

Mace Security International, Inc.

Supplemental Exhibits to

Quarterly Report

March 31, 2019

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement"), dated as of January 18, 2019, is entered into by and among (i) Mace Security International, Inc., a Delaware corporation ("Purchaser"), (ii) Bigfoot Holdings Ltd., a British Columbia company ("Seller"), and (iii) the Persons identified on Exhibit 1 hereto, in their respective capacities as the collective record or beneficial owners of a majority of the issued and outstanding shares of voting capital stock of Seller (each an "Equityholder" and collectively, the "Equityholders"). Seller and the Equityholders are referred to collectively herein as the "Seller Parties," and each may be referred to herein individually as a "Seller Party."

1. **Purchased Assets.** For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, assigns, transfers and delivers to Purchaser, and Purchaser hereby purchases from Seller, free and clear of all liens, pledges or encumbrances of any kind (collectively, "Liens"), all of Seller's right, title and interest in and to all of Seller's assets (other than the Excluded Assets (as defined below)) (collectively, the "Purchased Assets") used in or useful to its business of developing, innovating, manufacturing, selling and distributing personal security equipment, including, but not limited to, pepper spray and stun guns, in the United States, Canada and elsewhere around the world (collectively, the "Business"), including, without limitation, the following assets: (a) all of Seller's tools, machinery and equipment, including the tools, machinery and equipment listed on Exhibit 2; (b) all of Seller's inventory of every kind and description, including the inventory listed on Exhibit 3 (the "Inventory"); (c) all business and marketing data and records related to the Business, including service and warranty records, equipment logs, operating guides and manuals, financial and accounting records, studies, and other similar documents; (d) all of Seller's telephone (cell and landline) and facsimile numbers, email addresses, Internet web sites and Internet domain names used in the Business; (e) all registered and unregistered Intellectual Property Rights (as defined in Section 7(j) hereof), including all patents and patent applications; (f) all of Seller's goodwill, intangible property and going concern value, including Seller's name, assumed fictional business names, trade names, registered and unregistered trademarks, confidential and proprietary information, trade secrets, and all documentation relating thereto; (g) the open purchase orders and other contracts or agreements to which Seller is a party that are related to the operation of the Business with the customers set forth on Exhibit 4 (the "Assumed Contracts"); (h) all books, papers, records, advertising materials, studies, maintenance records, existing and prospective customer lists (including the names and addresses of past, current and prospective customers of the Business, together with copies of all records, compilations and files relating to such customers), price lists, supplier lists, drawings, designs, quality control specifications, cost analyses, flow sheets, equipment and parts lists, depreciation schedules, process sheets, instruction manuals, employee and accounting records (including sales invoices, proofs of shipment/delivery, customer orders and vendor invoices) and other records of Seller relating to the Purchased Assets or the operation of the Business; (i) all prepaid assets of Seller; and (j) all customer deposits held by Seller (the "Customer Deposits").

For the avoidance of doubt, Purchaser is not assuming any liability or obligation of the Seller Parties other than as specifically set forth in Section 3(a).

2. **Excluded Assets.** The following assets, properties, rights, contracts and claims, wherever located, whether tangible or intangible, real or personal, of Seller (whether or not used in or useful to Seller's operation of the Business) are not included in the definition of Purchased Assets and are not being sold, assigned, transferred or delivered to Purchaser (collectively, the "Excluded Assets"): (a) all cash, cash equivalents, marketable securities and similar investments, bank accounts, lockboxes and deposits of Seller (other than the Customer Deposits, which for the avoidance of doubt are Purchased Assets); (b) Seller's trade accounts receivable; (c) all rights, causes of actions, claims and credits related to any Excluded Asset or any Retained Liability, including all guarantees, warranties, indemnities and similar rights in favor of Seller in respect of any Excluded Asset or any Retained Liability; (d) all insurance policies of Seller and all claims and rights of Seller under such insurance policies, whether or not related to the Business; (e) all (i) claims for and rights of Seller to receive tax refunds and (ii) tax deposits; (f) all rights of Seller under this Agreement, the other agreements and instruments executed and delivered in connection with this Agreement, and the transactions contemplated hereby

or thereby; (g) Seller's minute books and other organizational records having to do with the formation and capitalization of Seller, any personnel records and other records relating to the employees of Seller that Seller is required by law to retain in its possession, and tax returns of Seller; (h) all capital stock or other equity interests of Seller and any capital stock or other equity interests owned by Seller in any other Person; (i) any employee benefit plan or other bonus or compensation plan or right of any type to which Seller contributes to, is a party to, is bound by or could reasonably be expected to have liability (whether known, accrued, absolute, contingent, liquidated or otherwise) with respect to, and under which directors, employees, independent contractors, consultants or other members of the workforce of Seller are or have been eligible to participate or derive a benefit (collectively, the "Seller Plans"); and (j) the assets set forth on Exhibit 5.

3. Obligations and Liabilities.

(a) Assumed Liabilities. Purchaser hereby assumes and agrees to pay, perform and discharge when due only the following liabilities of Seller related to the Business (the "Assumed Liabilities"): the performance or payment obligations arising after the Closing under the Assumed Contracts to the extent (i) such performance or payment obligations accrue, relate and are to be performed solely after the Closing, (ii) such performance or payment obligations are not related to a breach of an Assumed Contract that occurred prior to the Closing, and (iii) the corresponding benefits of such Assumed Contracts are validly assigned to and received by Purchaser.

(b) Retained Liabilities. Other than the Assumed Liabilities, Seller will remain liable for, and will pay, discharge and perform in a timely manner, all of its liabilities and obligations, including, without limitation, liabilities and obligations: (i) arising as a result of its operations; (ii) relating to controversies, grievances or claims of Seller's current or former employees or independent contractors (or their respective beneficiaries) with respect to the provision of services for Seller or the compensation and benefits incident thereto, including sexual harassment and discrimination claims and claims arising under the Fair Labor Standards Act (or its state equivalents) or workers' compensation laws (regardless of whether such controversy, grievance or claim is initiated or brought by any of the foregoing individuals or entities or a third party); (iii) for taxes arising as a result of its operation or as a result of this Agreement; (iv) for trade accounts payable of Seller; and (v) for accrued liabilities of Seller (collectively, the "Retained Liabilities").

4. Purchase Price. The aggregate purchase price for the Purchased Assets is \$175,000 (the "Cash Consideration"), plus the contingent right to receive the Earn-Out Payments identified in, and pursuant to Section 5 hereof (the "Contingent Consideration," and together with the Cash Consideration, the "Purchase Price"). The Cash Consideration shall be payable at Closing via the payment by Purchaser to Seller in cash at Closing of an amount equal to One Hundred Seventy-Five Thousand Dollars (\$175,000), less the payment of One Hundred Thousand Dollars (\$100,000) to Kane Shannon Weiler LLP in respect of amounts owed by Seller to Mike Whieldon and Kerry Adams (creditors of Seller), less any amounts owed by Seller to Purchaser immediately prior to the Closing (\$65,396.02). For the avoidance of doubt, all references in this Agreement to "\$" or "Dollars" mean U.S. Dollars.

5. Contingent Consideration: Earn-Out.

(a) Earn-Out Payments. Seller, pursuant to the terms and subject to the satisfaction of the conditions set forth herein, be entitled to receive quarterly earn-out payments, the aggregate amount of which (the "Earn-Out Cap") shall not exceed \$175,000 (each, an "Earn-Out Payment," and collectively, the "Earn-Out Payments"), during the thirty-six (36) month period commencing as of the date hereof and expiring on the thirty-six (36) month anniversary of the date hereof (the "Earn-Out Period") based on the operation of the Business during such period. The Earn-Out Payment with respect to each Earn-Out Segment (as defined below) shall be equal to twenty percent (20%) multiplied by the amount of Net Sales by Purchaser of Seller's products or Purchaser's products (including Mace and Vigilant products) (collectively, the "Products") during such Earn-Out Segment to any Person that was a customer of Seller immediately prior to the Closing; provided, that if any such customer of Seller was also a customer of Purchaser immediately prior to the Closing, the

Products with respect to such customer shall only include Seller's products and not Purchaser's products. For the avoidance of doubt, the aggregate amount of Earn-Out Payments shall not exceed the Earn-Out Cap. By way of example, if Net Sales during the first Earn-Out Segment are equal to \$500,000, the Earn-Out Payment with respect to the first Earn-Out Segment would be \$100,000, and the amount of all future Earn-Out Payments (if any) would be limited to \$75,000 in the aggregate. For purposes of this Agreement, (i) "Net Sales" means, with respect to the Earn-Out Segment in question, the Gross Sales for such period net of associated sales discounts, rebates, customer and other allowances and returns, calculated by Purchaser in accordance with United States generally accepted accounting principles (provided however, that notwithstanding the foregoing, Net Sales shall only include amounts actually received by Purchaser); and (ii) "Gross Sales" means, with respect to the Earn-Out Segment in question, the total gross sales of Products during such Earn-Out Segment by Purchaser to any Person that was a customer of Seller immediately prior to the Closing, calculated by Purchaser in accordance with United States generally accepted accounting principles.

(b) Procedures Applicable to Determination of the Earn-Out Payments.

(i) Within thirty (30) days after the end of each three-month period during the Earn-Out Period (each such period is referred to as an "Earn-Out Segment"), Purchaser shall prepare and deliver to Seller a written statement (each, an "Earn-Out Statement") setting forth in reasonable detail its determination of the resulting Earn-Out Payment payable for such Earn-Out Segment, if any, along with its calculations made pursuant to Section 5(a) above. For the avoidance of doubt, the first Earn-Out Segment shall begin on the Closing Date and end three (3) months after the Closing Date, the Second Earn-Out Segment shall begin on the day following the end of such three (3)-month period and end three (3) months later, and so on.

(ii) Seller shall have forty-five (45) days after receipt of each Earn-Out Statement (the "Earn-Out Review Period") to review it. During each Earn-Out Review Period, Seller and its authorized representatives shall have reasonable access to Purchaser's relevant books and records and personnel, and work papers related to the calculations prepared by Purchaser's agents as they may reasonably request in writing for the purpose of reviewing the Earn-Out Statement and the calculations set forth therein; *provided* that such access shall be in a manner that does not unreasonably interfere with Purchaser's normal business operations and, prior to being granted such access, any third-party signs a confidentiality agreement in a form reasonably acceptable to Purchaser.

(iii) On or prior to the last day of each Earn-Out Review Period, Seller may object to the determinations set forth in the corresponding Earn-Out Statement by delivering a written notice of objection (an "Objection Notice") to Purchaser. Any Objection Notice shall specify the items in the Earn-Out Statement disputed by Seller and shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If Seller fails to deliver an Objection Notice to Purchaser (or indicates its agreement with the Earn-Out Statement) on or prior to the last day of the applicable Earn-Out Review Period, then the Earn-Out Statement shall be final and binding on the parties hereto with respect to the relevant Earn-Out Segment. If Seller timely delivers an Objection Notice, Purchaser and Seller shall negotiate in good faith to resolve the disputed items and agree upon the Earn-Out Payment due and payable, if any, for such Earn-Out Segment (which amount as finally determined shall in any event be equal to or between the positions proposed by each of Purchaser and Seller). If Purchaser and Seller are unable to resolve any such dispute, the dispute shall be submitted to the Cleveland, Ohio office of Cohen & Company (the "Independent Accountants"), and the Independent Accountants shall determine whether and to what extent an Earn-Out Payment is payable for the applicable Earn-Out Segment. The fees and disbursements of the Independent Accountants shall be borne by the party (i.e., Purchaser, on the one hand, and the Seller Parties, on the other hand) that assigned amounts to items in dispute that were, on a net basis, furthest in amount from the amount finally determined by the Independent Accountants. Upon a final determination of the amount of the relevant Earn-Out Payment, if any, in accordance with the terms of this Section 5(b)(iii), Purchaser shall deliver such Earn-Out Payment to Seller within five (5) business days after its final determination.

(c) **Operation of the Business Following Closing.** The Seller Parties acknowledge and agree that (i) the potential payment of the Earn-Out Payments is speculative, contingent upon the satisfaction of the conditions identified herein, and subject to numerous factors outside the control of Purchaser; (ii) Purchaser has no obligation to operate the Business in a manner designed generally or specifically to achieve the payment of the Earn-Out Payments and owes no fiduciary duty or express or implied duty to the Seller Parties in this regard; and (iii) following the Closing, Purchaser is not obligated to operate, and will not operate the Business in the manner in which the Seller Parties operated the Business prior to the Closing, and that Purchaser has the right to operate the Business as Purchaser deems appropriate and in Purchaser's sole discretion. Notwithstanding the foregoing, Purchaser shall not intentionally and knowingly take, or intentionally and knowingly not take, any action or series of actions for which the primary goal of Purchaser (at the time the action is taken or not taken) is reducing, in bad faith, the Earn-Out Payments that may become payable hereunder.

(iv) Notwithstanding the foregoing clauses (i) through (iii), if Purchaser has already made Earn-Out Payment(s) to Seller that equal the Earn-Out Cap, no further Earn-Out Statement(s) shall be required to be delivered by Purchaser.

6. **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Seller that: (a) it has the full power and authority to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance by Purchaser has been approved by all necessary organizational action; and (b) Purchaser has duly executed and delivered this Agreement, and it constitutes Purchaser's legal, valid and binding obligation enforceable against Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, similar laws relating to debtor relief and general principles of equity.

7. **Representations and Warranties of the Seller Parties.** The Seller Parties, jointly and severally, represent and warrant to Purchaser as follows:

(a) **Authority; Capitalization.** Seller has all power and authority to carry on the Business as it has been and is currently conducted. Each Seller Party has the full power and authority (and, in regard to the Equityholders, capacity) to execute, deliver and perform its respective obligations under this Agreement and each of the documents to be executed and delivered respectively by each in connection herewith, and such execution, delivery and performance by Seller has been approved by all necessary organizational action. Each Seller Party has duly executed and delivered this Agreement and each of the documents to be executed and delivered respectively by each in connection herewith, and each constitutes the legal, valid and binding obligation of the applicable Seller Party, enforceable against each of them in accordance with its respective terms. The Equityholders are the record and beneficial owners of a majority of the authorized, issued and outstanding voting shares of capital stock of Seller, and there is no irrevocable proxy, voting trust or similar contract with respect to the exercise of the voting power of Seller.

(b) **No Conflicts; Consent.** The execution, delivery and performance of this Agreement does not: (i) conflict with or violate any law or any judgment, order or decree to which any Seller Party is subject; (ii) violate or conflict with the provisions of Seller's charter documents; (iii) result in the breach of, constitute a default under, or give to any individual, corporation, limited liability company, partnership, trust, unincorporated association, government or any agency, instrumentality or political subdivision of a government, or other entity or organization (a "Person") any rights of termination of any contract or any other agreement to which any Seller Party is a party or by which any of the Purchased Assets are bound; or (iv) result in the creation of any Lien on any of the Purchased Assets. No Seller Party needs to obtain any consent, approval, authorization or filing with any governmental authority or other individual or entity in order for the parties to consummate the transactions contemplated by this Agreement.

(c) **Books and Records.** Seller's books of account, financial statements, asset ledgers and other records, all of which have been made available to Purchaser, are complete and correct in all material respects.

Seller's books of account accurately reflect all of Seller's assets and liabilities in accordance with normal accrual accounting practices.

(d) Compliance with Laws; Litigation. Seller has complied, and is currently in compliance with, all applicable laws in all material respects, and no notice, claim or complaint has been received by any Seller Party alleging noncompliance. There is currently no, and within the three years preceding the Closing Date there has been no, claim, litigation, investigation or proceeding pending or threatened against Seller, and no event has occurred or circumstance exists that could give rise to any such claims or proceedings.

(e) Taxes. The Seller Parties have paid, or made adequate reserves for the payment of, all taxes related to Seller's properties, business or income that are due or have been levied, and there are no assessed tax deficiencies against any Seller Party or any basis upon which any additional taxes related to Seller's properties, business or income could be assessed. No examination, audit or claim with respect to any Seller Party's tax returns or tax liability has occurred, is in progress, or is being proposed or threatened. All taxes that Seller is or was required to withhold or collect (including sales taxes) have been withheld or collected and, to the extent required, have been paid to the proper governmental authority. There are no Liens for unpaid taxes on Seller's assets, except Liens for current taxes not yet due and payable.

(f) Inventory. Exhibit 3 contains a true and correct listing of all Inventory. The Inventory is free of material defect, is of a quality and quantity usable and salable in the ordinary course of the Business except for obsolete items, which have been written off or written down to net realizable value, and is not excessive in the present circumstances of the Business. The Inventory not written off has been priced at the lower of cost or market value. All items included in the Inventory are Seller's property, are not held by Seller on consignment from others and are otherwise free and clear of any Lien.

(g) Financial Statements. Exhibit 6 consists of the following financial statements (collectively the "Financial Statements"): (i) Seller's internally prepared balance sheets as of December 31, 2016 and December 31, 2017 and the related income statements for the 12-month periods then ended; and (ii) Seller's internally prepared balance sheet as of August 31, 2018 and the related income statement for the 8-month period then ended. The Financial Statements, including the notes thereto: (a) are correct and complete in all material respects; (b) are consistent with, and have been prepared from, Seller's books and records; and (c) fairly present Seller's financial condition and results of its operations as of each date and for the respective periods covered by the Financial Statements, determined in a manner consistent with Seller's past practices. With respect to the income statements contained in the Financial Statements, such income statements do not contain any extraordinary or non-recurring income or any other income not earned in the ordinary course of the Business. Seller's books of account accurately reflect all items of income and expense (including accruals) and all of Seller's assets and liabilities in a manner consistent with Seller's past practices.

(h) Employment Matters. None of the Seller Plans is a multiemployer plan within the meaning of Sections 3(37) or 4001(a)(3) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder ("ERISA"), or an employee benefit plan, program or arrangement subject to Section 302 or Title IV of ERISA or Section 412 of the Internal Revenue Code, nor has Seller ever been a sponsor of, or been obligated to make contributions to, any such plan. Seller is and has been in compliance with all laws relating to employment and the engagement of independent contractors (including the classification of individuals as employees or independent contractors) and the withholding and payment of income and employment taxes and any similar tax.

(i) Recent Events. Since December 31, 2017, (i) Seller's business and affairs have been operated in the ordinary course of the Business; (ii) there has not been any adverse change, or event or circumstance which could reasonably be expected to result in an adverse change, in Seller's assets, liabilities or operating performance; and (iii) Seller has not made any change in its tax reporting or accounting policies or practices (including practices with respect to depreciation or amortization policies or rates, or the payment of accounts payable or the collection of Accounts Receivable) or taken any actions which have accelerated sales into

periods prior to the Closing that would otherwise reasonably be expected to occur following the Closing.

(j) Intellectual Property. Exhibit 7 lists: (a) all Intellectual Property Rights owned or used by Seller or in which it has any rights or licenses, indicating in each instance which of such Intellectual Property Rights is owned or used under an oral or written license contract; and (b) any federal or state registrations or applications that Seller has with respect to such Intellectual Property Rights. Seller has such rights of ownership in or is licensed to use such Intellectual Property Rights as are necessary for the operation of the Business in the ordinary course of the Business. Seller has not interfered with, infringed upon or misappropriated any Intellectual Property Rights of any other Person, and Seller has not received any claim or notice alleging such action. To the Seller Parties' knowledge, no third party has infringed, misappropriated or otherwise conflicted with Seller's Intellectual Property Rights. No such claims have been brought or threatened against any third party by Seller. Seller has the exclusive right to use such Intellectual Property Rights (other than off-the-shelf software purchased for use in Seller's day-to-day operations), and, upon consummation of the transactions contemplated hereby, Purchaser will acquire such Intellectual Property Rights free and clear of all Liens. None of Seller's Intellectual Property Rights have been used, divulged or appropriated for the benefit of any other Person, and Seller has not granted any license or sublicense of any rights under or with respect to its Intellectual Property Rights.

As used herein, "Intellectual Property Rights" means: (a) inventions, patents, patent applications and patent disclosures; (b) trademarks, service marks, trade dress, logos, trade names, corporate names and fictitious names and any registrations and applications for any of the foregoing, and including all goodwill associated therewith; (c) copyrights and any registrations and applications therefor; (d) computer software, databases and documentation, and websites and domain names; (e) trade secrets and confidential business information, inventions, research and development information, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information; and (f) documentation relating to any of the foregoing, and the right to sue for past infringement or improper, unlawful or unfair use of disclosure thereof and the right to apply for patent, design or similar protection therefor.

(k) Product Warranty and Liability. Each product and service sold or furnished by Seller has been sold or furnished in conformity with all applicable contractual commitments and all express and implied warranties. Seller has no liability (and there is no basis for any present or future demand, action or proceeding giving rise to any liability): (i) for the furnishing of replacement services or products or additional products; or (ii) for damages in connection with any product manufactured, sold, installed, used or delivered by Seller or any service provided by Seller prior to the Closing.

(l) Sufficiency of Assets. The Purchased Assets have been properly maintained, are in good operating condition and repair, ordinary wear and tear excepted, and are usable in the ordinary course of the Business. Seller has good and valid title to, or a valid leasehold interest in, the Purchased Assets constituting personal property, and, upon consummation of the transactions contemplated hereby, Purchaser will acquire the Purchased Assets, free and clear of all Liens. The Purchased Assets constitute all of the rights, property and assets necessary to conduct the Business. None of the Excluded Assets are material to the Business.

(m) Solvency. Immediately after giving effect to the transactions contemplated by this Agreement, Seller will be able to pay its liabilities as they become due, taking into account all pending and threatened litigation (to the extent not covered by insurance).

(n) No Misrepresentations. None of the documents or information provided by any Seller Party to Purchaser contain any information that is misleading or inaccurate in any material respect or omits to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

8. Indemnification. The Seller Parties, jointly and severally, shall defend, indemnify and hold harmless

Purchaser and its directors, officers, employees, agents, representatives, equityholders, affiliates and successors and assigns (collectively, the “Indemnified Parties”), from and against and pay or reimburse the Indemnified Parties for all Indemnified Losses resulting from or arising directly or indirectly out of: (a) any breach of any representation and warranty of the Seller Parties in this Agreement, (b) any breach of any covenant or obligation of the Seller Parties in this Agreement, or (c) any Retained Liability or any imposition (including by operation of any bulk transfer or other law) or attempted imposition upon Purchaser by a third party of any Retained Liability. No investigation made by any Indemnified Party shall be deemed to affect its reliance on the representations and warranties made herein.

As used herein, “Indemnified Losses” means any and all damage, obligation, payment, cost, expense, injury, judgment, penalty, fine, fee, tax, interest or other loss of any kind or nature whatsoever (including costs of preparation, investigation, prosecution or defense of claims, actions, litigation or other proceedings and the settlement thereof, reasonable attorneys’, experts’, consultants’ and accountants’ fees in connection therewith, and amounts paid in settlement and judgments), and any damages or amounts of any kind payable to third parties that may be imposed or otherwise incurred. The determination of the amount of the Indemnified Losses shall be made without regard to any materiality qualification.

9. **Indemnification Process.** If any lawsuit is instituted or any claim is asserted by a third party for which one of the Indemnified Parties may be entitled to indemnity, such Indemnified Party shall give the Seller Parties written notice thereof. The Seller Parties shall have the right, at their option and expense, to participate in the defense of such proceeding or claim, but not to control the defense or settlement thereof, which control shall at all times rest with the Indemnified Party. The Seller Parties agree to reasonably cooperate in the defense, negotiation and settlement of any such proceeding or claim; *provided* that no Seller Party shall be obligated to settle any such proceeding or claim unless such settlement provides for a full and complete release. A claim for indemnification for any matter not involving a third-party claim may be asserted by an Indemnified Party providing notice to the Seller Parties and shall be paid promptly after such notice.

10. **Right to Offset.** Purchaser, in its sole discretion, shall have the right to offset any amounts actually owed by a Seller Party to a Purchaser Indemnified Party for indemnification hereunder by reducing the aggregate amount of any Earn-Out Payment that may be payable to Seller pursuant to the terms hereof. Such right to offset will be in addition to and not in lieu of any other rights or remedies that may be available to Purchaser at law, in equity or as otherwise provided under this Agreement. In addition, if Purchaser is unable to sell any of the Inventory after using commercially reasonable efforts, Purchaser shall have the right to reduce the aggregate amount of any Earn-Out Payment that may be payable to Seller pursuant to the terms hereof by the value (as of the Closing Date) of such unsold Inventory.

11. **Interdependence; Closing.** The Seller Parties are delivering to Purchaser a counterpart signature page to: (a) this Agreement, (b) a bill of sale; (c) an assignment of Seller’s Intellectual Property Rights and any filings or notices required to be prepared and/or delivered in connection with such assignment; and (d) an assignment and assumption agreement. Further, Seller is delivering to Purchaser a good standing certificate for Seller as of the most recent practicable date from the relevant issuing authority in British Columbia. The consummation of the transactions contemplated herein (the “Closing”) will take place simultaneously with the execution and delivery of this Agreement and shall take place by e-mail exchange of relevant signature pages, deliveries and other documents as agreed to by Purchaser and the Seller Parties. The date on which the Closing actually occurs is referred to herein as the “Closing Date.” The transfers and deliveries described in this Section 11 shall be mutually interdependent and shall be regarded as occurring simultaneously, and, any other provision of this Agreement notwithstanding, no such transfer or delivery shall become effective or shall be deemed to have occurred until all of the other transfers and deliveries provided for in this Section 11 shall also have occurred or been waived in writing by the party entitled to waive the same. Such transfers and deliveries shall be deemed to have occurred and the Closing shall be effective as of 12:01 a.m. on the Closing Date.

12. **Covenants.**

(a) Further Assurances. The Seller Parties acknowledge and agree that at any time and from time to time after the Closing, each will execute and deliver to Purchaser such further conveyances, assignments or other written assurances as Purchaser may reasonably request to perfect and protect Purchaser's title to the Purchased Assets. In addition to the foregoing, Seller appoints Purchaser, effective as of the Closing, the attorney of Seller with full power of substitution, in the name of Purchaser, or the name of Seller, on behalf of and for the benefit of Purchaser, to collect all items hereby transferred and assigned to Purchaser, and to prosecute, in the name of Seller, all proceedings which Purchaser may deem proper to enforce any claim of any kind in or to the Purchased Assets. Seller agrees that the foregoing powers are coupled with an interest, shall be irrevocable, and shall not be affected by the dissolution of Seller or for any other reason.

(b) Taxes and Retained Liabilities. The applicable Seller Party shall pay in a timely manner all taxes resulting from or payable in connection with the sale of the Purchased Assets and all taxes relating to the operation of the Business conducted prior to the Closing Date. Seller shall pay or make adequate provision for the payment in full of all of the Retained Liabilities. If any Retained Liabilities are not timely paid or provided for, or if Purchaser reasonably determines that failure to make any payments will impair Purchaser's use of the Purchased Assets, then Purchaser may elect to make all such payments directly (but shall have no obligation to do so), and such payments shall be Indemnified Losses hereunder.

(c) Confidentiality. From and after the Closing, each Seller Party shall, and shall cause its affiliates to: (i) hold in confidence any and all information, whether written or oral, concerning the Business and the Purchased Assets; and (ii) not use any and all information, whether written or oral, concerning the Business and the Purchased Assets for any purpose. If a Seller Party or its affiliates are compelled to disclose any information by judicial or administrative process or by other legal requirements, such Seller Party shall promptly notify Purchaser in writing and the applicable party shall disclose only that portion of such information as advised by its counsel in writing is legally required to be disclosed; provided that such party reasonably cooperates, at Purchaser's expense, with Purchaser's efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

(d) Non-Competition. In further consideration of the consummation of the transactions contemplated herein, the Seller Parties covenant and agree that until the fifth (5th) anniversary of the Closing Date (the "Non-Competition Period"), neither they nor their affiliates shall, without the prior written consent of Purchaser, either directly or indirectly, whether or not for consideration, (a) solicit business from, or otherwise compete with Purchaser for the business of, any current or prospective customer of Purchaser with respect to the Business for the purchase of services or products the same as or substantially similar to, or which may be otherwise used in substitution for, products or services manufactured, sold or provided by Purchaser anywhere in North America or any other territory in which Seller sold products during the two (2) years prior to the Closing Date; (b) operate, control, advise, be engaged by, perform any consulting services for, invest in or otherwise become associated in any capacity with, any business, company, partnership, organization, proprietorship, or other entity, who or which, at any time during the Non-Competition Period, competes with the Business as then conducted by Purchaser anywhere in North America or any other territory in which Seller sold products during the two (2) years prior to the Closing Date; or (c) engage in any practice the purpose of which is to evade the provisions of this covenant; provided, however, that nothing contained herein shall prevent the Seller Parties from acquiring an equity interest of up to two percent (2%) of an entity whose shares are traded on a national securities exchange or over-the-counter market.

(e) Non-Interference. In further consideration of the consummation of the transactions contemplated herein, during the Non-Competition Period, neither the Seller Parties nor their affiliates shall, without the prior written consent of Purchaser, directly or indirectly, (a) hire, solicit, induce or attempt to hire, solicit or induce any employee or agent of Purchaser to terminate his, her or its relationship with Purchaser; (b) induce or attempt to induce any supplier, contractor or customer of Purchaser to terminate or adversely change its relationship with Purchaser; or (c) induce or attempt to induce any licensor, customer, supplier or contractor of Purchaser to terminate or adversely change its relationship with Purchaser or otherwise interfere with any relationship between Purchaser and any of its licensors, customers, suppliers or contractors.

(f) Remedy for Certain Breaches. The Seller Parties acknowledge and agree that the covenants in Sections 12(c), (d) and (e) (together, the “Restrictive Covenants”) were negotiated at arm’s length, are required for the fair and reasonable protection of Purchaser, that Purchaser would not have purchased the Purchased Assets had the Seller Parties not agreed to these covenants, that the restrictions contained herein are designed to protect the business of Purchaser, and that the obligations of Purchaser in this Agreement constitute adequate consideration for the obligations of the Seller Parties under the Restrictive Covenants. The Seller Parties further acknowledge and agree that a breach of any of the covenants, obligations or agreements set forth in the Restrictive Covenants will result in irreparable and continuing damage to Purchaser and its business and property for which there may be no adequate remedy at law, and the Seller Parties agree that in the event of any such breach, Purchaser shall be entitled to injunctive relief to restrain such breach by any Seller Party, and to such other and further relief (including damages) as is proper under the circumstances.

(g) Reformation of Agreement; Severability. The parties intend the Restrictive Covenants to be enforced as written. However, in the event that any provision set forth in the Restrictive Covenants is held by a court of competent jurisdiction to be invalid or unenforceable to any extent, such court shall exercise its discretion in reforming such provision to the end that the Seller Parties shall be subject to such restrictions and obligations as the court deems reasonable under the circumstances and enforceable by Purchaser. In the event that a provision or term of this Agreement is found to be void or unenforceable to any extent and such court does not exercise its discretion to reform such provision, it is the agreed upon intent of the parties hereto that all remaining provisions or terms of this Agreement shall remain in full force and effect to the maximum extent permitted by law and that this Agreement shall be enforceable as if such void or unenforceable provision or term had never been a part hereof.

(h) Contracts; Permits. To the extent that there are permits or Assumed Contracts relating to the Business which are not assignable without the consent or approval of Persons other than Seller (the “Non-Transferable Assets”), and such consents or approvals are not obtained on or prior to the Closing Date, this Agreement and the Closing shall not constitute an assignment or agreement to assign such permits or Assumed Contracts without such consent or approval. Following the Closing Date, the Seller Parties agree to cooperate in good faith with Purchaser to enter into any reasonable arrangement designed to provide Purchaser the benefit of such Non-Transferable Assets, including the enforcement for the benefit of any rights previously enjoyed by Seller in connection with any such assets. To the extent Purchaser is provided the benefits pursuant to this Section 12(h) of any such permit or Assumed Contract, Purchaser shall perform the obligations of Seller under or in connection with any such permit or Assumed Contract.

13. Press Releases and Announcements. Purchaser may issue a press release announcing the consummation of the transactions contemplated hereby that includes general information regarding Seller’s background and the nature of the Business, but may not issue any press release or make any announcement relating to the Purchase Price without Seller’s prior written approval except as required by applicable law or stock exchange rule. Except as set forth in the foregoing sentence, no party may issue any press release or make any announcement relating to the subject matter of this Agreement without the prior written consent of Purchaser and Seller, on behalf of the Seller Parties.

14. Succession; Severability. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other parties. Notwithstanding the foregoing, Purchaser may assign its rights hereunder to an affiliate or to any successor to substantially all of the Business and may collaterally assign its rights with respect to this Agreement and the transactions contemplated herein to its lender(s). Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of that term or provision in any other jurisdiction.

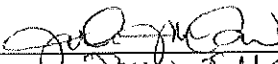
15. Entire Agreement. This Agreement, the Exhibits, and the agreements referenced in Section 11 are the

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Closing Date.

PURCHASER:

MACE SECURITY INTERNATIONAL, INC.

By: 
Name: John J. McMan
Title: President & CEO

SELLER:

BIGFOOT HOLDINGS LTD.

By: _____
Name: _____
Title: _____

EQUITYHOLDERS:

Sven Habermann

Brian Perrin

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Closing Date.

PURCHASER:

MACE SECURITY INTERNATIONAL, INC.

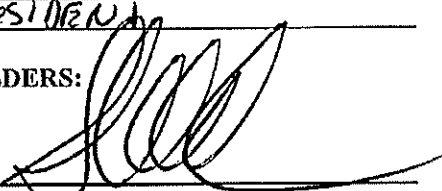
By: _____
Name: _____
Title: _____

SELLER:

BIGFOOT HOLDINGS LTD.

By: SVEN HABERMANN
Name: _____
Title: PRESIDENT

EQUITYHOLDERS:



Sven Habermann



Brian Perrin