

INSIDER TRADING POLICY

MACE SECURITY INTERNATIONAL, INC.
INSIDER TRADING POLICY
Dated November 19, 2004

It is illegal to trade the Company's securities on the basis of material inside information. This Insider Trading Policy will explain your responsibilities as a Company director, officer or employee. In some cases our Policy goes beyond the securities laws to avoid any appearance of impropriety, and to protect our reputation. It is every officer's responsibility to see that any employee, including clerical personnel, who could learn of material inside information, is aware of this Policy. Failure to follow this Policy could result in the loss of your job. Legal penalties could include fines of \$1,000,000 or more and imprisonment for up to ten years.

What is material inside information?

Inside information is information that is known inside the Company but is not known to the general investing public. It is sometimes called "non-public information." "Material" information is that which a reasonable investor would consider important in a decision to buy, hold or sell the Company's Common Stock. If the information could change the price of the Company's Common Stock, it is material. Some examples of information, whether positive or negative, that is material are:

- earnings and dividend amounts;
- projections of future earnings or losses;
- pending or proposed mergers, acquisitions or tender offers;
- significant sales of assets or the disposition of a subsidiary;
- changes in dividend policies, the offering of additional securities, or a stock split;
- changes in top management;
- significant new products or technological advances;
- significant changes in production schedules or product planning;
- the gain or loss of a substantial customer or contract; or
- extraordinary borrows, changes in debt ratings, or impending bankruptcy or liquidity problems.

What is prohibited?

You may not trade the Company's Common Stock on the basis of material inside information. You may not pass along material inside information to others with the idea or intent that they may trade on this information. Giving your friend or relative a "tip" by revealing the Company's material inside information may get you fired, and, if your friend trades, land you both in jail. You may not even recommend that someone buy or sell the Company's Common Stock because of material inside information which you have, even if you don't reveal it. Material inside information should only be disclosed to those who need to know it, and should not be discussed in public places.

Who is covered by this Policy?

All Company employees, as well as our directors, and officers are covered. Members of your family and household are also covered.

When may you trade?

You may only trade after the material inside information in your possession becomes known to the investing public, and they have had time to digest it, which is usually considered to be the third business day after its release. Thus, if information is released on a Friday, you may not trade until the following Wednesday. If the information is unusually complex, wait longer.

Prohibitions on trading in other companies' securities

If, in the course of your work for the Company, you learn material inside information about companies doing business with the Company, the same prohibitions apply to trading in their securities as apply to the Company's securities.

Special additional restrictions on trading by certain Company officers and directors

The following individuals, referred to in this Policy as "Restricted Persons," have special trading restrictions whether or not they possess material inside information:

- Members of the Board of Directors; and
- Executive Officers subject to Section 16 of the Securities Exchange Act of 1934.

Regarding any Company security, Restricted Persons may not:

- Trade at any time during a blackout period. A blackout period is (i) all times, except for a 45 day period commencing three days after a quarterly or year end earnings release and ending 45 days thereafter ("Trading Window"), and (ii) any time during a Trading Window that the General

Counsel advises all Restricted Persons in writing that a blackout period exists. Restricted Persons may trade during a Trading Window, as long as the General Counsel has not notified them of a blackout period and only if the Restricted Persons has no material inside information. Trades include short sells and trades in quoted options.

- Sell in less than six months of a purchase, or purchase within six months of a sale.

Exception for stock purchase plans and dividend reinvestment plans

Periodic investment programs in the Company's securities in which the timing of purchases is outside the control of the Company employee, such as payroll deductions into stock savings plans, or dividend reinvestment programs, are permitted whether or not the employee has material inside information. However, any sale of the shares purchased or changes to these programs on the basis of material inside information are prohibited.

General observations

- There are no hardship exceptions. Even if you need to sell the Company's Common Stock to pay debts or cover your child's college tuition, you may not violate this Policy.
- There is no exception for small trades.
- Losing money is not a defense.
- Your trading or tipping will be scrutinized after the fact with twenty-twenty hindsight. Always assume the worst outcome.
- As a rule, the safest time to trade is from the third day after the quarterly earnings release until ten days thereafter.
- When in doubt, don't trade or tip.

Other related laws and policies

Please do not forget that your securities trading and other activities may be subject to other restrictions and obligations under Section 16 of the Securities Exchange Act of 1934, Rule 144 under the Securities Act of 1933, and the Company's policies on confidentiality, disclosure, and press releases.

Questions

For questions about this Policy, please contact the Company's General Counsel.