



SOLA International Inc. CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of SOLA International Inc. (the “Company”) to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor the effectiveness of decision making at both the Board and management level, with the goal of increasing shareholder value over time. These Guidelines are in addition to and are not intended to change or interpret any Federal or state law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-laws of the Company. The Guidelines are subject to review and modification by the Board from time to time.

BOARD OF DIRECTORS MATTERS

1. Responsibility

The basic responsibility of the directors is to exercise their business judgment and to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s management, its outside advisors and independent accountants. The directors are expected to spend the time needed and to meet as often as necessary to properly discharge their responsibilities.

2. Size

The Board believes that it should generally have between six (6) and nine (9) members. This range permits a diversity of perspectives and experience without being so large as to impede effective discussion. The quality of the individual members and the overall composition of the Board could lead, from time to time, to a Board size that is outside of this range in exceptional circumstances.

3. Independence

A substantial majority of the Board should consist of independent directors. A Director is “independent” if the Board affirmatively determines that the director has no material relationship with the Company directly or as a partner, shareholder or officer of an organization that has a relationship with the Company and otherwise meets the requirements for independence of the listing standards of the New York Stock Exchange. The Board would not expect to have more than one (1) non-independent director except in unusual circumstances, such as during a transition in leadership or for a period of time after a material acquisition.

4. Board membership criteria

Nominees for director shall be recommended based on business and professional accomplishment, integrity, demonstrated ability to make independent analytical inquiries, ability to understand the Company’s business and willingness to devote the necessary time to Board duties. A director’s qualifications in meeting these criteria are considered at least each time the director is re-nominated for Board membership. The Nominating Committee, with the involvement of the Chief Executive Officer, is responsible for the proposal of nominees for services as a director and will consider recommendations offered by stockholders in accordance with Company by-laws.

5. Retirement Policy

Each non-employee director must tender her/his resignation at the annual meeting following her or his 75th birthday. If circumstances dictate, the Nominating and Governance Committee may ask a director to continue to serve on the Board past age 75.

6. Leadership

The Board configures leadership of the Board in the way that best serves the Company's interests in the light of all relevant and changing circumstances. Currently, the Board has adopted a policy of separating the roles of the Chairman of the Board and the Chief Executive Officer.

The Chairman of the Board and Chief Executive Officer set the agenda for Board meetings with the understanding that certain items pertinent to the advisory and monitoring functions of the Board be brought periodically by the Chairman and CEO for review and/or decision. For example, the annual financial objectives are reviewed by the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. Any member of the Board may request that an item be included on the agenda and may raise at any Board meeting subjects that are not on the agenda for that meeting. At least once a year, the Board will review the Company's long-term strategic plans, the principal issues that the Company will face in the future and senior management succession planning.

The non-management members of the Board meet periodically in executive session without the management and also meet in executive session with the Chief Executive on an 'as needed' basis. The Board believes that management should speak for the Company. Non-management members of the Board may, from time to time, receive requests for comments from various constituencies who are involved with the Company, and they should refer such requests to management.

7. Compensation

Director compensation is reviewed periodically by the Compensation Committee and recommendations for adjustments are made to the Board for their approval. Compensation is paid as an annual retainer and an appropriate fee for attendance at Board Committee meetings. Directors may receive compensation in a combination of equity grants, equity options grants and cash. The Company's executive officers shall not receive additional compensation for their service as directors.

8. Stock ownership

The Board believes that directors should be stockholders and have a financial stake in the Company. While the Board does not believe it appropriate to specify the level of share ownership an individual director should hold, it is anticipated that each director will develop a meaningful ownership position in the Company over time, depending upon individual circumstances.

9. Affiliations of Directors

It is the responsibility of each director to advise the Chairman of the Board of any affiliation with public or privately held enterprises or organizations that may create a potential conflict of interest, potential embarrassment to the Company or possible inconsistency with the Company's policies or values.

10. Term Limits

The Board does not believe it appropriate to specify a fixed limit to the number of terms a director may serve. Instead, the Nominating Committee will apply its direct selection criteria, including a director's past contributions to the board, prior to recommending a director for re-election to another term.

11. Evaluation of the Board of Directors and the Chief Executive Officer

The Board and its committees shall annually conduct self-evaluations of the Board as a whole, the Committees and their members, and each individual director. The Compensation Committee shall annually review and evaluate the performance of the Chief Executive Officer, and the Board shall meet with the Chief Executive Officer to discuss and review the evaluation. The Governance Committee shall periodically review with the Chief Executive Officer the effectiveness of Board meetings and the communications between the Board and the Chief Executive Officer.

12. Access to Employees and Independent Advisors

The Board expects that senior officers of the Company will regularly attend Board and committee meetings, present proposals and otherwise assist in the work of the Board. Members of the Board shall have direct access to any of the Company's management employees.

The Board and each committee may retain independent legal, accounting or other advisors as they deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

13. Code of Conduct

The Board has approved the Company's Code of Conduct for employees. Directors shall adhere to those sections of the Code of Conduct that are appropriate for members of the Board.

14. Director Orientation and Continuing Education

The Board or the Company will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a director. The Board or the Company will encourage, but not require, directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly traded companies.

COMMITTEE MATTERS

15. Number and names of Board committees

The Company shall have four (4) standing committees – Audit, Compensation, Governance and Nominating. The duties for each of these committees shall be outlined in their committee charters. The Board reserves the right to form new committees or disband or reconstitute a current committee from time to time depending on circumstances. The frequency, length and agenda of meetings of each of the committees are determined by the chair of the committee who also is responsible for reporting their activity and recommendations to the Board.

16. Independence of Board committees

All standing Board committees shall be chaired by independent directors and the committees' membership shall be composed entirely of independent directors.

17. Assignment and Rotation of Committee Members

The Governance Committee shall be responsible for making recommendations to the Board with respect to assignment of individual directors to various committees. Committee assignment shall be reviewed on an annual basis and rotation of assignments shall be considered periodically based on the special expertise and operations knowledge required for each position.