SOLA INTERNATIONAL INC
Form DEF 14A
July 08, 2002

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to § 240.14a-11(c) or 240.14a-12

Sola International Inc.

(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):

x No fee required.
o 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:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notes:

Reg. § 240.14a-101.
SEC 1913 (3-99)

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Telephone: (858) 509-9899
Internet Site: www.sola.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on Thursday, August 15, 2002

Please join us for the 2002 Annual Meeting of Stockholders of Sola International Inc. Our Annual Meeting will be held on Thursday, August 15, 2002, at 10:00 a.m. (local time), at the San Diego Marriott Hotel & Marina, 333 West Harbor Drive, San Diego, California 92101.

The purpose of the Annual Meeting is to elect seven directors.

You may vote at the Annual Meeting in person or by proxy if you owned shares of Sola at the close of business on June 17, 2002.

It is important for your shares to be represented at the Annual Meeting whether or not you plan to attend. To ensure that your shares are represented, we ask that you sign, date and return the enclosed proxy card. Please vote as soon as possible. You may revoke your proxy at any time prior to the Annual Meeting.

Enclosed for your information is our 2002 Annual Report to Stockholders.

Sincerely,

STEVEN M. NEIL
Secretary

July 8, 2002

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SOLA INTERNATIONAL INC.

PROXY STATEMENT

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This proxy statement and form of proxy are first being mailed to stockholders on or about July 8, 2002.

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QUESTIONS AND ANSWERS

Who may vote?

You may vote if you were a stockholder of Sola at the close of business on June 17, 2002, the record date for the Annual Meeting. On that date, there were 24,541,650 shares of Sola common stock outstanding.

What am I voting on?

Sola s Board of Directors is soliciting your vote on the election of seven directors.

How many votes do I have?

Each share of Sola common stock that you own entitles you to one vote.

How do I vote?

You may vote your shares in either of the following ways:

By mail: complete the proxy card and sign, date and return it in the enclosed envelope; or

In person: attend the Annual Meeting, where ballots will be provided.

You may also vote by telephone or over the Internet if you hold your shares through a broker or bank that offers either of those options. If you choose to vote in person at the Annual Meeting and your shares are held in the name of your broker, bank or other nominee, you will need to bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on June 17, 2002, the record date for voting.

How does discretionary voting authority apply?

If you sign, date and return your proxy card, your vote will be cast as you direct. If you do not indicate how you want to vote, you give authority to Jeremy C. Bishop and Steven M. Neil to vote FOR the election of directors and FOR or AGAINST any other matters that are properly raised at the Annual Meeting. We do not expect that the stockholders will be voting on any business at the Annual Meeting other than the election of directors.

May I revoke my proxy?

You may revoke your proxy at any time before it is exercised in one of the following ways:

Notify our Secretary in writing before the Annual Meeting that you are revoking your proxy;

Submit another proxy with a later date;

Vote by telephone or Internet after you have given your proxy; or

Vote in person at the Annual Meeting.

What does it mean if I receive more than one proxy card?

Your shares are likely registered differently or are held in more than one account. You should sign and return all proxy cards to ensure that all of your shares are voted.

What constitutes a quorum?

The presence, in person or by proxy, of the holders of a majority of Sola shares entitled to vote at the Annual Meeting constitutes a quorum. You will be considered part of the quorum if you return a signed and dated proxy card, if you vote by telephone or Internet or if you attend the Annual Meeting.

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Abstentions and broker non-votes are counted as shares present at the Annual Meeting for purposes of determining whether a quorum exists. A broker non-vote occurs when a broker submits a proxy that does not indicate a vote for a proposal because he or she does not have voting authority and has not received voting instructions from you.

What vote is required to elect the directors?

If a quorum is present, a plurality of the votes properly cast at the Annual Meeting will elect the directors. This means that the seven nominees who receive the highest number of votes will be elected. If you do not want to vote your shares for a particular nominee, you may indicate that by following the instructions on the enclosed proxy card or on the ballot provided at the Annual Meeting or by withholding authority as prompted during telephone or Internet voting. Abstentions and broker non-votes will have no effect on the election of the directors.

How do I submit a stockholder proposal?

We must receive your proposals for inclusion in our proxy statement for the 2003 annual meeting no later than March 10, 2003. Your proposal must be in writing and must comply with the proxy rules of the Securities and Exchange Commission (SEC).

You may also submit a proposal that you do not want to be included in our proxy statement, but that you want raised at the 2003 annual meeting. If you desire to do this, we must receive your written proposal no later than May 17, 2003. However, if the 2003 annual meeting is scheduled to be held before July 16, 2003 or after October 14, 2003, we must receive your proposal on or before the later of the close of business (1) 90 days prior to the date of the 2003 annual meeting, or (2) 10 days after the day on which we mail the notice of the 2003 annual meeting or publicly disclose the date of the annual meeting. If we receive your proposal after the applicable deadline, the SEC rules permit the individuals named in the proxies solicited by Sola s Board of Directors for that meeting to exercise discretionary voting power as to that proposal, although they are not required to do so.

In addition, our by-laws contain specific requirements for stockholder proposals that you must comply with to properly raise a proposal at an annual meeting. According to our by-laws, your proposal should include: (1) a brief description of the business you want to bring before the meeting and the reasons for conducting the business at the meeting; (2) your name and address as they appear on our stock records; (3) the number of Sola shares that you own beneficially or of record; (4) a description of any arrangement or agreement you may have with any other person concerning the proposal and any interest you may have in the business you want to bring before the meeting; and (5) a representation that you intend to attend the meeting in person or by proxy and present your business at the meeting.

You should submit all proposals and requests for copies of our by-laws in writing to our Secretary at our address on the cover of this proxy statement.

How do I nominate a director?

If you desire to nominate an individual for election as a director at the 2003 annual meeting, we must receive your nomination no later than May 17, 2003. However, if the 2003 annual meeting is scheduled to be held before July 16, 2003 or after October 14, 2003, we must receive your nomination on or before the later of the close of business (1) 90 days prior to the date of the 2003 annual meeting, or (2) 10 days after the day on which we mail the notice of the 2003 annual meeting or publicly disclose the date of the annual meeting.

Our by-laws contain specific requirements that you must comply with to nominate a director. Our by-laws require that for each person you propose to nominate you provide: (1) the name, age, business address and residence address of the proposed nominee; (2) the principal occupation of the proposed nominee; (3) the number of Sola shares that the proposed nominee owns beneficially and of record; and (4) any other information relating to the proposed nominee that would be required by the SEC to be included in a proxy statement had Sola s Board nominated the proposed nominee.

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In addition, our by-laws require that you provide the following information: (1) your name and address as they appear on our stock records; (2) the number of Sola shares that you own beneficially and of record; (3) a description of any arrangement or understanding you may have with each proposed nominee or any other person concerning the nominations; (4) a representation that you intend to attend the meeting in person or by proxy to nominate the proposed nominees; (5) any other information relating to you that would be required by the SEC to be included in a proxy statement for election of directors; and (6) the written consent of each proposed nominee to being named as a nominee and to serving as a director if elected.

You should send your proposals and requests for copies of our by-laws in writing to our Secretary at our address on the cover of this proxy statement.

Who pays to prepare, mail and solicit the proxies?

Sola will pay all of the costs of preparing and mailing the proxy statement and soliciting the proxies. We will ask brokers, dealers, banks, voting trustees and other nominees and fiduciaries to forward the proxy materials and our Annual Report to the beneficial owners of Sola common stock and to obtain the authority to execute proxies. We will reimburse them for their reasonable expenses upon request. In addition to mailing proxy materials, our directors, officers and employees may solicit proxies in person, by telephone or otherwise. These individuals will not be specially compensated.

ELECTION OF DIRECTORS

Sola s directors are elected at each annual meeting and hold office until the next election. The Board of Directors has authority under our by-laws to fill vacancies and to increase or decrease its size between annual meetings. The Board currently consists of seven directors.

At this Annual Meeting, you will be asked to elect seven directors. Six nominees are presently directors of Sola. The seventh candidate, Robert A. Muh, was nominated by the Nominating Committee to replace Hamish Maxwell, who is resigning as a director. Each director will serve until the 2003 annual meeting, until a qualified successor director has been elected, or until he resigns or is removed by the Board.

We will vote your shares as you specify on the enclosed proxy card or during telephone or Internet voting. If you do not specify how you want your shares voted, we will vote them FOR the election of the nominees. If unforeseen circumstances (such as death or disability) make it necessary for the Board to substitute another person for any of the nominees, we will vote your shares FOR that other person. The Board of Directors does not anticipate that any nominee will be unable to serve. The nominees have provided the following information about themselves.

Nominees

Jeremy C. Bishop, 52, was appointed Chief Executive Officer and President and a director in April 2000. Prior to his appointment, he served as President of the American Optical business, a position held since Sola s purchase of American Optical Corporation s ophthalmic business in June 1996. He joined American Optical Corporation in November 1990 as Vice President of European Operations.

Maurice J. Cunniffe, 69, was appointed Chairman of the Board of Directors in November 2000. He has been a director since December 1996. He is Chairman and Chief Executive Officer of A.O. Capital Corporation.

Douglas D. Danforth, 79, has been a director since December 1994. He was Chairman and Chief Executive Officer of Westinghouse Electric Corporation from 1983 to 1987. He is a director of Atlantic Express Transportation Corp. and Enivosource. He was a former Director of Travelers, PNC Bank, PPG Industries, Rubbermaid and The Whirlpool Corporation. He also served as Chairman and CEO of the Pittsburgh Pirates Baseball Club from 1987 to 1994.

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A. William Hamill, 54, has been a director since December 1996. Mr. Hamill is President of H3 Companies LLC, an investments and advisory firm. From 1999 until May 2001, he served as Executive Vice President and Chief Financial Officer of United Dominion Realty Trust, Inc. Prior to joining United Dominion, he served as Executive Vice President and Chief Financial Officer of Union Camp Corporation, from June 1996 to April 1999, and previously served as managing director of Morgan Stanley & Co. Incorporated. He is a director of NTELOS Inc.

Neil E. Leach, 64, has been a director since November 2000. He is Chairman of the Board and Chief Executive Officer of Barnie s Coffee and Tea Company (formerly a division of Sara Lee). He has been Managing Director of Coastal Land Development Associates LLC since 1987 and has founded and led a number of companies both in and outside the optical industry, including Multifocal Rx Lens Laboratory Inc. and affiliated laboratories, for the past 43 years. He is also past Chairman of Microtool and Instruments, Inc. and a past director of Intercontinental Bank, which was acquired by Bank of America.

Robert A. Muh, 64*,* serves as Chief Executive Officer of Sutter Securities, Inc, a full-service brokerage firm he co-founded in 1992. Prior to that time, he served as President of Financial Services International, Inc., a financial advisory firm, from 1987 to 1992. From 1978 to 1987, he served as a partner and a managing director for Bear, Stearns & Co., Inc. He also currently serves as a director for Worldwide Restaurants, Inc. and DayRunner, Inc. and is a trustee of the Massachusetts Institute of Technology.

Jackson L. Schultz, 76, has been a director since November 1995. Following a career in the United States Navy, where he retired as a captain, Mr. Schultz joined Wells Fargo Bank in 1970, retiring in 1990 as Senior Vice President responsible for Public and Governmental Affairs. He is a past director of the Bank of San Francisco and the Cooper Development Company. He was a member of the Advisory Board to the United States Navy Exchange Command, and also serves as Vice Chairman and Governor of Claremont McKenna College Rose Institute of State and Local Government.

BOARD OF DIRECTORS AND ITS COMMITTEES

Sola s Board of Directors met six times during fiscal year 2002. In addition to meetings of the full Board, directors attended meetings of Board committees. The Board has three standing committees: Audit, Compensation and Nominating. During fiscal 2002, each director attended all of the meetings of the Board and all of the committees on which he served, except that Hamish Maxwell did not attend two Board and Compensation committee meetings due to health related issues, and Maurice Cunniffe did not attend one Audit Committee meeting.

Compensation Committee

Meetings:	3
Members:	Hamish Maxwell (Chairman) Maurice J. Cunniffe A. William Hamill
Function:	Reviews and recommends compensation arrangements for top management, including salaries, bonuses and option grants, sets compensation philosophy and policies, and administers executive compensation plans and programs.

Audit Committee

Meetings:	5
Members:	Douglas D. Danforth (Chairman) Maurice J. Cunniffe Jackson L. Schultz

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Function: Recommends independent accountants, discusses scope and results of audit with independent accountants, reviews financial statements and operating results with management and independent accountants, considers adequacy of internal accounting controls and audit procedures, reviews non-audit services of independent accountants and considers independence of accountants. The Audit Committee has adopted a charter, which specifies the composition and responsibilities of the committee. For more information concerning the Audit Committee, see the Report of the Audit Committee and the Audit Committee Charter attached as Appendix A to this proxy statement.

Nominating Committee

Meetings: 1

Members: Jackson Schultz (Chairman)
Maurice J. Cunniffe
Neil E. Leach

Function: Reviews and recommends candidates for vacancies and additions to board of directors.

Compensation Committee Interlocks and Insider Participation

We rent premises in Southbridge, Massachusetts from a company owned by Maurice J. Cunniffe, a director and member of the Compensation Committee. We use the premises for research and development and distribution operations. Under the terms of the rental agreement, we paid approximately $293,000 during fiscal 2002.

DIRECTOR COMPENSATION

Annual Retainer and Attendance Fees

Directors who are full time employees of Sola receive no compensation for serving on the Board or its committees. Non-employee directors receive an annual fee of $20,000, except for the Chairman, who receives an annual fee of $40,000. Non-employee directors also receive $1,000 for each Board meeting attended, and $500 for each telephonic meeting. We permit directors to receive all or a portion of their annual retainer fees in the form of options to acquire shares of Sola common stock. We also reimburse directors for traveling costs and other out-of-pocket expenses incurred in attending meetings. Committee members receive no additional compensation for committee meetings held on the same date as a Board meeting and receive $500 for each other committee meeting.

In lieu of all or a portion of their annual retainer fees for fiscal 2002, the following directors elected to receive options to purchase Sola shares in the amounts indicated: Maurice Cunniffe, 8,439 shares; Neil Leach, 4,219 shares; Jackson Schultz, 4,219 shares; and Hamish Maxwell, 844 shares.

Other Arrangements

Prior to his resignation from our Board of Directors on May 17, 2001, we entered into a letter agreement with Theodore Gioia on February 7, 2001 to provide certain consulting services to us on a full time basis. Mr. Gioia s main function under this agreement was to assist us in securing a debt financing agreement. Under the consulting agreement, Mr. Gioia received an aggregate amount of $60,000. Effective May 17, 2001, Mr. Gioia was appointed Executive Vice President, Business Development and Strategy until his resignation on June 14, 2002.

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OWNERSHIP OF SOLA COMMON STOCK

Directors, Nominees and Executive Officers

The following table shows how much Sola common stock the directors, nominees, named executive officers, and all directors and executive officers as a group beneficially owned as of June 17, 2002. The named executive officers are the individuals listed in the Summary Compensation Table.

Beneficial ownership is a technical term broadly defined by the SEC to mean more than ownership in the usual sense. In general, beneficial ownership includes any shares that a stockholder can vote or transfer and stock options that are exercisable currently or become exercisable within 60 days. Except as otherwise noted, the stockholders named in this table have sole voting and investment power for all shares shown as beneficially owned by them.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Options Exercisable Within 60 Days	Total	Percent of Class(1)
Directors and Nominees				
Jeremy C. Bishop	10,000	238,800	248,800	1.0%
Maurice J. Cunniffe	275,600	14,822	290,422	1.2%
Douglas D. Danforth	16,819	2,062	18,881	*
A. William Hamill	4,000	13,134	17,134	*
Neal E. Leach	72,000	844	72,844	*
Hamish Maxwell	50,000	3,209	53,209	*
Robert A. Muh	3,000		3,000	*
Jackson L. Schultz	8,000	8,627	16,627	*
Named Executive Officers Other Than Directors				
Steven M. Neil	8,250	141,000	149,250	*
Barry J. Packham		23,015	23,015	*
Mark Ashcroft		59,000	59,000	*
Theodore Gioia	1,500	16,000	17,500	*
Directors and Executive Officers as a Group (15 Persons)	450,969	625,413	1,076,382	4.4%

* Less than 1%.

(1) Based on 24,541,650 shares of common stock (excluding treasury shares) outstanding on June 17, 2002. Calculations of percentage of beneficial ownership assume the exercise by only the respective named stockholder of all options for the purchase of common stock held by him or her that are exercisable within 60 days of June 17, 2002.

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Other Principal Stockholders

This table shows all stockholders, other than directors and named executive officers, that we know to be beneficial owners of more than 5% of Sola common stock based on information filed with the SEC on Schedule 13G. Each of the stockholders named in this table has sole voting and investment power for all of the shares shown as beneficially owned by them. The percent of class owned is based on 24,541,650 shares of Sola common stock outstanding as of June 17, 2002.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Dimensional Fund Advisors Inc. 1299 Ocean Avenue, 11th Floor Santa Monica, California 90401	2,067,400	8.4%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, Maryland 21202	1,605,900	6.5%
Awad Asset Management, Inc. 250 Park Avenue, 2nd Floor New York, New York 10177	1,581,460	6.4%

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EXECUTIVE COMPENSATION

This table summarizes the compensation of Jeremy C. Bishop, our Chief Executive Officer, and the other four most highly compensated executive officers of Sola during fiscal year 2002. These individuals are sometimes referred to as the named executive officers.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation Awards	
Name and Principal Position	Fiscal Year	Salary	Bonus	Other Annual Compensation	Securities Underlying Options	All Other Compensation(1)
Jeremy C. Bishop(2)	2002	$400,000	$132,000	$76,916	35,000	$5,685
President and	2001	400,000	118,560	61,942	250,000	5,454
Chief Executive Officer						
(commencing April 3, 2000)						
Steven M. Neil(3)	2002	$263,000	$ 65,093	$60,000	30,000	$5,100
Executive Vice President,	2001	263,000	61,384	40,332	40,000	5,947
Finance, Chief Financial	2000	250,000	17,787		30,000	5,800
Officer, Secretary and						
Treasurer						
Barry J. Packham(4)	2002	$233,279	$ 57,737	$26,194	20,000	$
Executive Vice President,	2001	156,526	56,016	35,156	25,000	
Manufacturing and	2000	125,000	10,959	26,194		
Logistics						
Mark Ashcroft(5)	2002	$168,935	$ 41,811	$ 7,185	35,000	$8,200
President, Americas and						
Vice President, Europe						
Theodore Gioia(6)	2002	$175,000	$ 32,156	$83,504	40,000	$2,000
Executive Vice President,	2000	203,548				
Business Development and						
Strategy						

(1) Represents payments made in fiscal 2002 as matching contributions under the Sola Optical USA 401(k) Savings Plan on behalf of Messrs. Bishop, Neil and Gioia and under the Sola Optical U.K. Limited Group Personal Pension Scheme on behalf of Mr. Ashcroft and, in the case of Mr. Bishop, $585 for services related to the preparation of his personal tax return.

(2) Other Annual Compensation includes payments to Mr. Bishop for (a) expatriate accommodation allowances in the amount of $50,000 for fiscal 2002 and fiscal 2001, and (b) automobile allowances in the amount of $26,916 for fiscal 2002 and $11,942 fiscal 2001.

(3) Other Annual Compensation includes payments to Mr. Neil for (a) income from the forgiveness of loans in the amount of $60,000 during fiscal 2002 and $25,000 during fiscal 2001, (b) automobile allowance in the amount of $14,395 for fiscal 2001, and (c) long-term disability benefits in the amount of $937 for fiscal 2001.

(4) We compensated Mr. Packham in Australian Dollars during fiscal 2000, 2001 and from April 1, 2001 through June 30, 2001. The average exchange rate in Australian Dollars per U.S. Dollar was 1.533 in fiscal 2000, 1.800 in fiscal 2001 and 1.943 in fiscal 2002.

(5) Mr. Ashcroft became an executive officer in August 2001. We compensated Mr. Ashcroft in British Pounds during fiscal 2002. The average exchange rate in British Pounds per U.S. Dollar was 0.698.

(6) Other Annual Compensation includes payments to Mr. Gioia for the reimbursement of relocation costs of $75,004 and automobile allowance in the amount of $8,500 for fiscal 2002. Mr. Gioia resigned as Vice President, Strategic Planning in December 1999 and was not

an executive officer of Sola during fiscal 2001. Effective May 17, 2001, Mr. Gioia was appointed Executive Vice President, Business Development and Strategy until his resignation on June 14, 2002.

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Option Grants in Fiscal Year 2002

This table gives information relating to option grants to the named executive officers during fiscal year 2002. The options were granted under Sola s option plan and have exercise prices equal to the fair market value of Sola common stock on the grant date. One-fifth of the options in each grant is immediately exercisable. An additional one-fifth vests on each of the first four anniversary dates of the grant. In the event of a change of control of Sola, the options will become fully vested and immediately exercisable.

The potential realizable value is calculated based on the term of the option at its time of grant, which is 10 years. The calculation assumes that the fair market value on the date of grant appreciates at the indicated rate compounded annually for the entire term of the option and that the option is exercised at the exercise price and sold on the last day of its term at the appreciated price. The stock price appreciation of 5% and 10% is assumed under the rules of the SEC. This assumed appreciation does not represent any estimate of our stock price appreciation.

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
Name	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price Per Share	Expiration Date	5%	10%
Jeremy C. Bishop	35,000	9.1%	$14.21	8/16/11	$313,000	$793,000
Steven M. Neil	30,000	7.8	14.21	8/16/11	268,000	679,000
Barry J. Packham	20,000	5.2	14.21	8/16/11	179,000	453,000
Mark Ashcroft	35,000	9.1	14.21	8/16/11	313,000	793,000
Theodore Gioia	25,000	6.5	11.41	5/15/11	179,000	455,000
	15,000	3.9	14.21	8/16/11	134,000	340,000

Option Exercises in Fiscal Year 2002 and Fiscal Year-End 2002 Option Values

This table provides information regarding the exercise of options during fiscal year 2002 and options outstanding at the end of fiscal year 2002 for the named executive officers. The value realized is calculated using the difference between the option exercise price and the price of Sola common stock on the date of exercise multiplied by the number of shares underlying the option. The value of unexercised in-the-money options at fiscal year end is calculated using the difference between the option exercise price and $14.72 (the closing price of Sola stock on March 29, 2002, the last regular trading day of fiscal year 2002) multiplied by the number of shares underlying the option. An option is in-the-money if the market value of Sola common stock is greater than the option s exercise price.

			Number of Securities Underlying Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End	
Name	Shares Acquired on Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
Jeremy C. Bishop		$	176,800	188,000	$850,570	$1,284,780
Steven M. Neil	4,000	56,325	120,000	61,000	122,700	251,520
Barry J. Packham	66,351	492,154	12,015	33,000	2,115	157,710
Mark Ashcroft			44,000	56,000	103,270	163,830
Theodore Gioia			8,000	32,000	18,080	72,320

Pension Plans

Mr. Bishop participates in the American Optical U.K. Ltd. Pension Scheme. Assuming retirement at age 60, Mr. Bishop would receive the maximum annual pension benefit permitted by the U.K. tax laws, which approximates $77,298.

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Mr. Packham participates in the Sola Superannuation Fund in Australia. Assuming retirement at age 65, Mr. Packham would receive a lump sum pension benefit from Sola of 2.396 times the average of the last three years of pensionable salary, or approximately $433,443.

Messrs. Bishop, Neil and Gioia participate in the Sola Optical Pension Plan. The following table shows estimated annual benefits payable to them under that plan.

Pension Plan Table

	Years of Service				
Remuneration	**15**	**20**	**25**	**30**	**35**
$125,000	$26,092	$34,789	$43,487	$52,184	$60,881
150,000	31,815	42,419	53,024	63,629	74,234
175,000	35,019	46,692	58,365	70,038	81,711
200,000	35,019	46,692	58,365	70,038	81,711
225,000	35,019	46,692	58,365	70,038	81,711
250,000	35,019	46,692	58,365	70,038	81,711
300,000	35,019	46,692	58,365	70,038	81,711
350,000	35,019	46,692	58,365	70,038	81,711
400,000	35,019	46,692	58,365	70,038	81,711
450,000	35,019	46,692	58,365	70,038	81,711
500,000	35,019	46,692	58,365	70,038	81,711

The years of credited service as of March 31, 2002 for Mr. Bishop were 2.25, for Mr. Neil were 4.47 and for Mr. Gioia were 11.56.

Benefits under the Sola Optical Pension Plan are not offset by Social Security benefits. The amounts shown are based upon certain assumptions, including retirement of the employee at exactly age 65 on March 31, 2002 and payment of the benefit under the basic form of the Sola Optical Pension Plan, a single life annuity for the life of the participant. The amounts will change if the payment is made under any other form permitted by the Sola Optical Pension Plan, or if an employee s retirement occurs after March 31, 2002 since the Social Security Wage Base of that employee (one of the factors used in computing the annual retirement benefits) will reflect higher Social Security tax bases for years after 2002. The Sola Optical Pension Plan provides a higher level of benefits for the portion of compensation above the compensation levels on which Social Security benefits are based.

The remuneration levels shown represent the five-year average of annual compensation covered by the Sola Optical Pension Plan as of March 31, 2002. Compensation covered by the Sola Optical Pension Plan includes regular base salary, hourly wages, shift differentials, overtime, vacation and sick leave pay, commissions, sales bonuses, amounts deferred under any tax qualified plan and amounts paid pursuant to management bonus plans or other formally adopted incentive compensation plans. The current compensation covered by the Sola Optical Pension Plan for Messrs. Bishop, Neil and Gioia differs substantially (by more than 10%) from that set forth in the Summary Compensation Table under the aggregate of the Salary and Bonus columns because the amount of compensation that may be covered under a tax qualified pension plan is limited by the Internal Revenue Code. The pension amounts shown for remuneration in excess of the compensation cap ($200,000 for 2002) are based upon the compensation cap in each year, as required by law. The Internal Revenue Code Section 415 defined benefit limit was $160,000 for 2002, but it did not provide any further limitation on the amounts calculated.

Employment Agreements

We entered into an employment agreement with Jeremy C. Bishop dated November 6, 2000. The agreement has an initial term of three years, which will be extended automatically for successive one-year periods unless either party gives 60 days notice prior to the expiration of the then current term that it will not

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be extended. Pursuant to this agreement, Mr. Bishop receives a base salary of $400,000, subject to discretionary annual increases. This agreement also provides that Mr. Bishop may participate in our management incentive plan and other medical, insurance and benefit plans. Mr. Bishop is entitled to receive severance benefits if his employment with Sola is terminated for any reason other than cause , if we elect not to extend the initial term or any additional term for any reason other than cause , if he is regularly assigned duties that materially diminish his position as President and Chief Executive Officer or if certain other circumstances occur.

The severance benefits provided by Mr. Bishop s employment agreement include (1) his annual salary immediately prior to the termination of employment, plus the average of management incentive plan compensation paid to him over the three immediately preceding years, for a period of 18 months, (2) all benefit plans we regularly provide to our other executives or employees, including health, dental, vision, pension or other retirement plans, plus certain benefits associated with his status as an expatriate employee, for a period of 18 months and (3) outplacement assistance up to a maximum of $25,000.

We entered into a letter agreement with Steven M. Neil on September 2, 1997 at the time of his appointment pursuant to which we employed Mr. Neil as Executive Vice President and Chief Financial Officer. The agreement provides that Mr. Neil will receive a $250,000 annual salary, subject to discretionary annual increases. The agreement also provides that Mr. Neil will participate in our management incentive plan and other medical, insurance and benefit plans. Under the terms of the agreement, we loaned Mr. Neil $300,000, interest free, structured as an IRS Relocation Loan. The agreement also provides that the loan will be forgiven at the rate of $5,000 per month commencing November 2000. We also made an equity investment in Mr. Neil s home in the amount of $745,000. In February 2002, Mr. Neil paid his obligation to Sola and we no longer have an equity investment in his home.

We entered into severance agreements with Steven M. Neil and Barry J. Packham on October 17, 1997 and January 1, 1997, respectively. Pursuant to these agreements, each executive will be entitled to receive severance benefits if his employment is terminated for any reason other than cause , if the executive is regularly assigned duties that materially diminish his position as an executive or if certain other circumstances occur. The executive will not be entitled to severance benefits if he freely resigns his employment. The severance benefits provided by these severance agreements include (1) the executive s annual salary immediately prior to the termination of employment, plus the average of management incentive plan compensation paid to him over the three immediately preceding years, which will be received for the longer of 12 months or one month per completed year of service up to a maximum of 18 months, (2) all benefit plans we regularly provide to our other executives or employees, including health, dental, vision, pension or other retirement plans, for the longer of 12 months or one month per completed year of service, up to a maximum of 18 months and (3) outplacement assistance up to a maximum of $25,000.

We entered into an employment agreement with Mark Ashcroft dated April 6, 2002. The agreement has an initial term of two years, which will be extended automatically for successive one-year periods unless either party gives 90 days notice prior to the expiration of the then current term that it will not be extended. Pursuant to this agreement, Mr. Ashcroft receives a base salary of $250,000, subject to discretionary annual increases. This agreement also provides that Mr. Ashcroft may participate in our management incentive plan and other medical, insurance and benefit plans. Mr. Ashcroft is entitled to receive severance benefits if his employment with Sola is terminated for any reason other than cause , if we elect not to extend the initial term or any additional term for any reason other than cause , if he is regularly assigned duties that materially diminish his position as President, American Commercial Operations or if certain other circumstances occur.

The severance benefits provided by Mr. Ashcroft s employment agreement include (1) his annual salary immediately prior to the termination of employment, plus the average of management incentive plan compensation paid to him over the three immediately preceding years, for a period of 12 months, (2) all benefit plans we regularly provide to our other executives or employees, including health, dental, vision, pension or other retirement plans, plus certain benefits associated with his status as an expatriate employee, for a period of 12 months and (3) outplacement assistance to a maximum of $25,000.

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EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about our common stock that may be issued upon exercise of options under our only equity compensation plan, the 1988 Sola International Stock Option Plan, as of March 31, 2002. Our stockholders have approved this plan.

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))
	(a)	(b)	(c)
Equity compensation plans approved by stockholders	2,583,000	$16.06	242,375
Equity compensation plans not approved by stockholders	None	None	None
Total	2,583,000	$16.06	242,375

CERTAIN TRANSACTIONS

On September 2, 1997, we entered into a letter agreement with Steven M. Neil, an executive officer. Under the terms of the agreement, we loaned Mr. Neil $300,000, interest free, structured as an IRS Relocation Loan. We have agreed to forgive the loan at the rate of $5,000 per month. The largest amount outstanding under the loan since the beginning of fiscal 2002 was $275,000, and the amount outstanding as of June 1, 2002 was $205,000.

We rent premises in Southbridge, Massachusetts from a company owned by Maurice J. Cunniffe, a director. We use the premises for research and development and distribution operations. Under the terms of the rental agreement, we paid approximately $293,000 during fiscal 2002.

REPORT OF THE COMPENSATION COMMITTEE

ON EXECUTIVE COMPENSATION

Sola s Compensation Committee of the Board of Directors consists of three independent non-employee directors. The committee is responsible for executive compensation, including:

- setting Sola s compensation philosophy and policies;
- recommending to the Board the compensation to be paid to the Chief Executive Officer; and
- determining the compensation for the other executive officers.

The committee is also responsible for administering Sola s executive compensation plans and programs, including Sola s stock option plan. The committee reviews Sola s executive compensation program on at least an annual basis to ensure that the program continues to meet the goals of its compensation policy.

Compensation Policy

The Compensation Committee has designed Sola s executive compensation program to:

- attract qualified executive officers from a global pool of talent;
- reward, motivate and retain Sola s executive officers; and
- align the interests of Sola s executive officers with those of the stockholders by linking the executives annual cash and long-term incentive compensation to Sola s performance.

The compensation program consists of three basic components: (1) base salary; (2) annual cash incentive-based compensation; and (3) long-term incentive-based compensation in the form of stock options. The committee s goal has been to base a greater portion of the executives compensation on Sola s performance. Sola also provides perquisites to its executive officers to maintain its ability to attract and retain executive officers in a competitive global market.

Base Salary

The Compensation Committee reviews base salary levels of the executive officers annually. The committee uses a two-step process to determine the salary ranges for each executive officer. First, the level and functional responsibilities of the position held by each executive officer are evaluated using the Hay Guide Chart Job Evaluation Method. Second, based on the evaluation, the committee determines salary ranges for each position using marketplace data provided by Hay Management Consultants and periodically cross-checked with other market surveys published by Mercer, Cullen-Egan-Dell and other compensation consultants. Historically, the committee has established a mid-point base salary around the 75th percentile among a select group of companies, with a minimum salary at 80% of the mid-point and a maximum salary at 120% of the mid-point. An executive officer s progression through the salary range is based upon the committee s evaluation of the individual s job performance.

The group of companies to which Sola compares itself with respect to base salary compensation of its executives is not the same as the group to which it compares itself on the Performance Graph shown in this proxy statement. For the U.S. market, the comparison group for base salary purposes is comprised of visioncare, healthcare and technology companies whose businesses are concentrated on the West Coast of the United States. The committee selected these companies because it believes that they are the companies with respect to which Sola must remain competitive in order to attract and retain qualified executives to work at its California locations. For other marketplaces worldwide, the comparison group consists of all multinational and medium to large local companies in the specific marketplace. The comparison group used in the Performance Graph is comprised of Sola s worldwide competitors.

Annual Cash Incentive Compensation

The Compensation Committee views the annual cash incentive compensation component of its program as a significant element in attaining its goal of closely linking executive compensation to Sola s performance by providing additional annual cash compensation based on Sola s achievement of objective financial performance targets. The Sola International Inc. Management Incentive Plan provides annual performance-based cash bonuses to officers designated by the committee. Under the plan, each designated officer has the opportunity to receive a cash bonus based on Sola s achievement of certain pre-established targets based on one or more performance criteria. The committee prepares schedules for each performance period, which are treated as part of the plan for that period, setting forth each participant s target award percentages and performance targets for that performance period. The target award percentage for a participant is the percentage of his or her salary that will be awarded depending on the percentage of the performance target that he or she attains. The committee determines whether to establish maximum target award percentages. The maximum award that any participant may receive in a fiscal year under the plan is $2,000,000. The committee does not have discretion to increase the amount of a participant s award payable under the plan after the establishment of the relevant performance targets and target award percentages. Awards are paid annually upon certification by the committee of achievement of the relevant performance targets at a time and in a manner as determined by the committee.

The amount of an executive s bonus for fiscal 2002 was based on Sola s level of achievement measured against its pre-established performance targets. The primary targets were related to earnings and cash flow. A bonus for earnings performance is payable when annual earnings per share exceed 96% of the earnings target. The earnings bonus is reduced if quarterly earnings per share thresholds are not achieved. A bonus for cash flow performance is payable when annual cash flow is within $7.5 million of the cash flow target. The cash flow bonus is reduced should net debt decrease in the first quarter of the subsequent year. No bonus is payable should actual performance fall below these minimum levels.

Based on Sola s performance for fiscal 2002, bonus awards were based only on cash flow performance as earnings performance was below minimum levels. The named executive officers earned bonus awards equal to approximately the following percentages of their base salaries as of the end of fiscal 2002: 33.0% for Jeremy C. Bishop and 24.75% for Steven M. Neil, Barry J. Packham, Mark Ashcroft and Theodore Gioia.

Stock Option Plan

The Compensation Committee believes that the stock option component of its executive compensation program more closely aligns the executives interests with those of Sola s stockholders because the value of the options is linked directly to the price of Sola s stock. The committee awards stock options to the executive officers under its International Stock Option Plan. During fiscal 2002, the committee granted the named executive officers the following options under its International Stock Option Plan: Mr. Bishop, 35,000 options; Mr. Neil, 30,000 options; Mr. Packham 20,000 options; Mr. Ashcroft, 35,000 options; and Mr. Gioia, 15,000 options. In addition, Mr. Gioia was granted 25,000 options under the Plan at the time of his rehire in May 2001.

Perquisites

Sola provides a company car allowance and supplemental medical coverage to certain named executive officers and an expatriate allowance for housing to each named executive officer who has relocated to California from outside the United States. The Compensation Committee believes that these perquisites are necessary to attract and retain executive talent in a competitive global market.

CEO Compensation

The Compensation Committee determined Jeremy C. Bishop s compensation on the same basis and under the same philosophy it used in determining the compensation of other executive officers. As discussed above, the goal of the committee is to link a significant portion of the compensation of its executive officers, including the President and Chief Executive Officer, to Sola s performance. During fiscal 2002, under the terms of his employment agreement, Mr. Bishop received a salary of $400,000 and earned a bonus of $132,000. In addition, during fiscal 2002 the committee granted 35,000 stock options to Mr. Bishop. His salary was increased to $425,000 on April 1, 2000.

Deductibility of Compensation

Section 162(m) of the Internal Revenue Code limits the deductibility by Sola of compensation in excess of $1,000,000 paid to its Chief Executive Officer or any of the next four most highly compensated executive officers. Certain performance based compensation is not included in the compensation counted for purposes of the deductibility limit. The policy of the committee with respect to Section 162(m) of the Internal Revenue Code is to establish and maintain a compensation program that will not be subject to the deduction limitation of Section 162(m). The committee, however, reserves the right to use its judgment, where merited by the need for flexibility to respond to changing business conditions or by an executive officer s individual performance, to authorize compensation that may not, in a specific case, be fully deductible by Sola.

Hamish Maxwell, Chairman
Maurice J. Cunniffe
A. William Hamill

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COMPANY PERFORMANCE

The following graph shows Sola s cumulative total stockholder return during the five fiscal years ended March 31, 2002. The graph also shows the cumulative total returns of the Standard & Poor s 500 Index and the Dow Jones World Stock Index Medical Supplies. The comparison assumes an investment of $100 on March 31, 1997 and the reinvestment of any dividends.

Cumulative Total Return

	3/31/97	3/31/98	3/31/99	3/31/00	3/31/01	3/31/02
Sola International Inc.	$100.00	$179.19	$ 52.16	$ 26.49	$ 38.96	$ 63.65
S&P 500	100.00	148.00	175.32	206.78	161.95	162.35
DJWSI Medical Supplies	100.00	131.39	152.48	132.21	167.42	196.13

REPORT OF THE AUDIT COMMITTEE

Sola s Audit Committee of the Board of Directors consists of three directors who are independent, as defined in the listing standards of the New York Stock Exchange. The Board has adopted a charter that governs the Audit Committee. The charter is attached to this proxy statement as Appendix A. The members of the Committee are Maurice J. Cunniffe, Douglas D. Danforth, who is the Committee s chair, and Jackson L. Schultz.

Sola s management is responsible for Sola s internal controls and financial reporting process, including the preparation of consolidated financial statements in accordance with generally accepted accounting principles. Sola s independent accountants, PricewaterhouseCoopers LLP (PWC), are responsible for auditing Sola s annual consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report on those financial statements. The Audit Committee monitors and oversees these processes, and recommends to the Board for its approval a firm of certified independent accountants to be Sola s independent accountants.

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To fulfill our responsibilities, we did the following:

We reviewed and discussed with Sola s management and the independent accountants Sola s consolidated financial statements for the fiscal year ended March 31, 2002.

We reviewed and discussed with Sola s management and the independent accountants Sola s consolidated quarterly financial statements for each of the first three quarters for the fiscal year ended March 31, 2002.

We reviewed management s representations to us that those consolidated financial statements were prepared in accordance with generally accepted accounting principles.

We discussed with the independent accountants the matters that Statement on Auditing Standards No. 61 (Communication With Audit Committees) requires them to discuss with us, including matters related to the conduct of the audit of Sola s consolidated financial statements.

We received written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees) relating to their independence from Sola, and we have discussed with PWC their independence from Sola.

We considered whether PWC s non-audit services to Sola are compatible with maintaining their independence from Sola.

Based on the discussions we had with management and the independent accountants, the independent accountants disclosures and letter to us, the representations of management to us and the report of the independent accountants, we recommended to the Board that Sola s audited annual consolidated financial statements for fiscal year 2002 be included in Sola s Annual Report on Form 10-K for the fiscal year ended March 31, 2002 for filing with the Securities and Exchange Commission.

We recommended that the Board select PWC as Sola s independent accountants to audit and report on any consolidated financial statements of Sola filed with the Securities and Exchange Commission during fiscal 2003.

Douglas D. Danforth, Chairman
Maurice J. Cunniffe
Jackson L. Schultz

RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP (PWC) has been Sola s independent accountants since 1999. The Board, upon the recommendation of the Audit Committee, has selected PWC as our independent accountants for the fiscal year ending March 31, 2003. A representative of PWC will attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

Audit Fees

PWC billed us approximately $817,000 for professional services in connection with the audit of the annual financial statements included in our Annual Report for the year ended March 31, 2002 and the review of the financial statements included in our Quarterly Reports on Form 10-Q.

Financial Information Systems Design and Implementation Fees

In fiscal year 2002, there were no fees billed by or paid to PWC for professional services in connection with operating or supervising the operation of our information system or managing our local area network. In addition, there were no fees for professional services in connection with designing or implementing a hardware

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or software system that aggregates source data underlying the financial statements or generates information that is significant to our financial statements taken as a whole.

All Other Fees

In fiscal year 2002, there were $607,000 in other fees billed by and paid to PWC. These fees related to tax return preparation ($241,000), tax consulting ($57,000), our 11% Senior Note offering ($281,000) and other consulting services ($28,000).

The Audit Committee has considered whether the non-audit services provided by PWC during fiscal year 2002 are compatible with maintaining PWC s independence.

In response to public concerns about the integrity of independent audits, the Audit Committee adopted a policy that prohibits Sola or any of its affiliates from entering into most non-audit related consulting arrangements with its independent auditors. These services include management consulting services, financial information systems design and implementation, and other information systems design and implementation.

It is expected that the independent auditors will continue to provide certain accounting, additional auditing and tax-related services to Sola and its affiliates; however, Sola will continue its practice of not using its independent auditors for internal auditing services.

SECTION 16(a) BENEFICIAL OWNERSHIP

REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires that Sola s executive officers, directors and 10% stockholders file reports of ownership and changes of ownership of Sola common stock with the SEC and the New York Stock Exchange. Based on a review of the copies of these reports provided to us and written representations from executive officers and directors, we believe that all filing requirements were met during fiscal 2002 and prior fiscal years, except that Messrs. Cunniffe, Hamill, Maxwell and Packham each reported certain transactions late. In a Form 4 filed on October 9, 2001, Mr. Cunniffe reported open market purchases aggregating 40,000 shares of Sola common stock made on February 12, 1997 and an August 18, 2000 grant of an option to purchase 7,619 shares of Sola common stock. In a Form 4 filed on October 9, 2001, Mr. Hamill reported four open market purchases of 1,000 shares of Sola common stock each made on November 15, 1996, February 11, 1997, February 25, 1997 and August 14, 1998 and an August 18, 2000 grant of an option to purchase 7,619 shares of Sola common stock. In a Form 4 filed on October 9, 2001, Mr. Maxwell reported an August 18, 2000 grant of an option to purchase 1,524 shares of Sola common stock. In an amended Form 4 filed on May 20, 2002, Mr. Packham corrected the derivative securities data previously reported in Table II to reflect accurately his December 6, 2001, December 7, 2001 and December 13, 2001 exercises of options to purchase 12,700 shares, 5,000 shares and 12,300 shares, respectively, of Sola common stock.

ANNUAL REPORT ON FORM 10-K

A copy of our Annual Report on Form 10-K for the fiscal year ended March 31, 2002, without exhibits, which is on file with the SEC, is included in the Annual Report delivered with the proxy statement. You may obtain a copy of the exhibits described in the Form 10-K for a fee upon request by contacting Jeff Cartwright, Director of Investor Relations, 10590 West Ocean Air Drive, Suite 300, San Diego, California 92130, (858) 509-9899.

APPENDIX A

SOLA INTERNATIONAL INC.

AUDIT COMMITTEE CHARTER

Purpose

The primary purpose of the Audit Committee (the Committee) is to assist the Board of Directors (the Board) in fulfilling its responsibility of overseeing management s conduct of the Company s financial reporting process, including an overview of the financial reports and other financial information provided by the Company to any governmental or regulatory body, the public or other user thereof, the Company s systems of internal accounting and financial controls, and the annual independent audit of the Company s financial statements.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and to retain outside counsel, auditors or other experts for this purpose. The Board and the Committee are in place to represent the Company s shareholders. Accordingly, the outside auditor is ultimately accountable to the Board and the Committee.

The Committee shall review the adequacy of this Charter on an annual basis.

Membership

The Committee shall be comprised of not less than three members of the Board, and the Committee s composition will meet the requirements of the Audit Committee Policy of the New York Stock Exchange.

Accordingly, all the members will be directors:

1. Who have no relationship to the Company that may interfere with the exercise of their independence from management and the Company; and

2. Who are financially literate or who become financially literate within a reasonable period of time after appointment to the Committee. In addition, at least one member of the Committee will have accounting or related financial management expertise.

Key Responsibilities

The Committee s job is one of oversight and it recognizes that the Company s management is responsible for preparing the Company s financial statements and that the outside auditors are responsible for auditing those financial statements. Additionally, the Committee recognizes that financial management, as well as the outside auditors, have more time, more knowledge and more detailed information on the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company s financial statements or any professional certification as to the outside auditors work.

The following functions shall be in the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

The Committee shall review with management and the outside auditors the audited financial statements to be included in the Company s Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K) and review and consider with the outside auditors the matters required to be discussed by Statement of Auditing Standards (SAS) No. 61, as amended.

As a whole, or through the Committee chair, the Committee shall review with management and the outside auditors the Company s interim financial results to be included in the Company s Form 10-Q

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quarterly reports to be filed with the Securities and Exchange Commission and the applicable matters required to be discussed by SAS No. 61, as amended; this review will occur prior to the Company s filing of the Form 10-Q.

The Committee shall discuss with management and the outside auditors the quality and adequacy of the Company s internal controls.

The Committee shall:

request from the outside auditors annually, a formal written statement delineating all relationships between the auditor and the Company consistent with Independence Standards Board Standard Number 1;

discuss with the outside auditors any such disclosed relationships and their impact on the outside auditor s independence;

review non-audit services provided by the outside auditors to ensure that such services are compatible with the auditors maintaining their independence from the Company; and

recommend that the Board take appropriate action.

The Committee, subject to any action that may be taken by the full Board, shall have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the outside auditor.

This charter was effective on the 21st day of June, 2000 and was most recently updated and reviewed on the 6th day of June, 2002.

/s/ DOUGLAS D. DANFORTH

Douglas D. Danforth
Committee Chairman

/s/ MAURICE J. CUNNIFFE

Maurice J. Cunniffe

/s/ JACKSON L. SCHULTZ

Jackson L. Schultz

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PROXY

SOLA INTERNATIONAL INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF SOLA INTERNATIONAL INC. FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 15, 2002

The undersigned hereby appoints Jeremy C. Bishop and Steven M. Neil, and each of them, as attorneys and proxies with full power of substitution, to vote for and on behalf of the undersigned all shares of common stock of Sola International Inc. held of record by the undersigned on June 17, 2002, at the Sola International Inc. Annual Meeting of Stockholders to be held on August 15, 2002 and at any adjournment thereof, upon the following matters and upon any other business that may properly come before the meeting, as set forth in the related Notice of Annual Meeting and Proxy Statement, both of which have been received by the undersigned.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREOWNER. IF THIS PROXY IS EXECUTED BUT NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE DIRECTOR NOMINEES.

Please indicate your vote for the election of directors on the other side. The nominees for director are: (01) Jeremy C. Bishop, (02) Maurice J. Cunniffe, (03) Douglas D. Danforth, (04) A. William Hamill, (05) Neil E. Leach, (06) Robert A. Muh and (07) Jackson L. Schultz.

SEE REVERSE SIDE	**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**	**SEE REVERSE SIDE**

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X **Please mark votes as in this example.**

The Board of Directors recommends a vote For All Nominees on proposal 1.

1. Election of Directors.

Nominees: (01) Jeremy C. Bishop, (02) Maurice J. Cunnliffe, (03) Douglas D. Danforth, (04) A. William Merrill, (05) Neil E. Leach, (06) Robert A. Muh and (07) Jackson L. Schultz.

O **FOR ALL NOMINEES** O **WITHHELD FROM ALL NOMINEES**

O ________________________________

For all nominees except as noted above

2. In the discretion of the proxies named herein, the proxies are authorized to vote upon other matters as are properly brought before the meeting.

MARK HERE FOR ADDRESS CHANGE AND NOTE AT LEFT O

Please sign this proxy and return it promptly whether or not you expect to attend. Give full title if an attorney, executor, administrator, trustee, guardian, etc. If a corporation, please sign in full corporate name by authorized officer. If a partnership, please sign in partnership name by authorized person. For an account in the name of two or more persons, each should sign, or if one signs, he or she should attach evidence of authority.

Signature: ________________________ **Date:** __________ **Signature:** ________________________ **Date:** __________