this plan.

Equity Incentive Plans

Garmin's 2000 Equity Incentive Plan, which was approved by Garmin's shareholders on October 24, 2000, and Garmin's 2005 Equity Incentive Plan, which was approved by Garmin's shareholders on June 3, 2005 provide for grants of non-qualified stock options and incentive stock options. The 2000 and 2005 Equity Incentive Plans also provide for grants of restricted shares, bonus shares, deferred shares, stock appreciation rights, performance units and performance shares. Employees of Garmin or any majority owned subsidiary are eligible for awards. The Compensation Committee selects the grantees and determines the terms of the awards granted. Generally, 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 2000 and 2005 Equity Incentive Plans provide that, if, within the one-year period beginning on the date of a Change of Control (as defined in the respective Plans) an employee separates from service with the Company or a majority owned subsidiary other than due to the Company terminating the employee's employment for cause or the employee resigning because of a diminution in compensation or status or a required move of over 50 miles, then, all stock options and stock appreciation rights will become fully vested and immediately exercisable, the restrictions applicable to outstanding restricted stock, deferred shares, and other stock-based awards will lapse, and, unless otherwise determined by the Board or Compensation Committee, all deferred shares will be settled, and outstanding performance awards will be vested and paid out on a prorated basis, based on the maximum award opportunity of such awards and the number of months elapsed compared with the total number of months in the performance cycle.

Table of Contents**Equity Compensation Plan Information**

The following table gives information as of December 31, 2005 about the Common Shares that may be issued under all of the Company's existing equity compensation plans.

	A	B	C
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by shareholders (1)	3,174,696	\$ 38.57	5,215,048
Equity compensation plans not approved by shareholders			
Total	3,174,696	\$ 38.57	5,215,048

- (1) Consists of the Garmin Ltd. 2000 Equity Incentive Plan, the Garmin Ltd. 2005 Equity Incentive Plan, the Garmin Ltd. 2000 Non-Employee Directors' Option Plan and the Garmin Ltd. Employee Stock Purchase Plan.

SHAREHOLDER PROPOSALS

To be properly brought before the Annual Meeting, a proposal must be either (i) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder.

If a holder of Garmin Common Shares wishes to present a proposal for inclusion in Garmin's Proxy Statement for next year's annual general meeting of shareholders, such proposal must be received by Garmin on or before December 31, 2006. Such proposal must be made in accordance with Rule 14a-8 promulgated by the SEC and the interpretations thereof. Any such proposal should be sent to the Secretary of Garmin, P.O. Box 30464 SMB, 5th Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, Cayman Islands.

In order for a shareholder proposal that is not included in Garmin's Proxy Statement for next year's annual meeting of shareholders to be properly brought before the meeting, such proposal must be delivered to the Secretary and received at Garmin's executive offices no later than March 16, 2007 and such proposal must also comply with the procedures outlined in this Proxy Statement under the heading "Nominating Committee." The determination that any such proposal has been properly brought before such meeting is made by the officer presiding over such meeting.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Garmin's directors, executive officers and certain other officers, and persons, legal or natural, who own more than 10 percent of Garmin's Common Shares (collectively "Reporting Persons"), to file reports of their ownership of such shares, and the changes therein, with the SEC, and Garmin (the "Section 16 Reports"). Based solely on a review of the Section 16 reports for 2005 and any amendments thereto furnished to Garmin, all Section 16 Reports for fiscal year 2005 were timely filed by the Reporting Persons.

HOUSEHOLDING OF ANNUAL MEETING MATERIALS FOR BROKER CUSTOMERS

Pursuant to the rules of the SEC, services that deliver Garmin's communications to shareholders that hold their shares through a bank, broker or other nominee holder of record may deliver to multiple shareholders sharing the same address a single copy of Garmin's Annual Report and Proxy Statement. Garmin will promptly deliver upon written or oral request a separate copy of the Annual Report and/or Proxy Statement to any shareholder at a shared address to which a single copy of the documents was delivered. Written requests should be made to Garmin Ltd., c/o Garmin International, Inc., 1200 East 151st Street, Olathe, Kansas 66062, Attention: Debbie Pollard, and oral requests may be made by calling Debbie Pollard at (913) 397-8200. Any shareholder who wants to receive separate copies of the Proxy Statement or Annual Report in the future, or any shareholder who is receiving multiple copies and would like to receive only one copy per household, should contact the shareholder's bank, broker or other nominee holder of record.

OTHER MATTERS

The Board of Directors knows of no matters that are expected to be presented for consideration at the Annual Meeting other than the election of directors. However, if other matters properly come before the meeting, it is intended that persons named in the accompanying proxy will vote on them in accordance with their best judgment.

Garmin will furnish without charge upon written request a copy of Garmin's Annual Report on Form 10-K. The Annual Report on Form 10-K includes a list of all exhibits thereto. Garmin will furnish copies of such exhibits upon written request therefor and payment of Garmin's reasonable expenses in furnishing such exhibits. Each such request must set forth a good faith representation that, as of the Record Date, the person making such request was a beneficial owner of Common Shares entitled to vote at the Annual Meeting. Such written request should be directed to the Secretary of Garmin, c/o Garmin International, Inc., 1200 East 151st Street, Olathe, Kansas 66062. The Annual Report on Form 10-K is available at www.garmin.com and is also available through the SEC's Internet site at www.sec.gov.

By Order of the Board of Directors

May 2, 2006

Andrew R. Etkind
General Counsel and Secretary

Table of Contents

APPENDIX A

GARMIN LTD.

AUDIT COMMITTEE CHARTER

(Amended and Restated as of December 5, 2005)

PURPOSE

The primary purpose of the Audit Committee is to oversee the Company's accounting and financial reporting processes on behalf of the Board and the audits of the financial statements of the Company. The Audit Committee is appointed by the Board of Directors (the Board) of Garmin Ltd. (the Company) to assist the Board in overseeing and monitoring (a) the accounting and financial reporting processes of the Company and the audits by the independent auditor of the financial statements of the Company; (b) the integrity of the Company's financial reporting process, disclosure control and procedures and internal controls over financial reporting; (c) the independence and performance of the Company's independent auditor; and (d) the Company's compliance with legal and regulatory requirements. While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements (i) are complete and accurate, (ii) are prepared in accordance with generally accepted accounting principles (GAAP), and (iii) fairly present the Company's financial condition, results of operations and cash flow. These duties are the responsibility of management and the independent auditor. Further, management is responsible for implementing adequate internal accounting and disclosure controls and procedures and for preparing the Company's financial statements. The independent auditor is responsible for auditing the Company's annual financial statements, for reviewing the Company's unaudited interim financial statements, and annually auditing management's assessment of the effectiveness of internal controls over financial reporting.

AUTHORITY

The Audit Committee shall have the authority to conduct or authorize investigations into matters within the Committee's scope of duties and responsibilities. In conducting any such investigation, the Audit Committee shall have unrestricted access to management and other employees as may be necessary or appropriate and to all books, records and facilities of the Company. The Audit Committee shall have the power and authority to retain independent counsel, independent auditors and other advisers to assist it in the conduct of its duties, as it deems necessary or appropriate, without seeking approval of the Board of Directors or management. The Company shall provide appropriate funding, as determined by the Audit Committee, for (a) such advisers retained by the Committee, (b) compensation of the independent auditors, and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate to carry out its duties. Any communications between the Audit Committee and in-house or outside legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Audit Committee will take all necessary steps to preserve the privileged nature of those communications.

Table of Contents

ORGANIZATION

The Audit Committee shall be comprised of three members of the Board. The members of the Audit Committee shall meet the independence and experience requirements of the rules of the Nasdaq Stock Market and applicable laws and regulations. Committee members shall be designated by the full Board of Directors, in a manner consistent with the listing standards of the Nasdaq Stock Market and applicable laws and regulations. At least one member of the Audit Committee shall, in the judgment of the Board of Directors, be an audit committee financial expert in accordance with the rules and regulations of the Securities and Exchange Commission. One member of the Audit Committee shall be appointed as Chairman.

The Chairman of the Audit Committee shall be responsible for scheduling and presiding over meetings, preparing agendas and making regular reports to the Board. Members of senior management, the independent auditor or others may attend meetings of the Audit Committee at the invitation of the Audit Committee and shall provide pertinent information as necessary.

The Chairman of the Audit Committee shall set the agenda of each meeting and arrange for the distribution of the agenda, together with supporting material, to the Audit Committee members prior to each meeting.

At each meeting, either the Company Secretary or one Audit Committee member selected by the Chairman of the Audit Committee shall act as secretary and prepare minutes of the meeting. After approval by the Audit Committee Chairman, such minutes shall be distributed to all members of the Board of Directors.

The Audit Committee shall meet at least once each fiscal quarter, or more frequently if circumstances dictate, to discuss with management and/or the independent accountants the annual audited financial statements and quarterly financial statements, as applicable, and such other topics contemplated by this Charter as may be appropriate.

APPOINTMENT; REMOVAL; RESIGNATION

Members of the Audit Committee shall be appointed by the Board and shall generally serve until their failure to qualify, resignation, or retirement, their removal by the Board or until their successors shall be duly appointed and qualified. No member of the Audit Committee shall be removed except by a majority vote of the independent directors or upon such member ceasing to be a director of the Company.

DUTIES AND RESPONSIBILITIES

The following shall be the principal recurring processes of the Audit Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Audit Committee may supplement them as appropriate.

General Responsibilities

The Audit Committee shall:

Make regular reports to the Board with such recommendations, as the Committee may deem appropriate. Such reports will also include any significant issues arising with respect to (i) the quality or integrity of the Company's financial statements, (ii) the Company's compliance with legal or regulatory requirements, or (iii) the performance and independence of the Company's independent auditors.

Table of Contents

Review and reassess the adequacy of this Charter annually and recommend changes to the Board for approval.

Meet at least annually with the chief financial officer and the independent auditor in separate sessions.

Assist the Board in satisfying its responsibilities to the shareholders with respect to matters relating to the Company's accounting, financial reporting, audit, legal compliance, and internal control practices.

Administer the Code of Business Conduct and Ethics for Directors, Officers and Employees of Garmin Ltd. and Subsidiaries adopted by the Board. The Ethics Officer appointed by the Audit Committee shall be initially responsible for providing interpretive guidance in applying these policies to specific situations and for generally overseeing implementation and enforcement of the policies set forth in this Code. The Ethics Officer is accountable to and shall report to the Audit Committee.

Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding the Company's accounting or auditing matters

Periodically review, exercise oversight over and approve all related-party transactions (which shall be deemed to include all transactions required to be disclosed pursuant to Item 404 of SEC Regulation S-K).

Conduct and review with the Board an annual performance evaluation of the Audit Committee, which evaluation shall compare the performance of the Audit Committee with the requirements of this Charter. The performance evaluation by the Audit Committee shall be conducted in such manner as the Audit Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Audit Committee or any other member of the Audit Committee designated by the Audit Committee to make this report.

Perform any other activities consistent with this Charter, the Company's Memorandum and Articles of Association, governing law, rules and regulations, and Nasdaq Stock Market listing standards as the Audit Committee or the Board deems necessary or appropriate.

Internal Control

Review with management and the independent accountants the quality and adequacy of the Company's disclosure controls and procedures and its internal controls, including internal controls over financial reporting.

Receive and review annual and quarterly reports from the Company's principal executive officer (CEO) and principal financial officer (CFO) regarding the quality and adequacy of the Company's disclosure controls and procedures and its internal controls over financial reporting.

Table of Contents

Financial Reporting Process

Receive and review a report from the independent auditor discussing: (a) all critical accounting policies and practices in use by the Company; (b) alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and (c) other material written communications with management, such as any management letter, schedule of unadjusted audit differences, reports on observations and recommendations on internal control over financial report, a listing of adjustments and reclassifications not recorded, if any, engagement letters and independence letters.

Review major changes to the Company's accounting principles and practices as suggested by the independent auditor or management and the impact of pronouncements of the Financial Accounting Standards Board, SEC, and other governing or regulating bodies on the Company's financial statements.

Review with management and the independent auditor the Company's quarterly financial statements and press release prior to release of quarterly earnings and the Company's Form 10-Q and Form 10-K prior to filing. The Chairman of the Audit Committee may represent the entire Audit Committee for this purpose.

Discuss the types of financial information and earnings guidance provided, and the types of presentations made, to analysts and rating agencies.

Review annually with management and the independent auditor (i) the internal control report contained in the Company's annual report on Form 10-K regarding management's assessment of the effectiveness of the internal control structure and procedures of the Company for financial reporting, and (ii) the attestation and report of the independent auditor regarding management's assessment of internal controls over financial reporting.

Inquire of the Company's chief executive officer and chief financial officer as to the existence of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Review the annual audited financial statements with management and the independent auditor. Discuss any major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls over financial reporting that could significantly affect the Company's financial statements.

Review with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.

Resolve any disagreements between management and the independent auditor regarding financial reporting.

Discuss the Company's policies regarding risk assessment and risk management. While it is the job of management to assess and manage the Company's exposure to risk, the Audit Committee will discuss guidelines and policies that govern this process. This discussion may include the Company's financial risk exposures and the steps management has taken to monitor and control such exposures.

Edgar Filing: GARMIN LTD - Form DEF 14A

Review any reports concerning material violations submitted to it by Company attorneys or outside counsel pursuant to the SEC attorney professional responsibility rules (17 C.F.R. Part 205).

A-4

Table of Contents

Legal and Regulatory Matters

Review with the Company's general counsel, at least annually, (a) any legal or regulatory matters that may have a material impact on the Company's financial statements, (b) any material reports or inquiries from regulatory or governmental agencies and (c) the Company's compliance with applicable laws and regulations.

Independent Accountants

The independent auditor is ultimately accountable to and shall report directly to the Audit Committee, as the representative of the Company's shareholders. The Audit Committee has the sole authority and direct responsibility to appoint, retain, oversee, evaluate and, where appropriate, replace the independent auditor.

The Audit Committee shall determine the compensation of the independent auditor and shall annually review the independence, qualifications and performance of the independent auditor. In making its evaluation, the Audit Committee shall take into account the opinions of management. The Audit Committee shall require the independent auditor to submit on a periodic basis (but at least annually) to the Audit Committee a formal written statement in accordance with Independence Standards Board (ISB) Statement No. 1 (as may be modified or amended) and such other requirements as may be established by the Public Company Accounting Oversight Board (PCAOB) delineating all relationships between the independent auditor and the Company or its executive officers or directors. The Audit Committee will discuss such reports with the independent auditor, including discussion of any disclosed relationships or services that may impact the objectivity and independence of the auditor, and if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.

At least annually, the Audit Committee shall obtain and review a report by the independent auditors describing: (i) the firm's internal quality control procedure; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

The Audit Committee shall pre-approve all audit services and permitted non-audit services permitted to be performed by the independent auditor under applicable rules of the SEC and the PCAOB or shall establish pre-approval policies and procedures for the engagement of the independent auditor to perform permitted non-audit services. The Audit Committee may delegate pre-approval authority to its Chairman. Any pre-approval decisions of the Chairman must be presented to the full Audit Committee at its next scheduled meeting.

At least annually, the independent auditor shall consult with the Audit Committee, out of the presence of management, about the adequacy, quality and integrity of the internal controls over financial reporting and the fair presentation and accuracy of the Company's financial statements.

The Audit Committee shall approve the independent auditor engagement letter for the annual audit and review the proposed scope and general approach of the audit.

The Audit Committee shall review and discuss with the independent auditor the matters required to be communicated to the Audit Committee in accordance with Statement on Auditing Standards No. 61, as amended by Statement on Auditing Standards No. 90 (as may be modified or amended).

Edgar Filing: GARMIN LTD - Form DEF 14A

The Audit Committee shall review with the independent auditor any problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information and any management letter provided by the auditor and the Company's response to that letter.

A-5

Table of Contents

The Audit Committee shall review with the independent auditor and management the extent to which any changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

The Audit Committee shall obtain from the independent auditor assurance that Section 10A of the Securities Exchange Act of 1934, as amended, has not been implicated.

The Audit Committee shall periodically discuss with the independent auditor whether all material correcting adjustments identified by the independent auditor in accordance with GAAP and rules of the SEC are reflected in the Company's financial statements.

The Audit Committee shall at least annually consider whether, in order to assure continuing auditor independence, the Company should change the independent auditor. In addition, the Audit Committee shall discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner.

The Audit Committee shall establish policies for the hiring by the Company of employees or former employees of the independent auditor to ensure that any such hiring will not cause the independent auditor to no longer be considered independent.

REPORTING RESPONSIBILITIES

Prepare the report of the Audit Committee required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement stating:

- (1) whether the Audit Committee has
 - (a) reviewed and discussed the audited financial statements with management;
 - (b) discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended by Statement on Auditing Standards No. 90;
 - (c) received disclosures from the auditors regarding the auditors' independence required by Independence Standards Board Standard No. 1 (as may be modified or amended), and discussed with the auditors the auditors' independence; and
- (2) whether, based upon such review and discussion, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Form 10-K.

Table of Contents

APPENDIX B

FORM OF PROXIES

PROXY

GARMIN LTD.

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

FOR SHAREHOLDERS MEETING ON JUNE 9, 2006

The undersigned shareholder of Garmin Ltd., a Cayman Islands company, hereby appoints Min H. Kao and Kevin Rauckman and each of them, with full power of substitution, as true and lawful agents and proxies to represent the undersigned and vote all common shares of Garmin Ltd. owned by the undersigned in all matters coming before the 2006 Annual General Meeting of Shareholders (or any adjournment thereof) to be held at the offices of Garmin International, Inc., 1200 East 151st Street, Olathe, Kansas 66062, on Friday, June 9, 2006 at 10:00 a.m. local time. The Board of Directors recommends a vote **FOR** the following proposal, all as more specifically set forth in the Proxy Statement:

1. Election of Two Directors “ **FOR** all the nominees listed below “ **WITHHOLD AUTHORITY** to vote for all nominees listed below (except as marked to the contrary below)
(INSTRUCTION: To withhold authority to vote for any individual nominee, strike a line through the nominee s name in the list below. Failure to follow this procedure to withhold authority to vote for any individual nominee will result in the granting of authority to vote for the election of such nominee.)

Min H. Kao three year term expiring in 2009

Charles W. Peffer three year term expiring in 2009

2. In their discretion, the Proxies are authorized to vote with respect to any other matters that may properly come before the Annual General Meeting or any adjournment thereof, including matters incident to its conduct.

Table of Contents

I/WE RESERVE THE RIGHT TO REVOKE THE PROXY AT ANY TIME BEFORE THE EXERCISE THEREOF. WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED IN THE MANNER SPECIFIED ABOVE BY THE SHAREHOLDER. **TO THE EXTENT CONTRARY SPECIFICATIONS ARE NOT GIVEN, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE DIRECTORS NOMINATED.**

Dated: _____, 2006

(Signature)

(Signature if held jointly)

Please sign exactly as your name appears on your share certificate, indicating your official position or representative capacity, if applicable. If shares are held jointly, each owner should sign.

IMPORTANT: PLEASE SIGN, DATE AND RETURN THIS PROXY BEFORE THE DATE OF THE ANNUAL MEETING IN THE ENCLOSED ENVELOPE.

B-2

Table of Contents

**CONFIDENTIAL VOTING INSTRUCTIONS TO
T. ROWE PRICE TRUST COMPANY AS TRUSTEE
UNDER THE GARMIN INTERNATIONAL, INC.
401(k) AND PENSION PLAN**

This voting instruction card is solicited by the Trustee. I hereby direct that the voting rights pertaining to Common Shares of Garmin Ltd. held by the Trustee and allocated to my account shall be exercised at the Annual General Meeting of Shareholders to be held on June 9, 2006, or any adjournment thereof, as specified hereon and in its discretion on all other matters that are properly brought before the Annual General Meeting of Shareholders and matters incidental to such meeting.

Election of Two Directors " **FOR** all the nominees listed below " **WITHHOLD AUTHORITY** to vote for all nominees listed below (except as marked to the contrary below)

(INSTRUCTION: To withhold authority to vote for any individual nominee, strike a line through the nominee s name in the list below.)

Min H. Kao three year term expiring in 2009

Charles W. Peffer three year term expiring in 2009

If the voting instruction card is not returned, the Trustee must vote such shares in the same proportions as the shares for which voting instruction cards were received from the plan participants.

Table of Contents

**CONFIDENTIAL VOTING INSTRUCTIONS TO
T. ROWE PRICE TRUST COMPANY AS TRUSTEE
UNDER THE GARMIN INTERNATIONAL, INC.
401(k) AND PENSION PLAN**

Dated: _____, 2006

(Signature)

Please sign exactly as your name appears.

**IMPORTANT: PLEASE SIGN, DATE AND RETURN THIS
VOTING INSTRUCTION CARD BEFORE THE DATE OF THE
ANNUAL MEETING IN THE ENCLOSED ENVELOPE. DO
NOT RETURN THIS CARD TO GARMIN LTD. AS YOUR
VOTE IS CONFIDENTIAL.**

B-4