



4400 Carnegie Avenue
Cleveland, Ohio 44103
440-424-5321

NOTICE OF 2023 ANNUAL MEETING OF SHAREHOLDERS

Date: Tuesday August 22, 2023
Time: 11:00 a.m. Eastern Daylight Time
Location:
Mace Security International, Inc.
4400 Carnegie Avenue
Cleveland, OH 44103

To Mace Security International, Inc. Shareholders:

We invite you to attend the 2023 Annual Meeting of Shareholders of Mace Security International, Inc. ("Mace" or the "Company") (the "2023 Annual Meeting") which will be held at the Company's facility at 4400 Carnegie Ave. Cleveland, OH 44103 on Tuesday, August 22, 2023 at 11:00 a.m. EDT. The Company is offering shareholders the ability to view the meeting via Zoom. To view the meeting via Zoom, please go to www.zoom.com at the time of the meeting and click on Join. Enter the following Zoom meeting ID: 861 5765 0370 and Passcode 703180. Please note, shareholders viewing the meeting via Zoom will not be able to vote or otherwise participate in the Annual Meeting.

At the conclusion of the Annual Meeting after a brief intermission, there will be a presentation and a brief question and answer period. Shareholders viewing via Zoom will be able to ask questions at the conclusion of the presentation.

At the 2023 Annual Meeting, you will be asked to vote on three proposals, together with any other business that may properly come before the meeting.

1. Election of six director nominees to the Board of Directors of Mace (the "Board" of the "Board of Directors") for a one-year term and until their respective successor is duly elected and qualified. The Board has nominated for election Denis J. Amato, Michael D. Bozich, Margaret Jordan, Jennifer Kretchmar, Hussien Shousher, and Sanjay Singh. Biographical information for each nominee and the Board's recommendation is included in this notice.
2. Approval of the extension of the termination date of the Company's 2012 Stock Incentive Plan for a period of one year, from June 21, 2023 to June 21, 2024. The Board's recommendation is included in this notice.
3. Ratification of the appointment of Marcum LLP as Mace's independent public accounting firm for fiscal year 2023. Information about the Board's recommendation is included in this notice.

You may vote on these proposals by mail-in proxy, via the Internet or by attending in person the 2023 Annual Meeting. We urge you to vote via the Internet or to promptly complete and return the enclosed proxy card in the enclosed self-addressed postage paid envelope so that your shares will be represented and voted at the 2023 Annual Meeting in accordance with your instructions. Brokers wanting to vote via Internet need to contact Broadridge Financial Solutions, Inc. ("Broadridge") 10 business days prior to the date of the 2023 Annual Meeting and request a Legal Proxy from Broadridge. Once Brokers have a Legal Proxy, they need to contact the Company's transfer agent, Equinity Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC) ("Equiniti"), no later than 5 business days prior to the meeting and provide the Legal Proxy so that Equiniti can generate a control number to use for Internet voting. Any shareholder may revoke their proxy before it is exercised by giving a later dated proxy, or by giving notice of revocation to the Company in writing before the 2023 Annual Meeting. However, mere participation at the 2023 Annual Meeting by a shareholder, who previously granted a proxy, will not revoke the proxy. Unless revoked by notice, shares represented by valid proxies will be voted upon on all matters to be acted upon at the 2023 Annual Meeting. On any matter or matters with respect to which the proxy contains instructions for voting, such shares will be voted in accordance with such instructions.

The holders of one third of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, will constitute a quorum at the meeting. Abstentions and broker non-votes will be deemed to be present for the purpose of determining a quorum for the 2023 Annual Meeting. Brokers who have not received voting instructions from beneficial owners generally may vote in their discretion with respect to ratification of the selection of the independent certified public accounting firm but will not be able to vote with respect to Proposals 1 and 2. Broker non-votes will not affect the outcome of any new proposals brought before the 2023 Annual Meeting.

The record date for the 2023 Annual Meeting is July 10, 2023. Only shareholders of record at the close of business on July 10, 2023 may vote at the 2023 Annual Meeting and any adjournment or postponement of the 2023 Annual Meeting. As of the record date, there were approximately 65,521,955 shares of common stock outstanding.

We are providing the attached supplemental information regarding the Company's Board of Directors and Executive Officers, including additional information regarding the functioning of the Board of Directors, relationships with certain members of the Board of Directors and Executive Officers, available shareholding information, information regarding the Company's Equity Compensation Plan for Directors and Officers, and Security Ownership of certain beneficial owners. We encourage you to review these materials for information concerning the business to be conducted at the 2023 Annual Meeting.

By Order of the Board of Directors,

Cleveland, Ohio
July 28, 2023

/s/ Sanjay Singh
Chairman and Chief Executive Officer

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF FINANCIAL INFORMATION FOR
THE 2023 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 22, 2023:**

**Mace Security International, Inc.’s audited consolidated financial statements for the year ended
December 31, 2022 are available on the OTC Market web site via the Internet at
<http://www.otcm Markets.com/stock/MACE/financials>**

THE PROPOSALS

Proposal 1 - Election of Directors

Election of six directors to the Board of Directors for a one-year term and until their respective successor is duly elected and qualified.

Nominees

Denis J. Amato
Margaret Jordan
Hussien Shousher

Michael D. Bozich
Jennifer Kretchmar
Sanjay Singh

Five director nominees currently serve on the Board of Directors, Denis J. Amato, Margaret Jordan, Jennifer Kretchmar, Hussien Shousher and Sanjay Singh. Daniel Perella has decided not to stand for reelection for personal reasons. Effective July 11, 2023, in accordance with the Company’s Amended and Restated Bylaws, the Board of Directors approved a resolution to fix the size of the Board of Directors at six, eliminating one open vacancy on the Board of Directors. The six director nominees were all nominated by the Board of Directors’ Ethics, Corporate Governance and Nominating Committee (the “Nominating Committee”) and approved by the Board of Directors. All nominees have agreed to stand for election at the 2023 Annual Meeting. Directors are elected by a plurality vote of shares present in person or represented by proxy at the 2023 Annual Meeting. Shares represented by proxies that withhold authority to vote in the election of directors will not be counted in the election of directors in favor of any nominee and will have no effect on the election of directors.

The following paragraphs describe the biographical information and business experience for each nominee.

Denis J. Amato C.F.A., age 78, is a private investor. Mr. Amato retired from Ancora Advisors, where he was Director of Microcap Equities. His investment experience spanned five decades, including serving as Chief Investment Officer for a major Cleveland bank trust department as well as with Ancora Advisors. He has both a BBA in Economics and an MBA in Finance from Case Western Reserve University and is a Chartered Financial Analyst.

Michael D. Bozich, age 57, currently is Senior Vice President of Business Development at Cleveland Research Company (“CRC”), where he plays a pivotal role in supporting the development of new and existing councils, thought leadership partners, key members, and advisory businesses within the market research division. Recognized as one of the leading research providers in the United States, CRC specializes in unbiased, channel-driven research that assists top institutional investors and branded manufacturers in making crucial decisions. Previously, Mike served as Chief Revenue Officer at CRC. Prior to joining CRC in 2016, Mike was Vice President of Business Development at Henkel Corp., a global manufacturer and distributor of general consumer adhesives, construction adhesives, sealants, and foams. During his almost 18-year tenure at Henkel Corp., Mike’s roles included Vice President of North American Sales, National Account Manager, Director of Hardware Sales, and New Product Development. In 1994, Mike joined Macco Adhesives, a division of ICI, as National Account Manager. In addition to his contributions at CRC, Mike also serves as a board member at Mosby Building Arts, a premier home remodeling company based in St. Louis, Missouri. Mike has a Bachelor of Business Administration - Marketing from Baldwin Wallace College.

Margaret D. Jordan, age 46, earned her J.D. from the University of Akron School of Law and her M.S. in Higher Education Administration and B.A. in English Literature from the University of Akron. Ms. Jordan spent more than a decade working in Student Affairs at The University of Akron. During that time, she worked with the University of Akron Police Department and City of Akron Police on campus safety initiatives. She is passionate about empowering individuals to protect themselves to avoid becoming crime victims. For the past 17 years, Ms. Jordan has worked in marketing and business development for professional service firms. She is currently the Director of Business Development at KIKO Realtors, Auctioneers and Advisors where her focus is to provide solutions for anyone experiencing a liquidity event and to achieve top line growth for the company. Ms. Jordan is an experienced community leader and philanthropist. She currently serves on the Board for the Association of Corporate Growth (“ACG”) and is the past chair of ACG’s Women in Transactions Committee. She was appointed by the Governor of the State of Ohio as a student member of the Board of Trustees for The University of Akron. She is a graduate of the Leadership Akron Signature Program and President of Class 31. She is an honorary director for Goodwill Industries of Akron, where she served nine years as board member. She actively supports several local charities that help homeless people and pets.

Jennifer Kretchmar, age 50, currently serves as Chief Digital and Merchandising Officer at Build-A-Bear Workshop, helping transform the iconic Build-A-Bear brand through her innovative leadership. Ms. Kretchmar joined the company in 2014 as Chief Product Officer before taking on her current role. She leads the development of global merchandise, in addition to the company’s marketing and digital presence to drive sales and guest loyalty. While guiding global business initiatives, including retail, e-commerce, licensing, brand and performance marketing, Ms. Kretchmar manages an inspired team and builds leaders. Ms. Kretchmar has helped transform Build-A-Bear to the multi-channel and multi-platform brand and intellectual property company it is today with nearly 500 experiential retail locations, e-commerce, and licensing. With her ingenuity in global product and digital strategy and ability to grow and strengthen brands, Ms. Kretchmar has held tenured executive level positions at notable companies. Before joining Build-A-Bear, Ms. Kretchmar was Senior Vice President of Product and Brand Management with Stride Rite Children’s Group (SRCG) of Wolverine Worldwide, Inc. At SRCG, she was responsible for the global product creation strategy for a diverse portfolio of children’s footwear brands including Sperry Top-Sider®, Saucony®, Keds®, Hush Puppies® and Merrell® among others. Before joining Stride Rite, Ms. Kretchmar held positions of increasing responsibility at The Timberland Company, Goldbug and the United States Department of Agriculture Foreign Service. Ms. Kretchmar holds a Bachelor of Arts degree in Humanities from San Francisco State University and studied International Business at the Middlebury Institute of International Studies at Monterey.

Hussien Shousher, age 64, has recently begun the ‘2nd half’ of his career focused on executive mentoring and coaching young professionals and emerging business leaders. Mr. Shousher was the former CEO of GEM Inc. and GEM Energy and was with the Rudolph/Libbe Group of companies for 25 years. During Mr. Shousher’s tenure, GEM expanded to multiple locations throughout three states with over 1,000 employees. GEM Inc., headquartered in Walbridge, OH, is a leading single-source specialty contractor with multiple self-performance trades as well as consulting and energy management services. Mr. Shousher has a bachelor’s degree in civil engineering from The University of Toledo. Mr. Shousher currently serves on the Board of Directors of ACCESS Detroit, HearAide Medical Missions, Historic South Initiative, Lourdes University, Rudolph/Libbe Companies, Inc. and is the Chairman of the Toledo Community Foundation and is the Board of Trustees Chairman of the Islamic Center of Greater Toledo.

Sanjay Singh, age 57, was appointed Chairman and CEO in February 2022 and serves on the Board of Directors of Mace. He previously served as the Executive Chairman of the Board since April 2020 and was appointed as the Vice-Chairman of the Company’s Board in March 2018. Previously, Mr. Singh led and directed strategy at Roll-Kraft, a privately held manufacturing company, first as Executive Vice-President and then as President from July 2013 through March 2020. Mr. Singh was a Board Member and Chief Financial Officer from 2010-2013 at Maclellan Services, Inc. Prior to July 2010, Mr. Singh held Chief Financial Officer and financial leadership roles in private-equity owned portfolio companies and at divisions of Stanley Black and Decker and Newell-Rubbermaid. Over the course of his twenty-five-year career, Mr. Singh acquired expertise in increasing shareholder value by building better businesses alongside management teams. Mr. Singh currently serves as Chairman of the Board of Directors of Regional Brands, Inc., and on the Board of Directors of MAGNET and Entrepreneur’s EDGE. Mr. Singh has a both a Bachelor of Commerce degree from St. Xavier College, Kolkata, India and an MBA from Gannon University, Erie, PA.

The Board of Directors recommends that you vote FOR the election of Denis J. Amato, Michael D. Bozich, Margaret Jordan, Jennifer Kretchmar, Hussien Shousher and Sanjay Singh to the Board of Directors.

Proposal 2 –2012 Stock Incentive Plan

Approval of the extension of the termination date of the Company’s 2012 Stock Incentive Plan for a period of one year, from June 21, 2023 to June 21, 2024.

The Board of Directors believes that a stock incentive plan enhances the ability of the Company to attract and retain officers and other employees and directors, and to motivate them to exercise their best efforts on behalf of the Company. Our shareholders originally approved the Company’s 2012 Stock Incentive Plan (the “2012 Stock Incentive Plan” or the “Plan”) at the 2012 annual meeting of shareholders. In 2022, our shareholders approved the extension of the termination date of the Plan for a period of one year, from June 21, 2022 to June 21, 2023. We are again asking our shareholders to approve an extension of the termination date of the Plan for a period of one year, from June 21, 2023 to June 21, 2024. The Board has tentatively approved the extension, but no awards will be made under the Plan during the one-year extension period unless the extension is approved by the shareholders at the 2023 Annual Meeting. Approval of Proposal 2 will require the affirmative vote of the holders of a majority of the common stock represented in person or by proxy and entitled to vote at the 2023 Annual Meeting.

Extension of the termination date for a period of one year is being requested to allow the Company to complete its evaluation of potential strategic alternatives for the Company. The following description of the Plan is intended merely as a summary of its principal features and is qualified in its entirety by references to the full text of the 2012 Stock Incentive Plan.

Background on Stock Compensation. The use of stock options has long been a vital component of the Company’s overall compensation philosophy, which is premised on the principle that any long-term pay-for-performance compensation should be closely aligned with shareholders’ interests. Over the years, the Company believes that it has been very successful in achieving this objective through the use of stock options. The 2012 Stock Incentive Plan gives the Company the ability to continue to grant options and to also grant restricted stock. Stock options and restricted stock align employees’ interests directly with those of other shareholders because an increase in stock price after the date of the award is necessary for eligible employees to realize any value, thus rewarding employees only upon improved stock price performance.

The Company also believes that stock options and restricted stock are very effective in enabling it to attract and retain the talent critical for a growth-focused company. The Company’s general compensation philosophy is that total cash compensation should vary with the Company’s performance in achieving financial and nonfinancial objectives, and that any long-term incentive compensation should be closely aligned with shareholder interests.

Without stock options and restricted stock, the Company would be forced to consider cash replacement alternatives to provide a market-competitive total compensation package necessary to attract, retain and motivate the employee talent necessary for the continued success of the Company. These cash replacement alternatives would then reduce the cash available for investment in the growth of its business. The Company intends to use stock options and restricted stock as its primary means of providing equity compensation to key individuals. Although the 2012 Stock Incentive Plan does provide the flexibility to use additional forms of equity compensation, the Company expects to use nonqualified stock options and various forms of restricted stock as the primary forms of equity compensation. The Company strongly believes that its equity compensation program will be integral to its future growth. Therefore, the Company considers approval of the extension of the termination date of the Company’s 2012 Stock Incentive Plan for a period of one year, from June 21, 2023 to June 21, 2024, as vital to the future success of the Company.

Purpose of the 2012 Stock Incentive Plan. The 2012 Stock Incentive Plan allows the Company, under the direction of the Compensation Committee, to make grants of stock options, restricted stock, and performance-based stock awards (any of which may or may not require the satisfaction of performance objectives) to key employees and directors of the Company and its affiliates who, in the opinion of the Compensation Committee, are in a position to make a significant contribution to the success of the Company or its affiliates. The purpose of these awards is to attract and retain key individuals, further align employee and shareholder interests, and to closely link compensation with Company performance. The 2012 Stock Incentive Plan provides an essential component of the total compensation package, reflecting the importance that the Company places on aligning the interests of key individuals with those of its shareholders.

Number of Shares. The maximum number of shares of common stock that are available for grant of awards (the “Awards”) under the 2012 Stock Incentive Plan as of July 10, 2023 are 7,371,019 shares of common stock. The forgoing limit is subject to adjustment to reflect stock dividends, stock splits, share combinations, and similar changes in the capitalization of the Company. The shares issued under the 2012 Stock Incentive Plan may be authorized but unissued shares or reacquired shares, and the Company may purchase shares required for this purpose, from time to time, if it deems such purchase to be advisable.

Shares Authorized as a Percent of Outstanding Common Stock. The maximum number of shares of common stock available for the grant of awards over the one-year extended term of the 2012 Stock Incentive Plan is approximately 11% of the outstanding common stock as of July 10, 2023.

Award Types. Under the 2022 Stock Incentive Plan the following types of Awards may be granted:

- Non-qualified and incentive stock options (five-year term maximum);
- Restricted Stock; and
- Performance awards.

Administration. If the Plan termination date extension is approved, the 2012 Stock Incentive Plan will continue to be administered by the Company’s Compensation Committee, which consists of not fewer than two independent directors of the Company’s Board of Directors who are designated by the entire Board of Directors. Under the 2012 Stock Incentive Plan, the Compensation Committee has the authority to (i) select employees, directors and natural persons who provide the Company with services (the “Participants”) to be granted incentive stock options, within the meaning of Section 422 of the Internal Revenue Code (the “Code”), and/or non-qualified stock options, (ii) grant options on behalf of the Company, and (iii) set the date of grant and other terms of the options, including the times at which options shall be granted. The Compensation Committee may, in its discretion, accelerate the date on which an option may be exercised.

Eligibility. The Plan provides that directors and employees of the Company or a Related Company and natural persons that have provided bona fide services to the Company or a Related Company are eligible to receive Awards under the 2012 Stock Incentive Plan. As of the date of this Notice of 2023 Annual Meeting of Shareholders, there are approximately 29 employees and five non-employee directors of the Company eligible to receive Awards under the 2012 Stock Incentive Plan.

Option Awards - Vesting, and Exercise of Stock Options. The Compensation Committee determines the time at which an option will vest and become exercisable. The exercise price of a stock option granted under the 2012 Stock Incentive Plan shall not be less than the fair market value of the common stock on the date of grant. For as long as the commons is quoted on the OTC, the fair market value is the greater of the closing price on the day prior to the day the option is granted or the average closing price of the 4-week period ending on the day prior to the day the option is granted, whichever is higher. No option shall be exercisable later than five years after the date of grant. The exercise price of an option may be payable in cash or an equivalent acceptable to the Committee, or, at the discretion of the Compensation Committee, with previously acquired non-forfeitable, unrestricted shares of common stock that have been held by the participant for at least six months and have an aggregate fair market value at the time of exercise equal to the total exercise price, or a combination of such shares and cash.

Restricted Stock. The Compensation Committee determines the terms, conditions, and restrictions on restricted stock, including, without limitation, terms relating to vesting, purchase price, if any, and matching shares. Subject to the terms and conditions of the award agreement, a participant holding restricted stock will have the right to receive dividends on the shares of restricted stock during the restricted period, to vote the restricted stock and enjoy all other shareholder rights with respect to such shares.

Performance-Based Stock Awards. The Plan requires each award agreement for a performance award to set forth, among other things (i) the amount a participant may earn in the form of cash or shares of common stock, (ii) the performance criteria and level of achievement versus such criteria that will determine the amount payable or number of shares of common stock to be granted, issued, retained and/or vested, (iii) the performance period over which performance is to be measured, (iv) the timing of any payments to be made, and (v) restrictions on the transferability of the award. The performance measure(s) to be used for purposes of performance awards may be described in terms of objectives that are related to the individual participant or objectives that are Company-wide or related to a subsidiary, division, department, region, function, or business unit of the Company in which the participant is employed.

Award Agreement; Restriction on Transferability. The Plan requires all Awards to be evidenced by a written agreement which contains provisions that are consistent with the 2012 Stock Incentive Plan and such other provisions as the Compensation Committee deems appropriate. No Award granted under the 2012 Stock Incentive Plan may be assigned or transferred, except by will or the laws of descent and distribution.

Amendments to Awards and the 2012 Stock Incentive Plan; Discontinuance of the 2012 Stock Incentive Plan. Subject to the provisions of the 2012 Stock Incentive Plan, the Compensation Committee may not amend an Award once granted without the Participant's consent. The Board may terminate, amend, or suspend the 2012 Plan, provided that no action may be taken by the Board without shareholder approval to: (i) increase the number of shares that may be issued under the 2012 Plan; or (ii) change the designation or class of persons eligible to receive awards; or (iii) make any other change requiring approval to comply with applicable law.

Adjustments. In the event of a stock dividend, recapitalization, stock split, subdivision or consolidation of the Company's common stock, or any similar event affecting the Company's common stock, the Compensation Committee shall adjust the number and kind of shares available for grant under the 2012 Stock Incentive Plan and the exercise price or settlement price of Awards that have been granted.

Future Awards to be issued under the 2012 Stock Incentive Plan. If the Plan termination date extension is approved, future Awards to be made under the 2012 Stock Incentive Plan have not as of the date of this notice been decided upon or allocated among eligible participants and are not determinable.

Withholding Taxes. Under the Plan, all applicable withholding taxes are deducted from any payment made under the 2012 Stock Incentive Plan. Payment of withholding taxes may be made by withholding shares of common stock from any payment of common stock due or by the delivery of previously acquired shares of common stock, in either case having an aggregate fair market value equal to the amount of the required withholding taxes. No payment will be made, and no shares of common stock will be issued, pursuant to any Award made under the 2012 Stock Incentive Plan until the applicable tax withholding obligations have been satisfied.

Eligibility Under Section 162(m). The Compensation Committee establishes the criteria under which a performance award made pursuant to the Plan shall satisfy Section 162(m) of the Tax Code. To the extent that awards are intended to qualify as "performance-based compensation" under Section 162(m), the performance criteria will be established in writing by the Compensation Committee based on one or more, or any combination, of the following performance goals:

- Earnings or earnings per share (whether on a pre-tax, after-tax, operational or other basis)
- Earnings before interest, taxes, depreciation and amortization (EBITDA)
- Return on equity
- Return on assets
- Revenues or sales
- Expenses or expense levels
- Capital expenditures
- Economic value-added mergers, acquisitions, public offerings, or similar extraordinary business transactions
- One or more operating ratios
- Stock price
- Shareholder return
- Cash flow
- Net borrowing, debt leverage levels, credit quality or debt ratings
- Net asset value per share
- Market share
- Inventory levels

The maximum amount that may be paid in cash pursuant to performance awards granted to a participant in any one fiscal year is structured to satisfy the Section 162(m) requirements. If an award provides for a performance period longer than one fiscal year, the limit is multiplied by the number of full fiscal years in the performance period. The Compensation Committee may reduce, but not increase, the amount payable and the number of shares to be granted, issued, retained, or vested pursuant to a performance award.

U.S. Tax Consequences. Stock option grants under the 2012 Stock Incentive Plan may be intended to qualify as incentive stock options under Section 422 of the Code or may be non-qualified stock options governed by Section 83 of the Code. Generally, no federal income tax is payable by a Participant upon the grant of a stock option and no deduction is taken by the Company. Under current tax laws, if a Participant exercises a non-qualified stock option, he or she will have taxable income equal to the difference between the market price of the common stock on the exercise

date and the stock option grant price. The Company will be entitled to a corresponding deduction on its income tax return. A participant will have no taxable income upon exercising an incentive stock option (except that alternative minimum tax may apply), and the Company will receive no deduction when an incentive stock option is exercised. The treatment for a Participant of a disposition of shares acquired through the exercise of an option depends on how long the shares were held and on whether the shares were acquired by exercising an incentive stock option or a non-qualified stock option. The Company may be entitled to a deduction in the case of a disposition of shares acquired under an incentive stock option before the applicable holding periods have been satisfied.

Restricted stock and restricted stock units are governed by Section 83 of the Code. Generally, no taxes are due when the award is initially made, but the award becomes taxable when it is no longer subject to a “substantial risk of forfeiture” (i.e., becomes vested or transferable). Income tax is paid on the value of the stock at ordinary rates when the restrictions lapse, and then at capital gain rates when the shares are sold.

Awards granted under the 2012 Stock Incentive Plan may qualify as “performance-based compensation” under Section 162(m) of the Code in order to preserve federal income tax deductions by the Company with respect to annual compensation required to be taken into account under Section 162(m) that is in excess of \$1 million and paid to the Chief Executive Officer or one of the Company’s four most highly compensated executive officers. To so qualify, options and other awards must be granted under the 2012 Plan by a committee consisting solely of two or more “outside directors” (as defined under Section 162 regulations). In addition, for awards other than options to qualify, the grant, or vesting of the award must be contingent upon satisfying one or more of the performance criteria, as established by a committee consisting solely of two or more “outside directors” pursuant to the requirements of Section 162(m) of the Code and the Section 162 regulations.

The forgoing does not purport to be a complete summary of the effect of federal income taxation upon holders of Awards or upon the Company. It also does not reflect provisions of the income tax laws of any municipality, state, or foreign country in which a Participant may reside.

The Board of Directors recommends that you vote FOR the approval of the extension of the termination date of the Company’s 2012 Stock Incentive Plan for a period of one year, from June 21, 2023 to June 21, 2024.

Proposal 3 - Ratification of Independent Public Accounting Firm
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Ratification of the appointment of Marcum LLP as Mace’s independent public accounting firm for fiscal year 2023.
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The Audit Committee of the Company (the “Audit Committee”) has approved engaging Marcum LLP as Mace’s independent public accounting firm for the fiscal year ended December 31, 2023. On December 1, 2019, the Company’s previous independent public accounting firm, Skoda Minotti & Co., merged with Marcum LLP. Skoda Minotti & Co. served as Mace’s independent public accounting firm since the fiscal year ended December 31, 2014. Approval of Proposal 3 will require the affirmative vote of the holders of a majority of the common stock represented in person or by proxy and entitled to vote at the 2023 Annual Meeting. Shares represented by proxies that withhold authority to vote in the ratification of independent public accounting firm will be treated as having voted against ratification. Approval of Proposal 3 will not preclude the Board or Audit Committee from selecting a different independent public accounting firm at any time during the fiscal year if it determines such a change would be in the best interests of the Company and its shareholders.

The Board of Directors recommends that you vote FOR the ratification of the appointment of Marcum LLP as Mace’s independent public accounting firm for fiscal year 2023.

DIRECTOR INDEPENDENCE

The Company's Bylaws require at least 66.67% of the members of the Board of Directors to be independent directors, as defined below. A person shall not be considered an "independent director" if (i) the person does not meet the definition of "independent director" adopted by The Nasdaq Global Market or such other exchange as the Company is then listed upon or (ii) the person has a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent by the Board of Directors:

(a) A person who is, or at any time during the past three years was, employed by the Company or has a family member that was employed by the Company at any time during the past three years, shall not be considered independent. For purposes of this provision, "family member" shall mean a person's spouse, parent, child, sibling, whether by blood, marriage or adoption, or anyone residing in such person's home.

(b) A person who is a relative of a current officer of the Company or an affiliate of the Company and the officer is an officer that is subject to Section 16 of the Securities Act of 1934, as amended, shall not be considered independent. For purposes of this provision, "relative" shall mean any of the person's Family Members or a person's aunt, uncle, niece, nephew or first-degree cousin, whether by blood, marriage, or adoption.

(c) A person who is a relative of any current employee of the Company (regardless of the employee's position with the Company) and there are other factors present that cause the Board of Directors to be concerned about the person's independence, shall not be considered independent.

(d) A person (or a relative of a person) who currently or within the last three years has provided professional services directly to the Company, to an affiliate of the Company or an individual officer of the Company or one of its affiliates in excess of \$10,000 in any year shall not be considered independent. For purposes of this provision, "professional services" shall mean legal, accounting, financial advice, investment banking services or general business consulting services.

This requirement may not be amended or repealed without the approval of the shareholders of the Company by an affirmative vote of not less than 66.67% of the shareholders of the Company. The Nominating Committee of the Company shall not recommend, and the Board of Directors shall not nominate, candidates for election to the Board of Directors, except as may be consistent with the provisions of this requirement, and no corporate funds may be expended for the solicitation of proxies to revoke this requirement.

As of the date of this document, only Sanjay Singh, Chairman and CEO, would be considered non-independent because of his employment by the Company.

RELATED PARTY TRANSACTIONS

The Board, with the assistance of the Audit Committee and the Nominating Committee, monitors compliance with the Company's corporate governance policies, practices, and guidelines applicable to its directors, director nominees, officers, and employees. The Company's Corporate Governance Guidelines, Code of Ethics and Business Conduct and human resources policies address governance matters and prohibit, without the consent of the Board or its designee, directors, officers, and other employees from engaging in transactions that conflict with the Company's interests.

Based on the Company's most recent review conducted in the first quarter of 2023, the following is a summary of the related party transaction since the beginning of 2018:

In March 2018, the Company entered into a bonus agreement (the "Bonus Agreement") with its then Executive Chairman Charles Gehrisch and then Vice-Chairman Sanjay Singh. This Bonus Agreement expired on December 31, 2021 and was not extended. Mr. Singh's 2020 Employment Agreement previously referenced the Bonus Agreement but was amended effective February 10, 2022 to remove any reference to the Bonus Agreement and instead provide

for incentive compensation based on the Company's executive incentive plan and a one-time annual bonus program approved by the Board, ending any further application of the Bonus Agreement or its terms.

In March 2022, the Company entered into a separation agreement with its then former Chief Executive Officer, who served from January 20, 2019 to February 10, 2022, providing for the payment of severance totaling \$204,000 over a 12-month period of time. Through the record date of July 10, 2023, all the severance was paid.

In 2020, 2021 and 2022, the Company engaged a firm which employs a relative of the former Chief Executive Officer, who served from January 20, 2019 to February 10, 2022, for media services in relation to the 2020, 2021 and 2022 Annual Meeting of Shareholders. The former CEO was not involved in the process of engaging this firm, and management believes the services, which were less than \$10,000, were at arm's length rates.

SHAREHOLDERS VOTING AGREEMENT

In March 2018, MACNFAC, LLC, a subsidiary of Roll-Kraft ("MACNFAC LLC"), an affiliate of Chairman and CEO Sanjay Singh and a board member at the time of the transaction, Charles Gehrisch, acquired 12,857,143 shares of the Company's stock from accounts managed by Ancora Advisors, LLC. As a result of the transaction, MACNFAC LLC owned approximately 20% of the Company's outstanding shares, with Ancora Advisors, LLC and affiliated accounts continuing to own (at that time) 10,603,937, or 17%, of the Company's outstanding shares (excluding shares referenced below under control of then Board members Richard Barone and Denis Amato.)

Coincident with the transaction, Director Denis Amato, and former Director and former Chairman of the Board Richard Barone each entered into a mutual Voting Agreements with MACNFAC LLC. Both Voting Agreements have expired and no longer apply.

MACNFAC LLC entered into a Voting Agreement with Ancora Advisors, LLC pursuant to which Ancora agreed that until the earlier of (i) the 5-year anniversary of the sale of its stock to MACNFAC LLC, or (ii) such date on which MACNFAC LLC and its affiliates own less than 10% of the Company's stock, it will vote its shares in favor of Mr. Singh and two other Board members designated by MACNFAC LLC. MACNFAC LLC similarly agreed that until the earlier to occur of (i) the 5-year anniversary of its stock purchase, or (ii) such date on which Ancora Advisors, LLC, Mr. Barone and Mr. Amato and their affiliates collectively own less than 10% of the Company's stock, it would vote its shares in favor of the election of Mr. Barone and Mr. Amato to the Company's Board of Directors.

Other than with respect to voting for the election of the above-named individuals (or their designees) to Mace's Board, these Voting Agreements do not bind and have no effect on how Directors Mr. Singh and Mr. Amato or their designees vote on matters before them as Mace Board Members. Mr. Barone retired from the Company's Board in June 2019 and rejoined the Company's Board on June 27, 2022 by being appointed to fill a vacancy. Mr. Barone resigned from the Company's Board on April 14, 2023 to enable him to pursue other interests.

The MACNFAC LLC Voting Agreement with Ancora Advisors, LLC is available for shareholder viewing in its entirety at Mace's headquarters located at 4400 Carnegie Avenue, Cleveland, OH 44103.

ROLE OF THE BOARD'S COMMITTEES

The Board has three standing committees – the Audit Committee, the Ethics, Corporate Governance and Nominating Committee and the Compensation Committee – that assist and report their activities to the Board. Each committee is organized and operates under a written charter adopted by the Board. These committee charters are available in the Corporate Governance section of the Company website at www.corp.mace.com. The Board also currently has an Information Technology and Cybersecurity Committee (the "Cybersecurity Committee").

The Audit Committee, Ethics, Corporate Governance and Nominating Committee and the Compensation Committee annually review and assess the adequacy of the charters and recommend changes to the Board as necessary to reflect changes in regulatory requirements, authoritative guidance, and evolving practices. Pursuant to its respective charter, each committee has the authority to engage, at the Company's expense, advisors as it deems necessary to carry out its duties. The function and authority of each committee are further described below and, in each committee, respective charter.

The following table reflects the current membership of each committee as of July 10, 2023.

	<u>Audit</u>	<u>Compensation</u>	<u>Ethics, Corporate Governance and Nominating</u>	<u>Strategic Alternative Committee</u>	<u>Cybersecurity</u>
Director					
Mr. Amato	C	M		M	
Ms. Jordan			M		
Ms. Kretchmar					C
Mr. Perella		C			M
Mr. Shousher	M	M	C	C	
Mr. Singh				M	M

“M” Denotes a member of the committee.

“C” Denotes the chairperson of the committee.

Audit Committee

The Audit Committee is composed of three or more members of the Board. The members shall be appointed by action of the Board and shall serve at the discretion of the Board. Each Audit Committee member shall be “financially literate” as determined by the Board and must meet the minimum audit committee eligibility requirements of the OTCQX Rules (the “Rules”), including that a majority of the members are “Independent Directors” as defined in the Rules, and any applicable requirements of such other national securities exchange on which the Company’s securities may be listed, and any other independence standards under applicable law, if any. The Audit Committee may in its discretion also use the “independence” requirements of the NASDAQ National Market as guidance. At least one member of the Audit Committee shall have accounting or related financial management expertise, as determined by the Board in its business judgment.

Compensation Committee

The Compensation Committee is appointed by the Board to (i) assist the Board in discharging the Board’s responsibilities relating to compensation of the Company’s Directors, Chief Executive Officer (the “CEO”) and other senior executive officers, and if required, (ii) produce an annual report on executive compensation for inclusion in the Company’s proxy statement.

The Committee has overall responsibility for evaluating the compensation of the Directors, the CEO and the compensation plans, policies and programs of the Company and making recommendations to the Board regarding the Board’s determination of the appropriate levels of such compensation-related matters.

The Committee’s obligations and responsibilities also include oversight of the Company’s compensation structure for its subsidiaries and affiliates to ensure it is consistent with the Company’s compensation plans, policies and programs.

Ethics, Corporate Governance, and Nominating Committee

The Ethics, Corporate Governance, and Nominating Committee is appointed by the Board to:

- A. Establish guidelines and criteria for the identification and selection of members of the Board of Directors;
- B. Identify, screen and review individuals qualified to serve as directors, and make recommendations to the Board regarding determinations of director independence;
- C. Recommend to the Board of Directors the nominees for election at the next annual meeting of shareholders;
- D. Recommend to the Board of Directors candidates to fill any vacancies on the Board;
- E. Monitor the effectiveness of the Company’s Ethics and Corporate Governance Guidelines, Bylaws, Insider Trading Policy, Code of Ethics and Business Conduct, and Employee Equal Opportunity Policy (collectively referred to as the “Governance Policies”) and oversee compliance with the Governance Policies; and
- F. Recommend improvements to the Governance Policies when necessary or desirable.

Complaints concerning violations of the Companies Code of Ethics may be made verbally or in writing to the General Counsel or verbally to the Ethics Hotline by calling 1-855-408-6223. Interpretation requests and waiver requests must be made in writing to Mace Security International, Inc., 4400 Carnegie Ave., Cleveland, OH 44103.

Cybersecurity Committee

The Information Technology and Cybersecurity Committee is an advisory and oversight committee of the Board. The Committee’s primary duties and responsibilities include but are not limited to the following:

- A. Enhance the Board’s understanding and oversight of the systems (i.e., policies, controls, and procedures) that management has put in place to (i) identify, manage, and mitigate risks related to cybersecurity, privacy, and disaster recovery; (ii) respond to incidents with respect thereto; and (iii) protect critical infrastructure assets;
- B. Provide a forum to review, evaluate, monitor, and provide feedback on information technology related matters, including but not limited to strategies, objectives, capabilities, initiatives, and policies; and
- C. Perform such other tasks related to the oversight of the Company’s information technology and cybersecurity functions as the Board may delegate to the Committee from time to time.

COMMUNICATIONS WITH THE BOARD

Shareholders and other interested parties may send written communications to the Board and, if applicable, to the Chairman of the Board and other individual directors by mail or courier to the Company’s corporate office. The Company’s Secretary will forward all such correspondence that it receives to the Board or, if applicable, to the Chairman of the Board or other individual directors.

The Company has established procedures to enable anyone who has a concern regarding accounting matters or compliance matters to report that concern through its normal company channels or anonymously.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS ON JULY 10, 2023

The following table provides information regarding beneficial ownership of the Company’s shares of common stock by each person or entity known by the Company to be the beneficial owner of more than five percent of the Company’s outstanding shares of common stock. The assessment of holders of more than five percent of the company’s shares of common stock is based on a review of and in reliance upon their respective filings with the SEC, information obtained about stock ownership from the Company’s stock registrar, or information voluntarily provided to the Company by the Beneficial Owner. Because the Company is not subject to SEC registration rules, there is no assurance that it has obtained complete and accurate information regarding potential 5% or greater stock ownership in the Company, nor that the ownership information voluntarily provided is complete or accurate.

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares of Common Stock</u>	<u>Percent of Class</u>
MACNFAC LLC (1) 4400 Carnegie Ave. Cleveland, Ohio 44103	14,148,915	21.6%
Ancora Advisors LLC (2) 6060 Parkland Blvd. Suite 200 Cleveland, OH 44124	5,085,991	7.8%

(1) The information is based on the number of shares reported to the Company by the Company’s transfer agent Equiniti Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC). Mr. Singh is the Company’s Chairman and Chief Executive Officer and is designated to receive affirmative votes as a director nominee under the Shareholders Voting Agreement described above.

(2) The number of shares shown includes shares under management not beneficially owned by Ancora Advisors LLC.

SECURITY OWNERSHIP OF MANAGEMENT AND THE BOARD

The following table provides information regarding the beneficial ownership of the Company's shares of common stock by each of its current named executive officers, and all its current directors and current executive officers as a group, in each case as of July 10, 2023. Unless otherwise indicated by footnote, individuals have sole voting power and sole investment (dispositive) power over the reported shares of common stock. The address of everyone named below is c/o Mace Security International, Inc., 4400 Carnegie Ave, Cleveland Ohio 44103.

<u>Name of Beneficial Owner</u>	<u>Number of Shares of Common Stock</u>	<u>Options to Purchase Common Stock (1)</u>	<u>Total</u>	<u>Percent of Class (2)</u>
Sanjay Singh (3)	14,804,732	715,000	15,519,732	23.7%
Denis J. Amato (4)	1,751,119	246,000	1,997,119	3.0%
Margaret Jordan	88,674	-	88,674	*
Jenifer Kretchmar	177,713	61,500	239,213	*
Daniel V. Perella	245,817	246,000	491,817	*
Hussien Shousher (5)	656,629	246,000	902,629	1.4%
All Directors and executive officers as a group (6 persons)				29.4%

* Represents less than 1.0% of the Company's outstanding common stock.

- (1) Includes options to purchase common stock exercisable within 60 days of July 10, 2023 without regard to exercise price.
- (2) The percentage identified in the "Percent of Class" column is based on the number of the Company's shares of common stock outstanding as of the Record Date, July 10, 2023, of 65,521,955.
- (3) Includes attribution of 100% of the MACNFAC LLC shares.
- (4) Includes 33,000 shares held by Denis J. Amato Trust Fund dated 11/1/2016, Denis Amato, trustee.
- (5) Includes 25,812 shares held by Randa M. Shousher Trust.

OUTSTANDING EQUITY AWARDS ON JULY 10, 2023

The following table sets forth, as of all equity awards outstanding under the Company's equity compensation plans for each named executive officer.

Mace Security International, Inc. Officer's Outstanding Equity Awards

<u>Name</u>	<u>Date of Option Agreement</u>	<u>Exercise Price/Share</u>	<u>Options Granted</u>	<u>Description of Vesting</u>	<u>Exercisable within 60 Days of the Record Date</u>	<u>Expiration Date</u>
Sanjay Singh	July 18, 2019	\$0.30	100,000	2% per month	98,000	July 18, 2024
Sanjay Singh	April 2, 2020	\$0.20	1,000,000	25% each Dec. 31 starting Dec. 31, 2021	500,000	April 2, 2025
Sanjay Singh	July 2, 2020	\$0.2790	75,000	2% per month	55,500	July 2, 2025
Sanjay Singh	July 13, 2021	\$0.61	75,000	2% per month	37,500	July 13, 2026
Sanjay Singh	Aug. 4, 2022	\$0.2370	100,000	2% per month	24,000	Aug. 4, 2027

DIRECTOR COMPENSATION TABLE

The following table summarizes the total compensation for the Directors term ending July 2023. The Directors elected to forego the cash compensation of \$3,000 per quarter and receive common stock in an amount equal to the foregone fees. Number of shares of common stock issued is based on the fair market value of the common stock, which is defined as the greater of the closing price of the Company’s common stock on the day prior to the day the option is granted or the average closing price of the Company’s common stock during the 4-week period ending on the day prior to the day the option is granted, whichever is higher.

Mace Security International, Inc. Directors Compensation Table June 28, 2022 through July 10, 2023

<u>Director</u>	<u>Total Common Stock in Lieu of Cash Directors Fees</u>	<u>Total Non-Qualified Stock Options Issued</u>
Denis Amato	118,789	100,000
Richard A. Barone (1)	60,605	200,000
Margaret Jordan	88,674	-
Jennifer Kretchmar	118,789	100,000
Daniel Perella	118,789	100,000
Hussien Shousher	118,789	100,000
Sanjay Singh	118,789	100,000

(1) Mr. Barone resigned from the Board effective April 14, 2023.

INDEPENDENT PUBLIC ACCOUNTING FIRM

The Company’s independent public accounting firm is Marcum LLP (“Marcum”). On December 1, 2019, the Company’s previous independent accounting firm Skoda Minotti & Co. merged with Marcum. Skoda Minotti & Co. was first appointed by the Audit Committee as its independent public accounting firm for the year ending December 31, 2014. A representative of Marcum is expected to be present at the 2023 Annual Meeting with an opportunity to make a statement if so desired and to answer appropriate questions with respect to that firm’s audit of the Company’s financial statements and records for the fiscal year ended December 31, 2022.

The Audit Committee pre-approves all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent public accounting firm. All of auditing services and permitted non-audit services in 2022 and 2021 were pre-approved by the Audit Committee. The Audit Committee may delegate authority to the Chairman, or in his or her absence, a member designated by the Chairman to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such person or subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The aggregate fees billed for professional services in fiscal years ended December 31, 2022 and 2021 by Marcum were as follows:

Type of Fees	Years Ended December 31,	
	2022	2021
	(in thousands)	
Audit Fees	\$ 90	\$ 60
Audit-Related Fees	-	-
Tax Fees	5	5
All Other Fees	3	3
Total	\$ 98	\$ 68