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*insert full name
of company

COMPANIES FORM No. 395
Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

[] [] [] [] [] []

02838963

Name of company

* SOLA OPTICAL HOLDINGS (UK) LIMITED (the "Company")

Date of creation of the charge

June 14th 1996

Description of the instrument (if any) creating or evidencing the charge (note 2)

Multicurrency Credit Agreement (the "Agreement") dated as of June 14th 1996 among Sola International Inc, the Company and the other Borrowers named therein, Sola Optical (UK) Limited and the other Subsidiary Guarantors named therein, the several financial institutions named therein or from time to time added thereto (the "Banks") [continued ...]

Amount secured by the mortgage or charge

All advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by any Borrower or Subsidiary Guarantor to any Bank, the Agent or any Indemnified Person whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, existing on or after the date of the Agreement.

Capitalised terms used above are defined in Attachment A.

Names and addresses of the mortgagees or persons entitled to the charge

The financial institutions set out in Attachment B, and other financial institutions from time to time party to the Agreement, including in their capacity as co-agents.

Presentor's name address and
reference (if any):

Denton Hall
5 Chancery Lane, Cliffords
Inn, London, EC4A 1BU

Ref: AMB/NEG/0653289.01

Time critical reference

For official use
Mortgage Section

Post room



KLO *KYAP0MX0* 661
COMPANIES HOUSE 03/07/96

Short particulars of all the property mortgaged or charged

All amounts which may be paid to any Borrower or Subsidiary Guarantor in violation of the first sentence of Section 11.09(f) of the Agreement, if the Obligations guaranteed by each such Borrower and Subsidiary Guarantor shall not have been indefeasibly paid in cash in full, and if all the related Commitments have not been permanently terminated.

The first sentence of Section 11.09(f) of the Agreement provides that each Borrower and Subsidiary Guarantor irrevocably waives any claim or other rights which it may on or after the date of the Agreement acquire against any other Borrower or Subsidiary Guarantor that arises from the existence, payment, performance or enforcement of its obligations under its guaranty under the Agreement, including any right of subrogation, reimbursement, exoneration or indemnification, any right to participate in any claim or remedy of the Agent or any Bank against any Borrower or Subsidiary Guarantor which the Agent or any Bank has on the date of the Agreement or acquires after the date of the Agreement (whether or not such claim, remedy or right arises in equity, or under contract, statute or common law), including the right to take or receive from any Borrower or Subsidiary Guarantor, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. Capitalised terms used above are defined in Attachment A.

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Particulars as to commission allowance or discount (note 3)

None

Signed

Date 3 July 1996

On behalf of [company] [~~mortgagee/chargee~~][†]

[†] delete as
appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

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**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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bold block lettering

Company Number

02838963

Name of Company

SOLA OPTICAL HOLDINGS (UK) LIMITED (the "Company")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

and Bank of America National Trust and Savings Association (the "Agent")

Amount due or owing on the mortgage or charge (continued)

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bold block lettering**

ATTACHMENT A

The following words and expressions have the following meanings:

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person (excluding any trustee under, or any committee with responsibility for administering, any Plan). A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, membership interests, by contract, or otherwise;

"Agent" means BofA and any successor agent appointed in accordance with Section 10.09 of the Agreement;

"Agent-Related Persons" means BofA and any successor agent arising under Section 10.09 of the Agreement, together with their respective Affiliates (including, in the case of BofA, the Arranger) and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates;

"Applicable Currency" means, as to any particular payment or Loan, Dollars or the Offshore Currency in which it is denominated or is payable;

"Arranger" means BA Securities, Inc., a Delaware Corporation;

"Assignment and Acceptance" means an Assignment and Acceptance substantially in the form of Exhibit E to the Agreement;

"Bank" means the several financial institutions from time to time party to the Agreement, including in their capacity as co-agents as therein provided;

"Base Rate" means, for any day, the higher of:

- (a) 0.50% per annum above the latest Federal Funds Rate; and
- (b) the rate of interest in effect for such day as publicly announced from time to time by BofA in San Francisco, California, as its "reference rate".

Any change in the reference rate announced by BofA shall take effect at the opening of business on the day specified in the public announcement of such change. The "reference rate" is a rate set by BofA based upon various factors including BofA's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate;

"Base Rate Loan" means a Domestic Loan or L/C Advance that bears interest based at the Base Rate;

"BofA" means Bank of America National Trust and Savings Association, a national banking association;

"Borrowers" means, collectively, the Tranche A Revolving Borrowers and the Company as borrower under the Tranche B Revolving Commitment, the Swing Line Commitment and the Term Loan Commitment;

"Borrowing" means a borrowing under the Agreement consisting of Loans of the same Type and in the same Applicable Currency made to any Borrower on the same day by the Banks under Article II of the Agreement and, in the case of LIBOR Rate Loans and Fixed Rate Loans, having the same Interest Period;

“Business Day” means

- (a) any day other than a Saturday, Sunday or other day on which commercial banks in New York City, San Francisco or, with respect to any Tranche A Revolving Loan, the applicable Lending Office of the Tranche A Revolving Bank are authorized or required by law to close;
- (b) with respect to disbursements and payments of any LIBOR Rate Loan or the determination of the LIBOR Rate, any day which is a Business Day described in sub-clause (a) and is also a day on which dealings in Dollars are carried on in the London interbank eurodollar market; and
- (c) with respect to disbursements and payments of any Tranche A Revolving Loan, the determination of the utilisation of the Tranche A Revolving Commitment, any change in any Offshore Sublimit Commitment Amount or the determination of the interest rate with respect to any Fixed Rate Loan or Floating Rate Loan, any day which is a Business Day described in sub-clause (a) and is also a day on which (i) the Tranche A Revolving Bank is open for business in the relevant Lending Office in which such Tranche A Revolving Loan has been or is to be made and (ii) dealings in the relevant Applicable Currency are carried on in the applicable interbank market in which disbursement of or payment in such Applicable Currency will be made or received under the Agreement;

“Cash Collateralize” means to pledge and deposit with or deliver to the Agent, for the benefit of the Agent, the Issuing Bank and the Tranche B Revolving Banks, as collateral for the L/C Obligations, cash or deposit account balances (not situated in Australia) pursuant to documentation in form and substance satisfactory to the Agent and the Issuing Bank (which documents are hereby consented to by the Tranche B Revolving Banks). Derivatives of such term shall have corresponding meaning. The Company hereby grants the Agent, as security for the L/C Obligations and for the benefit of the Agent, the Issuing Bank and the Tranche B Revolving Banks, a security interest in all such cash and deposit account balances. Cash collateral shall be maintained in blocked, non-interest bearing deposit accounts at B of A;

“Change of Control” means the occurrence at any time of

- (a) the direct or indirect acquisition (as a result of a purchase, acquisition, merger, consolidation or otherwise) by any Person or a group (as such term is defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), of beneficial ownership (as such term is defined in Rule 13D-3 promulgated under the Securities Exchange Act of 1934, as amended) of 30% or more of the outstanding shares (voting as a single class) of common stock of the Company;
- (b) during any period of 24 consecutive months, individuals who at the beginning of such period constituted the Company’s Board of Directors (together with any new directors whose election by the Company’s shareholders was approved by a vote of at least two-thirds of the Directors then still in office (who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office;
- (c) the failure of any Borrower (other than the Company) to be a Wholly-Owned Subsidiary of the Company, all the shares of capital stock of which shall be owned beneficially by the Company free and clear of all Liens; provided that if any such Borrower is the subject of a Permitted Disposition pursuant to Section 8.02 or subsection 8.03(b)(i) of the Agreement, the failure of such Borrower to be a Wholly-Owned Subsidiary of the Company shall not result in the occurrence of a Change of Control if, on or prior to the consummation of such Permitted Disposition, such Borrower repays in full in cash of all of its Obligations outstanding under the Agreement; or

- (d) the occurrence of a "Change of Control", as such term is defined in the Subordinated Debt Agreement;

"Closing Date" means the date on which all conditions precedent set forth in Section 5.01 of the Agreement are satisfied or waived by all the Banks (or, in the case of subsection 5.01(e) of the Agreement, waived by the Person entitled to receive such payment). The initial Credit Extensions hereunder shall be made on the Closing Date;

"Code" means the Internal Revenue Code of 1986 and regulations promulgated thereunder;

"Commitment" means:

- (a) relative to any Bank, such Bank's Tranche A Revolving Commitment, Tranche B Revolving Commitment, Term Loan Commitment, Swing Line Commitment and/or L/C Commitment; and
- (b) relative to all the Banks, the Tranche A Revolving Commitment, Tranche B Revolving Commitment, Term Loan Commitment, Swing Line Commitment and L/C Commitment of all the Banks;

"Company" means Sola International Inc., a Delaware Corporation;

"Conversion/Continuation Date" means any date on which:

- (a) under subsection 2.04(a) of the Agreement, the Company (i) converts Domestic Loans of one Type to another Type, or (ii) continues as Domestic Loans of the same Type, but with a new Interest Period, Domestic Loans having Interest Periods expiring on such date; and
- (b) under subsection 2.04(b) of the Agreement, the relevant Tranche A Revolving Borrower (i) converts Tranche A Revolving Loans of one Type to another Type, or (ii) continues as Tranche A Revolving Loans of the same Type, but with a new Interest Period, Tranche A Revolving Loans having Interest Periods expiring on such date;

"Credit Extension" means, in accordance with the terms hereof:

- (a) the making of any Loans; and
- (b) the Issuance of any Letters of Credit;

"Default" means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default;

"Dollar Equivalent" means, at any time:

- (a) as to any amount denominated in Dollars, the amount hereof at such time; and
- (b) as to any amount denominated in an Offshore Currency, the equivalent amount in Dollars as determined on the basis of the Spot Rate for the purchase of Dollars with such Offshore Currency, (i) with respect to the Tranche A Revolving Commitment, by the Tranche A Revolving Bank on the most recent Tranche A Revolving Computation Date, (ii) with respect to the L/C Commitment, by the relevant Issuing Bank on the most recent L/C Computation Date and (iii) with respect to all other matters (including with respect to any action taken by the Majority Banks) by the Agent from time to time;

"Dollars", "dollars" and "\$" each mean lawful money of the United States;

"Domestic Bank" means each Term Loan Bank and Tranche B Revolving Bank;

"Domestic Loans" means, collectively, the Term Loans and Tranche B Revolving Loans;

"ERISA" means the Employee Retirement Income Security Act of 1974 and regulations promulgated thereunder;

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code);

"Eurodollar Reserve Percentage" has the meaning specified in the definition of **"LIBOR Rate"**;

"Event of Default" means any of the event or circumstances specified in Section 9.01 of the Agreement;

"Federal Funds Rate" means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposition the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so publicised on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Agent;

"Fee Letter" means the letter agreement between the Company and the Arranger and the Agent dated March 29, 1996;

"Fixed Rate Loan" means any fixed rate of interest which, as agreed to by the Tranche A Revolving Bank and the applicable Tranche A Revolving Borrower in a Tranche A Revolving Supplement Agreement, accrues with respect to any Tranche A Revolving Loan;

"Floating Rate Loan" means any floating rate of interest which, as agreed to by the Tranche A Revolving Bank and the applicable Tranche A Revolving Borrower in any Tranche A Revolving Supplement Agreement, accrues with respect to any Tranche A Revolving Loan;

"Foreign Borrower" means each Tranche A Revolving Borrower other than the Company;

"FRB" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions;

"FX Trading Office" means the Foreign Exchange Trading Center #5193, San Francisco, California, of BofA, or such other of BofA's offices as BofA may designate from time to time;

"Governmental Authority" means any domestic or foreign nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation of other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing;

“Guaranty Obligation” means, as to any Person, any direct or indirect liability of that Person, whether or not contingent, with or without recourse, with respect to any Indebtedness, lease, dividend, letter of credit or other obligation (“the primary obligations”) of another Person, to assure or hold harmless the holder of any such primary obligation against loss in respect thereof;

“Indebtedness” of any Person means, without duplication, (a) all indebtedness for borrowed money (including, without limitation, amounts outstanding under the Agreement and pursuant to the Subordinated Debt Agreement); (b) all obligations issued, undertaken or assumed as the deferred price of property or services (other than trade payables entered into in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to Surety Instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement; or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all obligations with respect to capital leases; (g) all indebtedness referred to in subclauses (a) through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (h) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in subclauses (a) through (g) above. For all purposes of the Agreement, the Indebtedness of any Person shall include all recourse Indebtedness of any partnership or joint venture or a member (except to the extent that by operation of law or by the express terms of the relevant partnership, joint venture or limited liability company agreement or instrument governing such Indebtedness the liabilities with respect to such Indebtedness are completely without recourse to such Person);

“Indemnified Person” means each of the Agent-Related Persons, the Issuing Bank and each Bank and each of its respective officers, directors, employees, counsel, agents and attorneys-in-fact;

“Intercompany Subordinated Indebtedness” means any Indebtedness or other amounts owing to it by any Borrower;

“Interest Period” means:

- (a) as to any LIBOR Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as a LIBOR Rate Loan, and ending on the date one, two, three or six months thereafter as selected by the Company in its Notice of Borrowing or Notice of Conversion/Continuation; provided that:
 - (i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;
 - (ii) any Interest Period pertaining to a LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;
 - (iii) no Interest Period for any LIBOR Rate Loan shall extend beyond the applicable Maturity Date for such Loan; and

- (iv) no Interest Period applicable to a Term Loan or portion thereof shall extend beyond any date upon which is due any scheduled principal payment in respect of the Term Loans unless the aggregate principal amount of Term Loans represented by (x) Base Rate Loans or (y) LIBOR Rate Loans having Interest Periods that will expire on or before such date, equals or exceeds the amount of such principal payment;
- (b) as to any Fixed Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as a Fixed Rate Loan, and ending on the date selected by the relevant Tranche A Revolving Borrower in its Notice of Borrowing or Notice of Conversion/Continuation; provided that:
 - (i) no Interest Period for any Fixed Rate Loan shall extend beyond the applicable Maturity Date for such Loan; and
 - (ii) all Interest Periods pertaining to a Fixed Rate Loan shall be subject to the terms of the applicable Tranche A Revolving Supplement Agreement;

"Issue" means, with respect to any Letter of Credit, to issue or to extend the expiry of, or to renew or increase the amount of, such Letter of Credit; and the terms "Issued", "Issuing" and "Issuance" having corresponding meanings;

"Issuing Bank" means BofA in its capacity as issuer of one or more Letters of Credit under the Agreement and any other Bank approved by the Company and the Agent to act as Issuer of one or more Letters of Credit, together, in each case, with any replacement letter of credit issuer arising under subsection 10.01(b) or Section 10.09 of the Agreement;

"Joinder in Credit Agreement" means a Joinder in Credit Agreement delivered pursuant to Section 7.13 of the Agreement, substantially in the form of Exhibit H thereto;

"L/C Advance" means each Tranche B Revolving Bank's participation in any L/C Borrowing in accordance with its Tranche B Revolving Pro Rata Share;

"L/C Amendment Application" means an application form for amendment of outstanding standby or commercial documentary letters of credit shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request;

"L/C Application" means an application form for issuances of standby or commercial documentary letters of credit as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request;

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which shall not have been reimbursed on the date when made nor converted into a Borrowing of Tranche B Revolving Loans under subsection 3.03(c) of the Agreement;

"L/C Commitment" means the commitment of the Issuing Bank to Issue, and the commitment of the Tranche B Revolving Banks severally to participate in, Letters of Credit from time to time Issued or outstanding under Article III of the Agreement. The L/C Commitment is a sub-facility of the Tranche B Revolving Commitment and is not an additional commitment that is separate and apart from the Tranche B Revolving Commitment. Letters of Credit may be denominated in any Applicable Currency;

"L/C Commitment Amount" means \$10,000,000, as such amount may be reduced from time to time pursuant to Section 2.06 of the Agreement, provided that at no time shall the aggregate Dollar Equivalent

amount of Letters of Credit denominated in Offshore Currencies exceed \$5,000,000. The L/C Commitment Amount is a sub-facility of the Tranche B Revolving Commitment Amount and, accordingly:

- (a) the aggregate Dollar Equivalent amount of L/C Obligations; plus
- (b) the aggregate principal amount of Tranche B Revolving Loans and Swing Line Loans shall not at any time exceed the Tranche B Revolving Commitment Amount;

"L/C Computation Date" has the meaning provided for in subsection 3.09(a) of the Agreement;

"L/C Obligations" means on any date the sum of:

- (a) the aggregate undrawn amount of all Letters of Credit then outstanding, plus
- (b) the Dollar Equivalent amount of all reimbursed drawings under all Letters of Credit, including all outstanding L/C Borrowings, minus
- (c) the aggregate amount of all Cash Collateralization, after giving effect to any Issuances of Letters of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date;

"L/C-Related Documents" means the Letters of Credit, the L/C Applications, the L/C Amendment Applications and any other document relating to any Letter of Credit including any of the Issuing Bank's standard form documents for letter of credit issuances;

"Lending Office" means:

- (a) in the case of the Domestic Loans that accrue interest at the (i) Base Rate, the "Domestic Lending Office" of each Domestic Bank set for in Schedule 11.02 to the Agreement and (ii) LIBOR Rate, the "LIBOR Lending Office" of each Domestic Bank set forth in Schedule 11.02 to the Agreement, or such other address as the Agent may from time to time specify in accordance with Section 11.02 of the Agreement;
- (b) in the case of the Tranche A Revolving Loans (i) of any Foreign Borrower denominated in Dollars or in any Offshore Currency (whether or not it is a Fixed Rate Loan or Floating Rate Loan), the "Offshore Lending Office" of the Tranche A Revolving Bank with respect to each Offshore Currency as set forth in Schedule 11.02 to the Agreement, and (ii) of the Company, the "Domestic Lending Office" of the Tranche A Revolving Bank set forth on Schedule 11.02 to the Agreement, or such other address as the Tranche A Revolving Bank may from time to time specify in accordance with Section 11.02 of the Agreement; and
- (c) in the case of the Swing Line Loans the "Lending Office" of the Swing Line Bank set forth in Schedule 11.02 to the Agreement, or such other address as the Swing Line Bank may from time to time specify in accordance with Section 11.02 of the Agreement.

Anything herein to the contrary notwithstanding, all Tranche A Revolving Loans to any Foreign Borrower shall only be made by the Offshore Lending Office of the Tranche A Revolving Bank that is located in the country where such Foreign Borrower borrows such Loans;

“Letters of Credit” and “L/C” means any letters of credit (whether standby letters of credit or commercial documentary letters of credit) Issued by the Issuing Bank pursuant to Article III of the Agreement;

“LIBOR Rate” means, for any Interest Period, with respect to any Domestic Loan comprising part of the same Borrowing, the rate of interest per annum (rounded upward to the next 1/100th of 1%) determined by the Agent as follows:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where:

“Eurodollar Reserve Percentage” means for any day for any Interest Period with respect to a Domestic Loan the maximum reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day (whether or not applicable to any Bank) under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”); and

“LIBOR” means the rate of interest per annum determined by the Agent to be the arithmetic mean (rounded upward to the next 1/100th of 1%) of the rates of interest per annum at which Dollar deposits in the approximate amount of the amount of the Domestic Loan to be made or continued as, or converted into, a LIBOR Rate Loan and having a maturity comparable to such Interest Period would be offered to BofA’s Offshore Lending Office in the London interbank market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

The LIBOR Rate shall be adjusted automatically as to all LIBOR Rate Loans then outstanding as of the effective date of any change in the Eurodollar Reserve Percentage;

“LIBOR Rate Loan” means a Domestic Loan that bears interest based on the LIBOR Rate;

“Lien” means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease or “precautionary” Uniform Commercial Code financing statements filed by the lessor in connection therewith;

“Loan” means an extension of credit by a Bank to any Borrower under Article II or Article III, and may be (a) an L/C Advance, (b) in the case of any Domestic Loan, a Base Rate Loan or a LIBOR Rate Loan, or (c) in the case of any Tranche A Revolving Loan, a Fixed Rate Loan or a Floating Rate Loan (each, a “Type” of Loan), and includes any Tranche A Revolving Loan, Term Loan, Swing Line Loan and Tranche B Revolving Loan;

“Loan Documents” means the instrument creating the charge (the “Agreement”), any Note, the Fee Letter, each Tranche A Revolving Supplement Agreement, each Tranche A Extension Request, each Joinder in

Credit Agreement, each L/C Related Document and all other documents delivered to the Agent or any Bank in connection with the Agreement;

"Majority Banks" means at any time one or more Banks then holding in excess of 51% (a) of the sum of (i) the Commitments and (ii), if the Term Loan Commitment has been terminated, the aggregate unpaid principal amount of the Term Loans or (b) if all the Commitments have been terminated, the aggregate unpaid principal amount of the Loans and L/C Obligations;

"Maturity Date" means the earlier of:

- (a) with respect to the Tranche A Revolving Loans, May 31, 1999, or, if extended by the Tranche A Revolving Bank pursuant to Section 2.16 of the Agreement, the date to which it is so extended (which shall not, in any event, be later than May 31, 2001); provided, however, that the Tranche A Revolving Loans of any particular Tranche A Revolving Borrower will be due and payable (i) on any earlier maturity date to the extent provided for in each applicable Tranche A Revolving Supplement Agreement and (ii) in full on the day any such Tranche A Revolving Borrower (other than the Company) ceases to be a Wholly-Owned Subsidiary;
- (b) with respect to the Domestic Loans and the Swing Line Loans, May 31, 2001; and
- (c) with respect to any Loan, the date on which such Loan becomes due and payable pursuant to the operation of Section 9.02 of the Agreement;

"Multiemployer Plan" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions;

"Note" means, as the context may require, each Tranche A Revolving Note, Tranche B Revolving Note, Term Loan Note and/or Swing Line Note;

"Notice of Borrowing" means:

- (a) a notice to be used with respect to the Domestic Loans in substantially the form of Exhibit A-1 to the Agreement;
- (b) a notice to be used with respect to the Swing Line Loans in substantially the form of Exhibit A-2 to the Agreement; and
- (c) a notice to be used with respect to the Tranche A Revolving Loans in substantially the form of Exhibit A-3 to the Agreement;

"Notice of Conversion/Continuation" means

- (a) a notice to be used with respect to the Domestic Loans in substantially the form of Exhibit B-1 to the Agreement; and
- (b) a notice to be used with respect to the Tranche A Revolving Loans in substantially the form of Exhibit B-2 to the Agreement;

"Obligations" means all advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by any Borrower or Subsidiary Guarantor to any Bank, the Agent, or any Indemnified

Person, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising;

"Offshore Currency" means at any time French Francs, Deutsche Marks, Japanese Yen, Italian Lire, Hong Kong Dollars, Singapore Dollars, New Taiwan Dollars, Australian Dollars, United Kingdom Pounds Sterling, Swiss Francs and Irish Pounds.

"Offshore Sublimit Commitment Amount" means, with respect to each Lending Office of the Tranche A Revolving Bank located in each country set forth below, the requirement that the sum of (a) the aggregate principal amount of the Loans denominated in dollars made from each such Lending Office plus (b) the Dollar Equivalent of the aggregate principal amount of Loans denominated in the Offshore Currency made from each such Lending Office, shall not exceed the amount set forth opposite each such country set forth below:

- (a) France: \$5,000,000;
- (b) Germany: \$2,000,000;
- (c) Japan: \$2,000,000;
- (d) Italy: \$5,000,000;
- (e) Hong Kong: \$2,000,000;
- (f) Singapore: \$2,000,000;
- (g) Taiwan: \$2,000,000;
- (h) Australia: \$4,000,000;
- (i) United Kingdom: \$2,000,000;
- (j) Switzerland: \$1,000,000; and
- (k) Ireland: \$3,000,000

The Offshore Sublimit Commitment Amount is a sub-facility of the Tranche A Revolving Commitment and is not an additional commitment that is separate and apart from the Tranche A Revolving Commitment. Each reduction in the Tranche A Revolving Commitment Amount shall reduce, pro rata, each respective Offshore Sublimit Commitment Amount. The Company, acting for and on behalf of the Tranche A Revolving Borrowers, may (on not less than three nor more than five Business Days' prior notice to the Tranche A Revolving Bank and the Agent) re-allocate the various Offshore Sublimit Commitment Amounts among the respective Lending Offices of the Tranche A Revolving Bank, provided that (i) at no time shall the aggregate Dollar Equivalent amount of all the Offshore Sublimit Commitment Amounts exceed the Tranche A Revolving Commitment Amount and (ii) any prepayments required to be made pursuant to subsection 2.09(d)(ii) of the Agreement shall have been made prior to the effectiveness of each such reallocation. To the extent that, at any time, the aggregate sum of all the Offshore Sublimit Commitment Amounts is less than the Tranche A Revolving Commitment Amount (the "Unallocated Offshore Sublimit Commitment Amount"), the Company may make Borrowings of Dollars from the relevant Lending Office of the Tranche A Revolving Bank set forth on Schedule 11.02 to the Agreement;

"Pension Plan" means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Company sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years;

"Permitted Disposition" means any sale, lease, transfer or other disposition of assets (including without limitation capital stock and receivables) of the Company or any of the Subsidiaries not otherwise permitted by subsections (a) through (e) of Section 8.02 of the Agreement or pursuant to subsection 8.03(b)(i) of the Agreement, provided that (a) after giving effect to such disposition (i) not less than 50% of the aggregate consideration received for all such dispositions since the Closing Date shall be in the form of cash and (ii) the aggregate consideration received for all such dispositions since the Closing Date shall not exceed 15% of the Company's total assets and (b) both immediately before and after giving effect to each such disposition no Default or Event of Default shall have occurred and be continuing;

"Person" means any individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority;

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Company sponsors or maintains or to which the Company makes, is making, or is obligated to make contributions and which is a Pension Plan or a Multiemployer Plan;

"Spot Rate" for a currency means the rate quoted by BofA as the spot rate for the purchase by BofA of such currency with another currency through its FX Trading Office at approximately 8:00 a.m. (San Francisco time) on the date two Business Days prior to the date as of which the foreign exchange computation is made;

"Subordinated Debt Agreement" means the Indenture, dated as of December 1, 1993, between the Company and the Subordinated Debt Trustee;

"Subordinated Debt Trustee" means NationsBank N.A. (South) (formerly known as Nationsbank of Georgia, National Association), as trustee under the Subordinated Debt Agreement, together with its successors and assigns in such capacity;

"Subsidiary" of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than 50% of the voting stock, membership interests or other equity interests (in the case of Persons other than corporations), is owed or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of the Company;

"Subsidiary Guarantor" means Sola Optical Holdings Pty. Ltd., Sola Corporation Limited, Sola Brasil Industria Optica Ltda., Sola Optical (UK) Limited, Industries Optique Sola S.A., Sola Optical Holdings S.A.R.L., Sola Group Holdings GmbH, American Optical Lens Company, Sola Optical Holdings Aus. Ltd., Sola Optical Holdings Fr. Ltd. and Sola Optical Partners or the persons from time to time added as parties pursuant to Section 7.13 of the Agreement;

"Surety Instruments" means all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments;

"Swing Line Bank" means the Bank designated as such in Schedule 2.01 to the Agreement or pursuant to an Assignment and Acceptance;

“Swing Line Commitment” means the commitment of the Swing Line Bank to make Swing Line Loans in an aggregate amount not to exceed the Swing Line Commitment Amount. The Swing Line Commitment is a sub-facility of the Tranche B Revolving Commitment and is not an additional commitment that is separate and apart from the Tranche B Revolving Commitment. Swing Line Loans shall only be made in Dollars;

“Swing Line Commitment Amount” means \$5,000,000, as such amount may be reduced from time to time pursuant to Section 2.06 of the Agreement. The Swing Line Commitment Amount is a sub-facility of the Tranche B Revolving Commitment Amount and, accordingly, the (a) aggregate principal amount of Swing Line Loans and Tranche B Revolving Loans plus the (b) aggregate Dollar Equivalent amount of L/C Obligations shall not at any time exceed the Tranche B Revolving Commitment Amount;

“Swing Line Loan” means each swing line loan made to the Company by the Swing Line Bank pursuant to subsection 2.01(d) of the Agreement;

“Swing Line Note” means a promissory note, substantially in the form of Exhibit F-4 to the Agreement, issued by the Company in favour of the Swing Line Bank pursuant to subsection 2.02(b) of the Agreement;

“Term Loan” means a term loan made to the Company by a Term Loan Bank pursuant to subsection 2.01(a) of the Agreement, such loans to be made according to each Bank’s Term Loan Pro Rata Share of the Term Loan Commitment Amount;

“Term Loan Bank” means a Bank designated as such on Schedule 2.01 to the Agreement attached to the Agreement or pursuant to an Assignment and Acceptance;

“Term Loan Commitment” means, with respect to each Term Loan Bank, the commitment of such Bank to make Term Loans pursuant to subsection 2.01(a) of the Agreement to the Company, not to exceed its Term Loan Pro Rata Share of the Term Loan Commitment Amount. Term Loans shall only be made in Dollars;

“Term Loan Commitment Amount” means, with respect to all the Term Loan Banks, \$30,000,000;

“Term Loan Note” means each of the promissory notes, substantially in the form of Exhibit F-3 to the Agreement, issued by the Company in favour of each Term Loan Bank pursuant to subsection 2.02(b) of the Agreement;

“Term Loan Pro Rata Share” means, with respect to each Term Loan Bank, the percentage identified as such opposite the name of such Bank in Schedule 2.01 to the Agreement under the heading “Term Loan Pro Rata Share” (or, if such Bank is a party to an Assignment and Acceptance, the percentage identified as such opposite the name of such Bank in the most recent Assignment and Acceptance executed by such Bank);

“Tranche A Extension Request” means an Extension Request delivered pursuant to Section 2.16 of the Agreement, substantially in the form of Exhibit G to the Agreement;

“Tranche A Revolving Bank” means the Bank designated as such in Schedule 2.01 to the Agreement or pursuant to an Assignment and Acceptance, and shall include for purposes of each Tranche A Revolving Supplement Agreement and any actions taken pursuant thereto each relevant Lending Office (including any branch, agency or other division or Affiliate of the Tranche A Revolving Bank acting through such Lending Office) acting on behalf of the Tranche A Revolving Bank designated in Schedule 11.02 to the Agreement or pursuant to an Assignment and Acceptance;

“Tranche A Revolving Borrowers” means the Company, Sola International Holdings Ltd. (ACN007719708), a South Australian corporation, Sola Optical Holdings (UK) Limited, an English

corporation, Sola Optical S.A., a French corporation, Sola Optical GmbH, a German corporation, Sola Hong Kong Limited, a Hong Kong corporation, Sola ADC Lenses Limited, an Irish corporation, Sola Optical Italia S.p.A., an Italian corporation, Sola Optical Japan Limited, a Japanese corporation, Sola Optical Singapore Pte. Ltd, a Singapore corporation and Sola Optical Taiwan Ltd., a Republic of China corporation, and American Optical Corporation International AG, a Switzerland corporation after they become borrowers pursuant to Section 7.13 of the Agreement, as borrowers under the Tranche A Revolving Commitment. Without limiting the requirements of clause (c) of the definition of "Change of Control", if any Tranche A Revolving Borrower (other than the Company) ceases to be a Wholly-Owned Subsidiary at any time, such Borrower shall (a) be prohibited from making any additional Borrowings under the Agreement, (b) immediately repay in full in cash all its Obligations outstanding hereunder and (c) upon acknowledgement by the Agent to the Company of the payment in full of all such Borrower's Obligations pursuant to the preceding clause (b) cease, automatically and without notice to or action by any Person, to be a Tranche A Revolving Borrower under the Agreement;

"Tranche A Revolving Commitment" means, with respect to the Tranche A Revolving Bank, the commitment of such Bank to make Tranche A Revolving Loans pursuant to subsection 2.01(b) of the Agreement to the Tranche A Revolving Borrowers. Tranche A Revolving Loans may be made in any Applicable Currency;

"Tranche A Revolving Commitment Amount" means the Dollar Equivalent of \$30,000,000 as such amount may be reduced from time to time pursuant to Section 2.06 of the Agreement;

"Tranche A Revolving Computation Date" has the meaning specified in subsection 2.05(a) of the Agreement;

"Tranche A Revolving Loan" means each tranche A revolving loan made to any Tranche A Revolving Borrower by the Tranche A Revolving Bank pursuant to Section 2.01(b) of the Agreement;

"Tranche A Revolving Note" means each of the promissory notes, substantially in the form of Exhibit F-1 to the Agreement issued by the Tranche A Revolving Borrowers in favour of the Tranche A Revolving Bank pursuant to subsection 2.02(b) of the Agreement;

"Tranche A Revolving Supplement Agreement" means each agreement between each Tranche A Revolving Borrower and the Tranche A Revolving Bank to be used with respect to the Tranche A Revolving Loans and in substantially the form of Exhibit J to the Agreement;

"Tranche B Revolving Bank" means a Bank designated as such on Schedule 2.01 attached to the Agreement or pursuant to an Assignment and Acceptance;

"Tranche B Revolving Commitment" means, with respect to each Tranche B Revolving Bank of the Agreement, the commitment of such Bank to make Tranche B Revolving Loans pursuant to subsection 2.01(c) of the Agreement to the Company, not to exceed its Tranche B Revolving Pro Rata Share of the Tranche B Revolving Commitment Amount. Tranche B Revolving Loans shall only be made in Dollars;

"Tranche B Revolving Commitment Amount" means, with respect to all the Tranche B Revolving Banks, \$120,000,000, as such amount may be reduced from time to time pursuant to Section 2.06 of the Agreement;

"Tranche B Revolving Loan" means each tranche B revolving loan made to the Company by a Tranche B Revolving Bank pursuant to subsection 2.01(c) of the Agreement, such loans to be made according to such Bank's Tranche B Revolving Pro Rata Share of the Tranche B Revolving Commitment Amount;

"Tranche B Revolving Note" means each of the promissory notes, substantially in the form of Exhibit F-2 to the Agreement, issued by the Company in favour of each Tranche B Revolving Bank pursuant to subsection 2.02(b) of the Agreement;

"Tranche B Revolving Pro Rata Share" means, with respect to each Tranche B Revolving Bank, the percentage identified as such opposite the name of such Bank in Schedule 2.01 to the Agreement under the heading "Tranche B Revolving Pro Rata Share" (or, if such Bank is a party to an Assignment and Acceptance, the percentage identified as such opposite the name of such Bank in the most recent Assignment and Acceptance executed by such Bank);

"Type" has the meaning specified in the definition of **"Loan"**;

"Wholly-Owned Subsidiary" means any corporation in which (other than directors' qualifying shares required by law) 100% of the capital stock of each class having ordinary voting power, and 100% of the capital stock of every other class, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by the Company, or by one or more of the other Wholly-Owned Subsidiaries, or both. Unless the context otherwise clearly requires, references herein to a "Wholly-Owned Subsidiary" refers to a Wholly-Owned Subsidiary of the Company.

ATTACHMENT B

Bank of America National Trust and Savings Association

The Bank of Nova Scotia

The First National Bank of Boston

Deutsche Bank AG Los Angeles branch and/or Cayman Islands branch

Lasalle National Bank

NationsBank of Texas, N.A.

Société Générale

Banque Paribas

Commerzbank Aktiengesellschaft

The Long-Term Credit Bank of Japan, Ltd

Wells Fargo Bank National Association

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02838963

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MULTICURRENCY CREDIT AGREEMENT DATED THE 14th JUNE 1996 AND CREATED BY SOLA OPTICAL HOLDINGS (UK) LIMITED FOR SECURING ALL ADVANCES, DEBTS, LIABILITIES, OBLIGATIONS, COVENANTS AND DUTIES ARISING UNDER ANY LOAN DOCUMENT OWING BY ANY BORROWER OR SUBSIDIARY GUARANTOR TO ANY BANK, BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (THE AGENT) OR ANY INDEMNIFIED PERSON WHETHER DIRECT OR INDIRECT (INCLUDING THOSE ACQUIRED BY ASSIGNMENT), ABSOLUTE OR CONTINGENT, DUE OR TO BECOME DUE, EXISTING ON OR AFTER THE DATE OF THE AGREEMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd JULY 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th JULY 1996.

A handwritten signature in black ink, appearing to read 'A. J. Wakeham', written over the printed name.

A. J. WAKEHAM

for the Registrar of Companies



C O M P A N I E S H O U S E

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