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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-Q

### QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2003

Commission File No. 1-15579

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# MINE SAFETY APPLIANCES COMPANY

(Exact name of registrant as specified in its charter)

**Pennsylvania**

**25-0668780**

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

**121 Gamma Drive  
RIDC Industrial Park  
O'Hara Township  
Pittsburgh, Pennsylvania**

**15238**

(Address of principal executive offices)

(Zip Code)

**Registrant's telephone number, including area code: 412/967-3000**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of July 31, 2003, there were outstanding 12,237,755 shares of common stock without par value, not including 1,333,245 shares held by the Mine Safety Appliances Company Stock Compensation Trust.

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PART I FINANCIAL INFORMATION  
MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED BALANCE SHEET  
(Thousands of dollars, except share data)

	<u>June 30 2003</u>	<u>December 31 2002</u>
<b>Unaudited</b>		
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 21,158	\$ 36,477
Trade receivables, less allowance for doubtful accounts of \$5,345 and \$4,134	83,990	58,648
Other receivables	38,628	35,456
Inventories:		
Finished products	34,930	28,964
Work in process	19,762	14,936
Raw materials and supplies	32,059	32,848
Total inventories	<u>86,751</u>	<u>76,748</u>
Deferred tax assets	21,804	20,396
Prepaid expenses and other current assets	13,384	10,157
Assets held for sale	42,218	45,062
Total current assets	<u>307,933</u>	<u>282,944</u>
Property, plant and equipment	365,233	348,510
Less accumulated depreciation	<u>(239,239)</u>	<u>(222,905)</u>
Net property	125,994	125,605
Prepaid pension cost	114,265	107,338
Deferred tax assets	7,530	7,800
Goodwill	43,977	42,963
Other noncurrent assets	13,631	13,115
TOTAL	<u>\$ 613,330</u>	<u>\$ 579,765</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current liabilities		
Notes payable and current portion of long-term debt	\$ 5,194	\$ 14,060
Accounts payable	32,889	30,979
Employees' compensation	13,700	16,216
Insurance	8,396	8,899
Taxes on income	1,399	3,748
Other current liabilities	37,824	25,798
<b>Total current liabilities</b>	<b>99,402</b>	<b>99,700</b>
Long-term debt		
Pensions and other employee benefits	63,906	64,350
Deferred tax liabilities	66,010	61,198
Other noncurrent liabilities	64,739	61,402
Shareholders' equity	2,375	4,053
Preferred stock, 4-1/2% cumulative - authorized 100,000 shares of \$50 par value; issued 71,373 and 71,373 shares, callable at \$52.50 per share	3,569	3,569
Second cumulative preferred voting stock - authorized 1,000,000 shares of \$10 par value; none issued		
Common stock - authorized 60,000,000 shares of no par value; issued 20,580,109 and 20,580,109 (outstanding 12,236,091 and 12,207,029)	29,271	28,626
Stock compensation trust - 1,336,220 and 1,384,629 shares	(20,939)	(21,697)
Less treasury shares, at cost:		
Preferred - 50,313 and 50,313 shares	(1,629)	(1,629)
Common - 7,007,798 and 6,988,451 shares	(133,908)	(133,198)
Deferred stock compensation	(1,407)	(801)
Accumulated other comprehensive (loss)	(13,685)	(20,501)
Earnings retained in the business	455,626	434,693
<b>Total shareholders' equity</b>	<b>316,898</b>	<b>289,062</b>
<b>TOTAL</b>	<b>\$ 613,330</b>	<b>\$ 579,765</b>

See notes to consolidated condensed financial statements.

MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED STATEMENT OF INCOME  
(Thousands of dollars, except per share amounts)

	Three Months Ended June 30 Unaudited		Six Months Ended June 30 Unaudited	
	2003	2002	2003	2002
Net sales	\$ 175,939	\$ 141,862	\$ 336,330	\$ 269,920
Other income	434	2,312	530	2,155
	<u>176,373</u>	<u>144,174</u>	<u>336,860</u>	<u>272,075</u>
<b>Costs and expenses</b>				
Cost of products sold	108,140	89,966	207,035	167,303
Selling, general and administrative	42,219	36,581	81,315	67,253
Depreciation and amortization	5,657	5,319	11,050	10,361
Interest	1,173	1,240	2,292	2,411
Currency exchange gains	(651)	(1,075)	(1,801)	(552)
	<u>156,538</u>	<u>132,031</u>	<u>299,891</u>	<u>246,776</u>
Income from continuing operations before income taxes	19,835	12,143	36,969	25,299
Provision for income taxes	7,643	4,246	14,278	9,678
Net income from continuing operations	12,192	7,897	22,691	15,621
Net income from discontinued operations	1,273	1,587	2,787	1,847
Net income	<u>\$ 13,465</u>	<u>\$ 9,484</u>	<u>\$ 25,478</u>	<u>\$ 17,468</u>
<b>Basic earnings per common share:</b>				
Continuing operations	\$ 1.00	\$ 0.65	\$ 1.85	\$ 1.29
Discontinued operations	0.10	0.13	0.23	0.15
Net income	<u>\$ 1.10</u>	<u>\$ 0.78</u>	<u>\$ 2.08</u>	<u>\$ 1.44</u>
<b>Diluted earnings per common share:</b>				
Continuing operations	\$ 0.99	\$ 0.64	\$ 1.84	\$ 1.27
Discontinued operations	0.10	0.13	0.22	0.15
Net income	<u>\$ 1.09</u>	<u>\$ 0.77</u>	<u>\$ 2.06</u>	<u>\$ 1.42</u>
Dividends per common share	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.37</u>	<u>\$ 0.31</u>

See notes to consolidated condensed financial statements.

MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS  
(Thousands of dollars)

	Six Months Ended June 30 Unaudited	
	2003	2002
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 25,478	\$ 17,468
Depreciation and amortization	11,050	10,361
Pensions	(5,840)	(7,466)
Net (gain) on sale of investments and assets	(72)	(32)
Deferred income taxes	2,751	2,751
Net income from discontinued operations	(2,787)	(1,847)
Changes in operating assets and liabilities	(28,921)	(3,504)
Other - including currency exchange adjustments	(579)	832
	<hr/>	<hr/>
Cash flow from continuing operations	1,080	18,563
Cash flow from discontinued operations	5,631	338
	<hr/>	<hr/>
Cash flow from operating activities	6,711	18,901
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Property additions	(8,485)	(8,690)
Property disposals	142	135
Other investing	(697)	(14,037)
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Cash flow from investing activities	(9,040)	(22,592)
	<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>		
Additions to long-term debt	95	37
Reductions of long-term debt	(623)	(1,523)
Changes in notes payable and short-term debt	(8,892)	818
Cash dividends	(4,545)	(3,789)
Company stock purchases	(709)	(427)
Company stock sales	458	1,984
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Cash flow from financing activities	(14,216)	(2,900)
	<hr/>	<hr/>
Effect of exchange rate changes on cash	1,226	586
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(15,319)	(6,005)
Beginning cash and cash equivalents	36,477	26,701
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Ending cash and cash equivalents	\$ 21,158	\$ 20,696
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See notes to consolidated condensed financial statements.

MINE SAFETY APPLIANCES COMPANY  
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
UNAUDITED

- (1) The Management's Discussion and Analysis of Financial Condition and Results of Operations which follows these notes contains additional information on the results of operations and the financial position of the company. Those comments should be read in conjunction with these notes. The company's annual report on Form 10-K for the year ended December 31, 2002 includes additional information about the company, its operations, and its financial position, and should be read in conjunction with this quarterly report on Form 10-Q.
- (2) The results for the interim periods are not necessarily indicative of the results to be expected for the full year.
- (3) Certain prior year amounts have been reclassified to conform with the current year presentation.
- (4) In the opinion of management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of these interim periods have been included.
- (5) During the second quarter of 2003, the company changed the vacation vesting policy for U.S. employees. Under the new policy, employees earn their vacation entitlement during the current year. Previously, vacation vested on the last day of the prior year. The vacation policy change resulted in a favorable adjustment of \$2.4 million during the second quarter of 2003. This policy change is expected to result in additional favorable adjustments of approximately \$1.5 million in both the third and fourth quarters of 2003.
- (6) During the second quarter of 2003, the company changed its standard shipping terms to U.S. distributors. The one-time effect of this change was to delay revenue recognition on the affected shipments, which reduced second quarter 2003 sales and gross margins by approximately \$2.6 million and \$1.3 million, respectively.
- (7) Basic earnings per share is computed on the weighted average number of shares outstanding during the period. Diluted earnings per share includes the effect of the weighted average stock options outstanding during the period, using the treasury stock method. Antidilutive options are not considered in computing diluted earnings per share.

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
	(In Thousands)		(In Thousands)	
Net income from continuing operations	\$ 12,192	\$ 7,897	\$ 22,691	\$ 15,621
Preferred stock dividends	12	12	24	24
Income available to common shareholders	12,180	7,885	22,667	15,597
Basic shares outstanding	12,232	12,174	12,221	12,142
Stock options	130	157	107	150
Diluted shares outstanding	12,362	12,331	12,328	12,292
Antidilutive stock options	22	10	22	10

- (8) Components of comprehensive income are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
	(In Thousands)		(In Thousands)	
Net income from continuing operations	\$ 12,192	\$ 7,897	\$ 22,691	\$ 15,621
Net income from discontinued operations	1,273	1,587	2,787	1,847
Cumulative translation adjustments	4,703	5,517	6,816	4,493
Comprehensive income	18,168	15,001	32,294	21,961

- (9) The company is organized into three geographic operating segments (North America, Europe and International), each of which includes a number of operating companies.

Reportable segment information is presented in the following table:

	(In Thousands)				Consolidated Totals
	North America	Europe	International	Reconciling	
	<b>Three Months Ended June 30, 2003</b>				
Sales to external customers	\$ 111,402	\$ 36,631	\$ 27,910	\$ (4)	\$ 175,939
Intercompany sales	6,303	12,642	924	(19,869)	
Net income from continuing operations	8,959	744	1,649	840	12,192
Net income from discontinued operations	1,273				1,273
	<b>Six Months Ended June 30, 2003</b>				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	\$ 218,167	\$ 71,274	\$ 46,891	\$ (2)	\$ 336,330
Intercompany sales	12,880	25,268	1,645	(39,793)	
Net income from continuing operations	16,962	1,665	2,770	1,294	22,691
Net income from discontinued operations	2,787				2,787
	<b>Three Months Ended June 30, 2002</b>				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	\$ 93,902	\$ 29,206	\$ 18,729	\$ 25	\$ 141,862
Intercompany sales	4,966	8,695	587	(14,248)	
Net income from continuing operations	5,929	982	710	276	7,897
Net income from discontinued operations	1,587				1,587
	<b>Six Months Ended June 30, 2002</b>				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	\$ 183,382	\$ 51,777	\$ 34,724	\$ 37	\$ 269,920
Intercompany sales	10,092	15,949	1,090	(27,131)	
Net income from continuing operations	13,255	969	1,214	183	15,621
Net income from discontinued operations	1,847				1,847

Reconciling items consist primarily of intercompany eliminations and items reported at the corporate level.

- (10) At June 30, 2003, accounts receivable of \$61.5 million were owned by Mine Safety Funding Corporation, an unconsolidated wholly-owned bankruptcy-remote subsidiary of the company. The company held a subordinated interest in these receivables of \$39.6 million, of which \$38.6 million is classified as other receivables. Net proceeds to the company from the securitization arrangement were \$25.0 million at June 30, 2003.

At December 31, 2002, accounts receivable of \$66.2 million were owned by Mine Safety Funding Corporation. The company held a subordinated interest in these receivables of \$36.5 million, of which \$35.5 million is classified as other receivables. Net proceeds to the company from the securitization arrangement were \$29.0 million at December 31, 2002.

The key economic assumptions used to measure the retained interest at June 30, 2003 were a discount rate of 3.3% and an estimated life of 2.6 months. At June 30, 2003, an adverse change in the discount rate or estimated life of 10% and 20% would reduce the fair value of the retained interest by \$43,000 and \$87,000, respectively. The effect of hypothetical changes in fair value based on variations in assumptions should be used with caution and generally cannot be extrapolated. Additionally, the effect on the fair value of the retained interest of changing a particular assumption has been calculated without changing other assumptions. In reality, a change in one factor may result in changes in others.

- (11) The company has adopted the disclosure-only provisions of FAS 123, Accounting for Stock-Based Compensation, and FAS 148, Accounting for Stock-Based Compensation—Transition and Disclosure. Accordingly, no compensation cost has been recognized for the company's stock option plans. If the company had elected to recognize compensation cost based on the fair value of the options at the grant date as prescribed by FAS 123, net income and earnings per share would have been reduced to the pro forma amounts shown below:

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
<b>(In thousands)</b>				
Net income as reported	\$ 13,465	\$ 9,484	\$ 25,478	\$ 17,468
Fair value of stock options granted, net of tax	(419)	(835)	(509)	(1,023)
<b>Pro forma net income</b>	<b>13,046</b>	<b>8,649</b>	<b>24,969</b>	<b>16,445</b>
<b>Basic earnings per share:</b>				
As reported	\$ 1.10	\$ 0.78	\$ 2.08	\$ 1.44
Pro forma	1.07	0.71	2.04	1.35
<b>Diluted earnings per share:</b>				
As reported	\$ 1.09	\$ 0.77	\$ 2.06	\$ 1.42
Pro forma	1.05	0.70	2.02	1.34

Stock options granted in 2003 vest in one year. Options granted in 2002 vested in six months. For purposes of the proforma disclosure, the estimated fair value of the stock options is amortized over the vesting period. The fair value of the options granted was estimated at the grant dates using the Black-Scholes option pricing model and the following weighted average assumptions for options granted in 2003 and 2002, respectively: risk-free interest rate of 4.0% and 5.3%; dividend yield of 2.1% and 2.0%; expected option life of 9.9 years and 9.9 years; and expected volatility factor of 23% and 23%.

- (12) In July 2003, the company agreed to sell certain assets of the Callery Chemical Division to BASF for approximately \$65 million. The transaction is expected to be completed by the end of the third quarter of 2003, subject to required regulatory approval and the satisfaction of various closing conditions, for an estimated after-tax gain of approximately \$13 million. Callery Chemical Division develops, manufactures, and sells specialty chemicals, including alkali metal strong bases and borane chemicals, for use in pharmaceuticals, agricultural chemicals, plastics, and a number of other applications.

The results of the Callery Chemical Division, as summarized below, have been classified as discontinued operations for all periods presented.

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
<b>(In thousands)</b>				
Net sales	\$ 6,615	\$ 8,857	\$ 14,823	\$ 14,884
Income before income taxes	2,018	2,523	4,426	2,936
Provision for income taxes	745	936	1,639	1,089
Net income from discontinued operations	1,273	1,587	2,787	1,847

Net assets of Callery Chemical Division classified as held for sale include inventory and property expected to be sold to BASF and accounts receivable and other current assets that will be liquidated.

	June 30 2003	December 31 2002
<b>(In thousands)</b>		
Accounts receivable and other current assets	\$ 3,671	\$ 7,983
Inventory	8,883	7,705
Property, net	29,664	29,374
Assets held for sale	42,218	45,062

- (13) On April 30, 2002, the company acquired CGF Gallet, the leading European manufacturer of protective helmets for the fire

service, as well as head protection for the police and military. The acquisition of Gallet complements the company's strong existing line of fire service products and provides the opportunity to capitalize on opportunities in other areas where Gallet is strong – such as the law enforcement, military, and aviation markets. Gallet has been integrated into the company's operations and its products are being marketed under the MSA Gallet name. Gallet's results of operations have been included in the company's consolidated financial statements from the acquisition date.

The following pro forma summary presents the company's consolidated results as if the Gallet acquisition had occurred at the beginning of 2002. The pro forma information does not necessarily reflect the actual results that would have occurred and is not necessarily indicative of future results of operations for the combined companies.

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
<i>(In thousands, except earnings per share)</i>				
Net sales	\$ 175,939	\$ 145,341	\$ 336,330	\$ 283,746
Net income from continuing operations	12,192	8,050	22,691	16,597
Basic earnings per share	1.00	0.66	1.85	1.36

- (14) Various lawsuits and claims have been or may be instituted or asserted against the company, including those pertaining to product liability. While the amounts claimed may be substantial, the ultimate liability of the company may not be determinable because uncertainties exist. Based on information currently available, management believes that the disposition of matters that are pending or asserted will not have a materially adverse effect on the financial position of the company.

Forward-looking statements

Certain statements contained in this discussion and elsewhere in this report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from expectations contained in such statements.

Factors that may materially affect financial condition and future results include: global economic conditions; the impact of unforeseen economic and political changes, including the threat of terrorism and its potential consequences; the timely and successful introduction of new products; the availability of funding in the fire service and homeland security markets; fluctuations in the cost and availability of key materials and components; the company's ability to generate sufficient cash flow to support capital expenditures, debt repayment, and general operating activities; the company's ability to achieve sales and earnings forecasts; the company's ability to successfully integrate acquisitions and complete divestitures; and interest and currency exchange rates.

The foregoing list of important factors is not exclusive. The company undertakes no obligation to publicly update or revise its forward-looking statements.

Corporate Initiatives

During July the company agreed to sell certain assets of the Callery Chemical Division to BASF for approximately \$65 million. The transaction is expected to be completed by the end of the third quarter of 2003, subject to required regulatory approval and the satisfaction of various closing conditions, for an estimated after-tax gain of approximately \$13 million. The Callery Chemical Division develops, manufactures, and sells specialty chemicals, including alkali metal strong bases and borane chemicals for use in pharmaceuticals, agricultural chemicals, plastics, and a number of other applications. The divestiture of the specialty chemical business will better position the company to focus on its core safety business. The results of the division and the assets expected to be sold or otherwise liquidated have been reported as discontinued operations and assets held for sale in the accompanying financial statements.

Results of operations

Three months ended June 30, 2003 and 2002

Sales for the second quarter of 2003 were \$175.9 million, an increase of \$34.0 million, or 24%, from \$141.9 million in the second quarter of 2002.

Second quarter 2003 sales for North American operations of \$111.4 million were \$17.5 million, or 19%, higher than in the second quarter of last year. The sales improvement in North America was related to strong shipments of breathing apparatus to the fire service market and gas masks to military and homeland security markets. During the second

quarter of 2003, the company changed its standard shipping terms to U.S. distributors. The effect of this change was to delay revenue recognition on the affected shipments, which reduced second quarter 2003 sales and gross margins by approximately \$2.6 million and \$1.3 million, respectively.

In Europe, second quarter 2003 sales of \$36.6 million were \$7.4 million, or 25%, higher than in second quarter 2002. The increase includes a full quarter's sales for MSA Gallet, following its acquisition on April 30, 2002. When stated in U.S. dollars, European sales in the current quarter also benefited from the favorable currency translation effect of the stronger Euro.

International sales of \$27.9 million in the second quarter of 2003 were \$9.2 million, or 49%, higher than in second quarter 2002. Sales growth occurred primarily in Latin America and the Asia Pacific region. Current quarter sales included large shipments of breathing apparatus to the Royal Australian Navy.

Gross profit for the second quarter of 2003 was \$67.8 million, an increase of \$15.9 million, or 31%, from \$51.9 million in second quarter 2002. The ratio of gross profit to sales was 38.5% in the second quarter of 2003 compared to 36.6% in the corresponding quarter last year. The higher gross profit percentage in the current quarter was due to a favorable adjustment related to a change in the vacation vesting policy for U.S. employees and product mix changes. Under the vacation policy adopted during the current quarter, employees earn their vacation entitlement during the current year. Previously, vacation vested on the last day of the prior year. The policy change resulted in a favorable adjustment to cost of sales of \$1.6 million during the second quarter of 2003. This change is expected to result in additional favorable adjustments to cost of sales of approximately \$1.0 million in both the third and fourth quarters of 2003.

Selling, general and administration expenses in the second quarter of 2003 were \$42.2 million, an increase of \$5.6 million, or 15%, compared to \$36.6 million in second quarter 2002, but improved as a percentage of sales to 24.0% in the second quarter of 2003 compared to 25.8% in the corresponding quarter last year. The increase in selling, general and administrative expenses reflects higher insurance and selling expenses, and the exchange effect of strengthening international currencies, particularly the Euro. Selling, general and administrative expenses for the second quarter of 2003 include a favorable adjustment of approximately \$800,000 related to the previously discussed change in the vacation vesting policy for U.S. employees. This change is expected to result in additional favorable adjustments to selling, general and administrative expenses of approximately \$500,000 in both the third and fourth quarters of 2003.

Depreciation and amortization expense in second quarter 2003 was \$5.7 million, an increase of \$338,000, or 6%, from \$5.3 million in the corresponding quarter last year. The increase relates to property additions.

Currency exchange gains were \$651,000 in the second quarter of 2003 compared to gains of \$1.1 million in the same quarter of last year. Current quarter gains were primarily due to the strengthening of the Euro and the Canadian dollar. The second quarter 2002 gain

related primarily to the strengthening of the Euro and Canadian dollar, partially offset by weakening of the Argentine Peso.

Other income was \$434,000 in the second quarter of 2003 compared to \$2.3 million in the same quarter last year. Other income in second quarter 2002 included a gain of \$2.1 million on the sale of real estate development property in Pittsburgh.

Income from continuing operations before income taxes was \$19.8 million for second quarter 2003 compared to \$12.1 million in second quarter 2002, an increase of 63%.

The effective income tax rate for the second quarter of 2003 was 38.5% compared to 35.0% in second quarter 2002. The lower rate in second quarter 2002 related to proportionately higher income in lower tax rate jurisdictions and permanent differences.

Net income from continuing operations in the second quarter of 2003 was \$12.2 million, or \$1.00 per basic share, compared to \$7.9 million, or 65 cents per basic share, in the second quarter of last year.

Net income from discontinued operations, for which further information is contained in note 12, was \$1.3 million for the second quarter of 2003, a decrease of \$314,000 from income of \$1.6 million in second quarter 2002. The decrease in 2003 was related to lower sales volumes, partially offset by the absence of depreciation expense on property classified as held for sale.

Net income for the second quarter of 2003 was \$13.5 million, an increase of \$4.0 million, or 42%, from net income of \$9.5 million in the second quarter of 2002. Basic earnings per share improved to \$1.10 compared to 78 cents last year.

#### Six months ended June 30, 2003 and 2002

Sales for the six months ended June 30, 2003 were \$336.3 million, an increase of \$66.4 million, or 25%, from \$269.9 million for the six months ended June 30, 2002.

North American sales for the six months ended June 30, 2003 of \$218.2 million were \$34.8 million, or 19%, higher than the same period last year. Higher shipments of breathing apparatus to the fire service market and gas masks to military and homeland security markets accounted for a significant portion of the improvement.

Sales in Europe for the six months ended June 30, 2003 of \$71.3 million were \$19.5 million, or 38%, higher than the same period in 2002. The improvement in local currency sales reflects the addition of Gallet sales, following its acquisition during the second quarter of 2002. When stated in U.S. dollars, European sales in the current period also benefited from the favorable currency translation effect of the stronger Euro.

International sales for the first six months of 2003 of \$46.9 million were \$12.2 million, or 35%, higher than in the same period last year. Sales growth occurred primarily in Latin America and the Asia Pacific region. Current period sales included large shipments of breathing apparatus to the Royal Australian Navy.

Gross profit for the six months ended June 30, 2003 was \$129.3 million, an increase of \$26.7 million, or 26%, from \$102.6 million in the first six months of 2002. The ratio of gross profit to sales was 38.4% in the six months ended June 30, 2003 compared to 38.0% in the corresponding period last year. The higher gross profit percentage in the current year includes a favorable adjustment related to a change in the vacation vesting policy for U.S. employees. Under the vacation policy adopted in 2003, employees earn their vacation entitlement during the current year. Previously, vacation vested on the last day of the prior year. The policy change resulted in a favorable adjustment to cost of sales of \$1.6 million during the six months ended June 30, 2003. This policy change is expected to result in additional favorable adjustments to cost of sales of approximately \$1.0 million in both the third and fourth quarters of 2003.

Selling, general and administration costs for the six months ended June 30, 2003 were \$81.3 million, an increase of \$14.0 million, or 21%, from \$67.3 million in the same period last year, but improved somewhat as a percentage of sales to 24.2% in the first six months of 2003 compared to 24.9% in the corresponding period last year. The increase includes higher insurance and sales expenses, the post-acquisition expenses of Gallet, and the currency translation effects of the stronger Euro. Selling, general and administrative expenses for the six months ended June 30, 2003 include a favorable adjustment of approximately \$800,000 related to the previously discussed change in the vacation vesting policy for U.S. employees. This change is expected to result in additional favorable adjustments to selling, general and administrative expenses of approximately \$500,000 in both the third and fourth quarters of 2003.

Depreciation and amortization expense was \$11.1 million in the six months ended June 30, 2003, an increase of \$689,000, or 7%, from \$10.4 million in the same period last year. The increase is primarily due to a full six month's depreciation expense on Gallet assets, the translation effect of the stronger Euro, and property additions.

Interest expense for the six months ended June 30, 2003 was \$2.3 million, a decrease of \$119,000, or 5%, from \$2.4 million in the same period last year. Lower interest expense in 2003 related to lower short-term borrowings.

Currency exchange gains were \$1.8 million in the six months ended June 30, 2003 compared to gains of \$552,000 in the same period last year. Current period gains were primarily due to the strengthening of the Euro and the Canadian dollar. The 2002 gain related primarily to the strengthening of the Euro and Canadian dollar, partially offset by weakening of the Argentine Peso.

Other income was \$530,000 for the six months ended June 30, 2003 compared to \$2.2 million in the first half of 2002. Other income in the first half of 2002 included a gain of \$2.1 million on the sale of real estate development property in Pittsburgh.

Income from continuing operations before income taxes was \$37.0 million for the six months ended June 30, 2003 compared to \$25.3 million in the first six months of 2002, an increase of \$11.7 million, or 46%.

The effective income tax rate for the six months ended June 30, 2003 was 38.6% compared to 38.3% in the same period last year.

Net income from continuing operations was \$22.7 million for the six months ended June 30, 2003 compared to \$15.6 million in the first half of 2002, an increase of \$7.1 million, or 45%.

Net income from discontinued operations, for which further information is contained in note 12, was \$2.8 million for the first half of 2003, an increase of \$940,000 from income of \$1.8 million in same period last year. The income improvement in 2003 includes the favorable effect of the discontinuance of depreciation expense on property classified as held for sale.

Net income for first half of 2003 was \$25.5 million, an increase of \$8.0 million, or 46%, from net income of \$17.5 million in the first half of 2002. Basic earnings per share improved to \$2.08 compared to \$1.44 last year.

#### Liquidity and Financial Condition

Continuing operations provided \$1.1 million of cash during the six months ended June 30, 2003 compared to providing \$18.6 million in the same period last year. Increases in operating assets, particularly trade receivables and inventories associated with higher sales volumes, used \$28.9 million of cash during the first six months of 2003. In the same period last year, changes in operating assets and liabilities used \$3.5 million of cash.

Discontinued operations provided \$5.6 million of cash in the six months ended June 30, 2003 compared to providing \$338,000 in the same period last year. Higher cash provided by discontinued operations in 2003 was primarily related to reductions in trade receivables.

Investing activities used cash of \$9.0 million in six months ended June 30, 2003 compared to using \$22.6 million in the same period last year. In 2002, net cash of approximately \$14.5 million was used for the acquisition of CGF Gallet.

Financing activities used \$14.2 million of cash in the six months ended June 30, 2003 compared to using \$2.9 million in the same period last year. The higher use of cash for financing activities in 2003 related primarily to reductions in debt, lower sales of common stock and increased dividend payments.

#### Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in the company's financial instrument market risk during the six months ended June 30, 2003. For additional information, refer to page 19 of the company's Annual Report to Shareholders for the year ended December 31, 2002.

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#### Item 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures within 90 days before the filing date of this quarterly report. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to their evaluation.

## MINE SAFETY APPLIANCES COMPANY

## Item 1. Legal Proceedings

Not Applicable

## Item 4. Submission of Matters to a Vote of Security Holders

(a) May 8, 2003 - Annual Meeting

(b) Directors elected at Annual Meeting:

Calvin A. Campbell, Jr.  
Thomas B. Hotopp

Directors whose term of office continued after the meeting:

Joseph L. Calihan  
James A. Cederna  
John T. Ryan III  
L. Edward Shaw, Jr.  
John C. Unkovic  
Thomas H. Witmer

(c) Election of two Directors for a term of three years:

Calvin A. Campbell, Jr.	For	11,917,333
	Withhold	646,921
	Abstentions/ Broker Nonvotes	0
Thomas B. Hotopp	For	12,448,320
	Withhold	115,934
	Abstentions/ Broker Nonvotes	0

Selection of PricewaterhouseCoopers LLP as independent accountants for the year ending December 31, 2003.

For	11,625,902
Against	938,048
Abstentions/ Broker Nonvotes	304

(d) Not Applicable

## Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 10 (d) Supplemental Pension Plan as of May 5, 1998
- 10 (g) Annual Incentive Bonus Plan as of May 5, 1998
- 10 (h) Form of Severance Agreement as of May 20, 1998 between the registrant and John T. Ryan III
- 10 (i) Form of Severance Agreement between the registrant and the other executive officers
- 31.1 Certification of Chief Executive Officer Pursuant to Rule 15d-14(a)
- 31.2 Certification of Chief Financial Officer Pursuant to Rule 15d-14(a)
- 32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. (S) 1350

(b) Reports on Form 8-K

The Company filed a Form 8-K on May 1, 2003 under Item 5 - Other Events.

The Company filed a Form 8-K on May 7, 2003 under Item 9 - Regulation FD Disclosure.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MINE SAFETY APPLIANCES COMPANY

Date: August 12, 2003

By: /s/ DENNIS L. ZEITLER

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Dennis L. Zeitler  
Vice President - Finance  
Duly Authorized Officer and  
Principal Financial Officer

MINE SAFETY APPLIANCES COMPANY  
SUPPLEMENTAL PENSION PLAN  
MAY 5, 1998

SECTION I  
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PURPOSE  
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I.1 Purpose. The purpose of the Mine Safety Appliances Company Supplemental Pension Plan, as originally adopted on April 24, 1984, is to provide certain employees of Mine Safety Appliances Company with additional retirement income by supplementing the pension benefit provided to such employees under the Non-Contributory Pension Plan for Employees of Mine Safety Appliances Company (the "Pension Plan") to the extent benefits payable thereunder are limited by Section 415 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). The purposes of this plan instrument are (i) to memorialize in writing the existing supplemental pension plan of Mine Safety Appliances Company, (ii) to provide an additional supplement to pension benefits under the Pension Plan to the extent that they are limited by Section 401(a)(17) of the Code, and (iii) to provide certain Change-in-Control protection of the supplemental benefits provided hereunder.

SECTION II  
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DEFINITIONS  
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II.1 Definitions. The following definitions shall apply for purposes of the Plan, unless a different meaning is plainly indicated by the context:

(a) Beneficial Owner shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(b) Board shall mean the Board of Directors of the Company, as constituted from time to time.

(c) Change in Control shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates (which term shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act)) representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or

(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on May 5, 1998, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on May 5, 1998 or whose appointment, election or nomination for election was previously so approved or recommended; or

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being con-

verted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least fifty-one percent (51%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty-one percent (51%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(d) Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

(e) Committee shall mean the Compensation Committee of the Board.

(f) Company shall mean Mine Safety Appliances Company and (except as used in the definitions of Change in Control and Person in this Section II) any successor to all or a major portion of its assets or business, which successor assumes the obligations of the Company under this Plan by operation of law or otherwise.

(g) ERISA shall mean the Employee Retirement Income Security Act of 1974, as from time to time amended.

(h) Exchange Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

(i) Participant shall mean an employee of the Company or a Participating Affiliate (i) who is designated by the Board for participation herein, and (ii) who participates in the Pension Plan and whose hypothetical benefits under the Pension Plan determined on the basis of the provisions of the Pension Plan without regard to the limitations of Sections 401(a)(17) and 415 of the Code would exceed the actual benefits payable under the Pension Plan taking into account such limitations.

(j) Participating Affiliate shall have the meaning given such term in the Pension Plan.

(k) Pension Plan shall mean the Non-Contributory Pension Plan for Employees of Mine Safety Appliances Company, as it may be amended from time to time.

(l) Person shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding

securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) any individual or entity [including the trustees (in such capacity) of any such entity which is a trust] which is, directly or indirectly, the Beneficial Owner of securities of the Company representing five percent (5%) or more of the combined voting power of the Company's then outstanding securities immediately before the date hereof or any Affiliate of any such individual or entity, including, for purposes of this Plan, any of the following: (A) any trust (including the trustees thereof in such capacity) established by or for the benefit of any such individual; (B) any charitable foundation (whether a trust or a corporation, including the trustees or directors thereof in such capacity) established by any such individual; (C) any spouse of any such individual; (D) the ancestors (and spouses) and lineal descendants (and spouses) of such individual and such spouse; (E) the brothers and sisters (whether by the whole or half blood or by adoption) of either such individual or such spouse; or (F) the lineal descendants (and their spouses) of such brothers and sisters.

(m) Plan shall mean The Mine Safety Appliances Company Supplemental Pension Plan, as set forth in this plan instrument, as it may be amended from time to time.

(n) Supplemental Retirement Benefit shall have the meaning set forth in Section 3.1 hereof.

SECTION III  
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BENEFITS  
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III.1 Supplemental Retirement Benefit. Each Participant (or his or her joint annuitant or designated survivor or beneficiary) shall be entitled under this

Plan to receive a Supplemental Retirement Benefit equal to the difference between (i) the benefits (if any) that would have been payable to such individual under the Pension Plan if the limitations on benefits imposed on the Pension Plan by Section 415 of the Code (and by Section 401(a)(17) of the Code as to any such individual who is an employee of the Company or a Participating Affiliate on May 5, 1998 or becomes such an employee at any time after May 5, 1998) were not imposed, and (ii) the benefits (if any) actually payable to such individual under the Pension Plan.

Subject to Section 3.3 hereof, the benefits under this Plan shall be payable at the same time or times and in the same manner as such benefits are payable under the Pension Plan, and any election of an optional form of payment, or designation of a survivor or beneficiary that is effective under the Pension Plan shall also apply to the benefits payable under this Plan.

III.2 Vesting. A Participant shall be vested in his or her Supplemental Retirement Benefit only if vested in his or her benefit under the Pension Plan.

III.3 Effect of Change in Control. Notwithstanding any other provision of this Plan, if a Participant is vested in his or her Supplemental Retirement Benefit on the date of the Participant's termination of employment and that termination date occurs on, or within the three-year period immediately following, a Change in Control, then, not later than the fifth (5<sup>th</sup>/) business day following such termination date, the Company shall pay the Participant a lump sum amount equal to the actuarial equivalent of the Participant's Supplemental Retirement Benefit (in lieu of making payment of such Supplemental Retirement Benefit in accordance with Section 3.1 hereof). For purposes of this Section 3.3, "actuarial equivalent" shall be determined using the same assumptions utilized under the Pension Plan immediately prior to the Participant's termination date, or, if more favorable to the Participant, immediately prior to the Change in Control.

SECTION IV

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ADMINISTRATION

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IV.1 Administration. The Plan shall be administered by the Committee.

IV.2 Duties. The Committee shall perform the duties required, and shall have the powers necessary, to administer the Plan and carry out the provisions thereof.

IV.3 Powers. The powers of the Committee shall be as follows:

(a) To determine any question arising in connection with the Plan (and its decision or action in respect thereof shall be final, conclusive and binding upon the Company and the Participants and any other individual interested herein);

(b) To engage the services of counsel or attorney (who may be counsel or attorney for the Company) and an actuary, if it deems necessary, and such other agents or assistants as it deems advisable for the proper administration of the Plan; and

(c) To receive from the Company and from Participants such information as shall be necessary for the proper administration of the Plan.

IV.4 Claims Procedure. Subject to the provisions of this Plan, the Committee shall make all determinations as to the right of any individual to a benefit. Any denial by the Committee of the claim for benefits under the Plan by a Participant or any other individual interested herein shall be stated in writing by the Committee and delivered or mailed to the Participant or such individual. Such notice shall set forth the specific reasons for the denial, written to the best of the Committee's ability in a manner that may be understood without legal or actuarial counsel. In addi-

tion, the Committee shall afford to any Participant (or his or her joint annuitant, designated survivor or beneficiary) whose claim for benefits has been denied a reasonable opportunity for a review of the decision denying the claim.

SECTION V

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NONALIENATION OF BENEFITS

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Neither the Participant nor any other individual shall have any right to assign or otherwise to alienate the right to receive payments under the Plan, in whole or in part. The immediately preceding sentence shall not apply to any benefit payable pursuant to a "qualified domestic relations order," as defined in Section 414(p) of the Code, which the Committee determines is applicable to any benefit hereunder.

SECTION VI

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AMENDMENT AND TERMINATION

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The Company reserves the right at any time by action of the Board to terminate the Plan or to amend its provisions in any way. Notwithstanding the foregoing, no termination or amendment of the Plan may (i) reduce the benefits payable under the Plan to the Participant (or his or her joint annuitant or designated survivor or beneficiary) if the Participant's termination of employment with the Company (and Participating Affiliates, if applicable) has occurred prior to such termination of the Plan or amendment of its provisions, or (ii) reduce the benefit to be paid with respect to the Participant on the date of such termination of the Plan or amendment of its provisions below the amount that would have been paid with respect to the Participant if his or her employment had terminated on the day before such termination or amendment.

SECTION VII

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MISCELLANEOUS

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VII.1 No Right to Employment. This Plan shall not be construed as providing any Participant with the right to be retained in the Company's employ (or the employ of any Participating Affiliate) or to receive any benefit not specifically provided hereunder.

VII.2 No Effect on Other Compensation and Benefits. Nothing contained herein shall exclude or in any manner modify or otherwise affect any existing or future rights of any Participant to participate in and receive the benefits of any compensation, bonus, pension, life insurance, medical and hospitalization insurance or other employee benefit plan or program to which he or she otherwise might be or become entitled as an officer or employee of the Company (or any Participating Affiliate).

VII.3 No Amendment to Pension Plan. This Plan shall not be deemed to constitute an amendment to, or a part of, the Pension Plan. All references hereunder to the Pension Plan shall include any amended or successor plan or plans maintained by the Company, the terms of which may be applicable at any time to a Participant's defined benefit retirement benefit. If, however, the Pension Plan terminates, merges with, or is replaced by a successor plan, and as a result thereof the amount of the Supplemental Retirement Benefit to be paid to any Participant hereunder would be reduced or calculated on a different basis, or commence at a later date or dates, such Supplemental Retirement Benefit shall not be less than an amount calculated pursuant to the provisions of this Plan and in accordance with the terms of the Pension Plan, as in effect immediately prior to such termination, merger or replacement.

VII.4 Governing Law. This Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law principles.

VII.5 Status. This Plan is not intended to

satisfy the requirements for qualification under Section 401(a) of the Code. It is intended to be a nonqualified plan that is not subject to ERISA. The Plan shall be construed and administered so as to effectuate this intent.

VII.6 Expenses. All expenses of establishing and administering the Plan shall be paid by the Company. No individual interested herein shall have any interest in any specific assets of the Company by reason of the individual's interest under the Plan, and such individuals shall have only the status of unsecured creditors of the Company with respect to any benefits that become payable under this Plan.

VII.7 Successors. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume the Company's obligations hereunder in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

VII.8 Withholding Requirements. Payment of benefits under this Plan shall be subject to applicable withholding requirements.

IN WITNESS WHEREOF, Mine Safety Appliances Company has caused this plan to be executed by its duly authorized officers this 5th day of May, 1998.

ATTEST:

MINE SAFETY APPLIANCES COMPANY

By:

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Secretary

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Chairman and Chief  
Executive Officer

MINE SAFETY APPLIANCES COMPANY  
ANNUAL INCENTIVE BONUS PLAN  
MAY 5, 1998

1. Purposes.  
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The purposes of the Mine Safety Appliances Company Annual Incentive Bonus Plan are to attract and retain highly-qualified executives by providing appropriate performance-based short-term incentive awards, to provide strong financial incentive each year for the excellent performance of each participating executive by making a significant percentage of the executive's total cash compensation dependent upon the level of corporate and individual performance attained for the year, and, by accomplishing those objectives, to increase shareholder value.

2. Definitions in Last Section.  
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For purposes of the Plan, capitalized terms, unless defined where the respective term first appears in the Plan, shall have the meanings given in the last Section hereof.

3. Eligibility.  
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With respect to any Plan Year, all Company officers and such key employees of the Company and its Subsidiaries as are designated by the Chief Executive Officer shall participate in the Plan.

4. Bonuses.  
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(a) Participant's Target Bonus. The Committee shall establish the amount of the target Bonus for each Participant with respect to each Plan Year. A Participant's target Bonus for a particular Plan Year shall be the dollar amount resulting from multiplying the median market level salary (represented by the salary midpoint as of the January 1<sup>st</sup>/ immediately following the Plan Year) for an individual in the Participant's position by

a percentage determined by the Committee. With respect to any Participant other than the Chief Executive Officer, the Committee shall be assisted in determining the applicable percentage by the recommendation of the Chief Executive Officer. After a Participant's target Bonus has been established for a particular Plan Year, it cannot be changed, except that, in the sole discretion of the Committee (assisted by the recommendation of the Chief Executive Officer with respect to any Participant other than the Chief Executive Officer), a Participant's target Bonus can be adjusted if the Participant's position is changed during such Plan Year (whether or not the Participant's title is changed).

(b) Participant's Performance Goal. For each Plan Year, the applicable Performance Goal for each Participant shall be comprised of one or more EBIT targets. In the case of the Chief Executive Officer, the Performance Goal shall be the attainment of the target Consolidated EBIT. In the case of any other Participant, the Performance Goal shall be the attainment of such EBIT targets (including Consolidated EBIT, United States EBIT and Divisional EBIT) as the Chief Executive Officer, in his sole discretion, shall determine to be relevant to the Participant's performance and such EBIT targets shall be weighted for their relevance to the Participant's performance in such manner as the Chief Executive Officer, in his sole discretion, shall determine to be appropriate; provided, however, that attainment of the target Consolidated EBIT shall constitute at least 25% of the Performance Goal for each Participant who is an officer of the Company. The Performance Goal for any such Participant may be (but need not be) different each Plan Year and different Performance Goals may be applicable to different Participants.

(c) Two-Stage Calculation of Bonus Earned by a Participant. The calculation of the actual Bonus earned by a Participant with respect to a Plan Year shall be done in two stages. The first stage shall be based on the degree of attainment of the applicable Performance Goal during the relevant Plan Year and shall calculate the tentative Bonus earned under the Plan as a percentage of the Participant's target Bonus, which percentage shall

vary depending upon the extent to which the Performance Goal has been attained and may be lesser than, greater than, or equal to 100%. Notwithstanding the immediately preceding sentence, but subject to Section 4(h) hereof, if less than 50% of an EBIT target which is a component of a Participant's Performance Goal with respect to a particular Plan Year is achieved, no Bonus shall be paid to the Participant with respect to that EBIT target for the Plan Year (that is, the tentative Bonus with respect to that one weighted component of the Participant's Performance Goal shall be zero), but any such failure to achieve 50% of that EBIT target shall not affect the calculation of the tentative Bonus with respect to the achievement of any other EBIT target which is also a weighted component of the Participant's Performance Goal.

The second stage of the calculation shall multiply the tentative Bonus so determined by a percentage which represents a personal performance factor (the "Personal Performance Percentage"). The Personal Performance Percentage shall vary based on the Participant's individual performance during the Plan Year and may be lesser than, greater than, or equal to 100%. In the case of the Chief Executive Officer, the Personal Performance Percentage shall be determined by the Committee in its sole discretion. In the case of any other Participant, the Personal Performance Percentage shall be determined by the Chief Executive Officer, in his sole discretion, with the assistance of a recommendation from the Participant's direct supervisor (if other than the Chief Executive Officer). Notwithstanding any other provision of this Section 4(c), the Personal Performance Percentage with respect to each Participant shall not be less than 80% nor greater than 120%, and the Bonus paid to any Participant with respect to any Plan Year shall not exceed 150% of the Participant's target Bonus with respect to the Plan Year.

(d) Maximum Aggregate Bonuses for Plan Year. The maximum amount payable as Bonuses hereunder with respect to any Plan Year shall not exceed 3% of Consolidated EBIT for such Plan Year.

(e) Committee Review and Adjustment of Calcu-

lation. The Committee shall review the Bonuses calculated pursuant to Sections 4(c) and 4(d) hereof with respect to each Plan Year and, subject to Section 4(d) and the last sentence of Section 4(c) hereof, the Committee may, in its sole discretion, adjust (including increasing, reducing or eliminating) the amount of any Bonus before making a recommendation to the Board regarding the Bonuses (if any) to be paid with respect to the Plan Year.

(f) Employment Requirement for Bonus Payment and Exceptions Thereto.

(i) Except as provided in Sections 4(f)(ii) and 4(f)(iii) hereof, payment of a Bonus to a particular Participant for a Plan Year shall be made only if, and to the extent that, the foregoing requirements of this Section 4 have been met with respect to the Plan Year and only if the Participant is employed by the Company or one of its Subsidiaries for the entire Plan Year (from the first day of the Plan Year through the last day of the Plan Year), except as set forth in Section 4(h) hereof.

(ii) If, under circumstances described in this Section 4(f)(ii), a Participant has been employed by the Company (or one of its Subsidiaries) for only part of a Plan Year, a pro-rata Bonus shall be paid to the Participant. The pro-rata Bonus shall be calculated by multiplying the Bonus which would be payable if such employment had been for the entire Plan Year by a fraction, the numerator of which shall be the Participant's days of such employment during the Plan Year (except as provided in Section 4(f)(ii)(E) hereof) and the denominator of which shall be 365. The circumstances under which such a pro-rata Bonus shall become payable with respect to a Plan Year are the following:

(A) the Participant's employment has terminated during the Plan Year under circumstances which qualify the Participant for retirement (including early retirement) under the Non-Contributory Pension Plan for Employees of Mine Safety Appliances Company (or any successor plan thereto);

(B) the Participant has died during the Plan Year;

(C) the Participant was newly hired by the Company or one of its Subsidiaries during the Plan Year and remained so employed on the last day of the Plan Year;

(D) the individual (not initially a Participant) was already employed by the Company or one of its Subsidiaries on the first day of the Plan Year, but became a Participant later in the Plan Year in connection with a promotion (either by designation by the Chief Executive Officer or by promotion to a position as Company officer); and

(E) the Participant was disabled (within the meaning of the Company's long-term disability plan) during part of the Plan Year; in that event the numerator of the fraction used to calculate the pro-rata Bonus shall be either the days of the Plan Year during which the Participant was actively at work or such other number (which shall not be more than 365) as is determined by the Committee in its sole discretion.

(iii) Subject to Section 4(d) and the last sentence of Section 4(c) hereof, the Committee, in its sole discretion, may determine that the Company shall pay a Bonus with respect to a Plan Year (in an amount and, notwithstanding the first two sentences of Section 4(g) hereof, at a time determined in its sole discretion) to any Participant whose employment with the Company or one of its Subsidiaries has terminated during the Plan Year.

(g) Time of Payment; Termination for Cause. As soon as practicable after the Plan Year, the following shall be accomplished: (i) the calculation of the Bonuses with respect to a Plan Year pursuant to Sections 4(c) and 4(d) hereof, (ii) the Committee's review of, and recommendation to the Board with respect to, such Bonuses pursuant to Sections 4(e) and 4(f) hereof, and (iii) the action of the Board making a final determination (subject to Section 4(d) and the last sentence of

Section 4(c) hereof) as to what Bonuses (if any) shall be paid with respect to the Plan Year. Except as provided in the two immediately following sentences and in Section 4(h) hereof, all Bonuses to which Participants become entitled under this Section 4 with respect to a Plan Year shall be paid in lump sum cash payments as soon as practicable after such Board determination, but not later than the March 15/th/ immediately following the Plan Year. Notwithstanding any of the foregoing provisions of the Plan, if the employment of a Participant has been terminated for cause (as determined in the sole discretion of the Committee prior to the occurrence of any Change in Control) at any time before the Company has paid the Participant's Bonus with respect to a Plan Year, no Bonus shall be paid to the Participant with respect to such Plan Year. For purposes of the Plan, after a Change in Control has occurred, the Committee shall have no power to determine that a termination of a Participant's employment has been made for cause.

(h) Change in Control. Notwithstanding any other provision of the Plan to the contrary, (i) if a Change in Control of the Company shall occur following a Plan Year as to which the actual Bonuses to be paid have been determined (but such Bonuses have not yet been paid), such Bonuses shall be paid immediately in cash, (ii) if a Change in Control shall occur following a Plan Year as to which the actual Bonuses to be paid have not yet been determined, such Bonuses shall be immediately determined and paid in cash, and (iii) if a Change in Control shall occur during a Plan Year as to which target Bonuses have been established (but the actual Bonuses to be paid have not yet been determined), such Plan Year shall be deemed to have been completed, the target levels of performance set forth under the respective Performance Goals shall be deemed to have been attained, the respective Personal Performance Percentages shall be deemed to be 100%, and a pro rata portion of the Bonus so determined for each Participant for such partial Plan Year (based on the number of full and partial months which have elapsed with respect to such Plan Year) shall be paid immediately in cash to each Participant for whom a target Bonus for such Plan Year was established.

5. Administration.

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The Plan shall be administered by the Committee. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, to make adjustments in the Performance Goals in response to changes in applicable laws, regulations, or accounting principles; to construe and interpret the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee shall consist of two or more persons. The Committee may appoint a chairperson and a secretary and may make such rules and regulations for the conduct of its business as it shall deem advisable, and shall keep minutes of its meetings. All determinations of the Committee shall be made by a majority of its members either present in person or participating by conference telephone at a meeting or by unanimous written consent. The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. All decisions, determinations and interpretations of the Committee (except those which are specifically stated herein to be subject to Board action) shall be final and binding on all persons, including the Company, the Participant (or any person claiming any rights under the Plan from or through any Participant) and any shareholder.

No member of the Board or the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Bonus hereunder.

6. General Provisions.

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(a) No Right To Continued Employment. Nothing in the Plan or in any Bonus hereunder shall confer upon any Participant the right to continue in the employ of the Company or any of its Subsidiaries or to be entitled to any remuneration or benefits not set forth in the Plan or to interfere with or limit in any way the right of the Company to terminate such Participant's employment.

(b) Withholding Taxes. The Company or Subsidiary employing any Participant shall deduct from all payments under the Plan any taxes required to be withheld by federal, state or local governments.

(c) Amendment and Termination of the Plan. The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part. Additionally, the Committee may make such amendments as it deems necessary to comply with other applicable laws, rules and regulations. Notwithstanding the foregoing, no amendment, suspension or termination of the Plan shall affect adversely any of the rights of any Participant, without such Participant's written consent, with respect to any target Bonus theretofore established with respect to the Participant (or any Bonus to which the Participant has become entitled) under the Plan.

(d) Participant Rights. No Participant in the Plan for a particular Plan Year shall have any claim to be granted any target Bonus under the Plan for any subsequent Plan Year, and there is no obligation for uniformity of treatment for Participants.

(e) Unfunded Status of Bonuses. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments which at any time are not yet made to a Participant with respect to a Bonus, nothing contained in the Plan or any related document shall give any such Participant any rights that are greater than those of a general creditor of the Company.

(f) Governing Law. The Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to the choice of law principles thereof, except to the extent that such law is preempted by federal law.

(g) Effective Date. This Plan memorializes in writing the existing annual bonus policy of the Company, while adding certain Change-in-Control protection with respect to the Bonuses provided under the Plan; therefore, upon approval by the Board during the 1998 Plan Year, the Plan (with such added protection) shall take effect as of January 1, 1998 (the "effective date").

7. Definitions.  
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The following terms, as used herein, shall have the following meanings:

- (a) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.
- (b) "Board" shall mean the Board of Directors of the Company.
- (c) "Bonus" shall mean any annual incentive bonus to which a Participant becomes entitled pursuant to the Plan; the establishment of a "target Bonus" with respect to a Participant pursuant to Section 4(a) hereof does not, by itself, entitle the Participant to payment of any Bonus hereunder; a Bonus must be earned and become payable pursuant to other provisions hereof.
- (d) "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:
  - (I) any Person is or becomes the Beneficial Owner, directly or indirectly, of

securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates (which term shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act)) representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or

(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the effective date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding

securities under an employee benefit plan of the Company or any subsidiary of the Company, at least fifty-one percent (51%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty-one percent (51%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

- (e) "Chief Executive Officer" shall mean the Chief Executive Officer of the Company.
- (f) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (g) "Committee" shall mean the Compensation Committee of the Board.
- (h) "Company" shall mean Mine Safety Appliances Company, a corporation organized under the laws of the Commonwealth of Pennsylvania, or (except as used in the definitions of Change in Control and Person in this Section 7) any successor corporation.
- (i) "EBIT" shall mean "earnings before interest and taxes". The Committee shall establish target EBITs (and the formula and method(s) for calculating EBIT amounts) for each Plan Year with respect to the Company's consolidated worldwide operations ("Consolidated EBIT") and the Company's United States operations ("United States EBIT"), and the Chief Executive Officer shall establish target EBITs for the Company's various divisions and Subsidiaries (respectively, "Divisional EBIT"). As soon as practicable after each Plan Year, the Committee shall determine the levels of Consolidated EBIT, the United States EBIT and the respective Divisional EBITs which were achieved during the Plan Year.
- (j) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.
- (k) "Participant" shall mean an officer or other employee of the Company or one of its Subsidiaries who is eligible to participate herein pursuant to Section 3 hereof and for whom a target Bonus is established with respect to the relevant Plan Year.

- (l) "Performance Goal" shall have the meaning given such term in Section 4(c) hereof.
- (m) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) any individual or entity [including the trustees (in such capacity) of any such entity which is a trust] which is, directly or indirectly, the Beneficial Owner of securities of the Company representing five percent (5%) or more of the combined voting power of the Company's then outstanding securities immediately before the date hereof or any Affiliate of any such individual or entity, including, for purposes of this Plan, any of the following: (A) any trust (including the trustees thereof in such capacity) established by or for the benefit of any such individual; (B) any charitable foundation (whether a trust or a corporation, including the trustees or directors thereof in such capacity) established by any such individual; (C) any spouse of any such individual; (D) the ancestors (and spouses) and lineal descendants (and spouses) of such individual and such spouse; (E) the brothers and sisters (whether by the whole or half blood or by adoption) of either such individual or such spouse; or (F) the lineal descendants (and their spouses) of such brothers and sisters.
- (n) "Personal Performance Percentage" shall have the meaning given such term in Section 4(c)

hereof.

- (o) "Plan" shall mean Mine Safety Appliances Company Annual Incentive Bonus Plan, as amended from time to time.
- (p) "Plan Year" shall mean the Company's fiscal year.
- (q) "Subsidiary" shall mean any subsidiary of the Company which is designated by the Board or the Committee to have any one or more of its employees participate in the Plan.

SEVERANCE AGREEMENT

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THIS SEVERANCE AGREEMENT ("Agreement") is made on May 20, 1998, by and between Mine Safety Appliances Company, a Pennsylvania corporation (the "Company"), and John T. Ryan III (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continued employment of key management personnel; and

WHEREAS, the Company's Board of Directors recognizes that, as is the case with many publicly held corporations, the possibility of a change in control exists and that such possibility, and the uncertainty which it may engender among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and

WHEREAS, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control;

NOW, THEREFORE, in consideration of the premises and the respective covenants herein contained, the Company and the Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement (if not provided where a capitalized term initially appears) are provided in the last Section hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the date hereof and end on December 31, 2000, unless further extended as hereinafter provided. Commencing on January 1, 2000 and each January 1 thereafter, the Term shall automatically be extended for one additional year unless, not later than September 30 of the preceding year, the Company or the Executive shall have given notice not to extend the Term; provided, however, that if a Change in Control shall have occurred during the Term, the Term shall expire no earlier than thirty-six (36) months beyond the month in which such Change in Control occurred.

3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants set forth in Section 4 hereof, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other

payments and benefits described herein. Except as provided in Section 9.1 hereof, no Severance Payments shall be payable under this Agreement unless there shall have been (or, under the terms of the second sentence of Section 6.1 hereof, there shall be deemed to have been) a termination of the Executive's employment with the Company on or after a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.

4. Executive's Covenants. The Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control during the Term, the Executive will remain in the employ of the Company until the earliest of (i) a date which is six (6) months from the date of such Potential Change of Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Executive's employment for any reason.

5. Compensation Other Than Severance Payments.

5.1 After a Change in Control and during the Term, during any period that the Executive fails to perform the Executive's full-time duties with the Company as a result of incapacity due to physical or mental illness, the Company shall pay the Executive's full salary to the Executive at the rate in effect at the commencement of any such period, together with all compensation and benefits payable to the Executive under the terms of any compensation or benefit plan, program or arrangement maintained by the Company during such period, until the Executive's employment is terminated by the Company for Disability; provided, however, that such salary payments shall be reduced by the sum of the amounts, if any, payable to the Executive at or prior to the time of any such salary payment under disability benefit plans of the Company or under the Social Security disability insurance program, which amounts were not previously applied to reduce any such salary payment.

5.2 If the Executive's employment shall be terminated for any reason (other than Disability) on or after a Change in Control and during the Term, the Company shall pay the Executive's full salary to the Executive through the Date of Termination at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements as in effect immediately prior to the

Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

5.3 If the Executive's employment shall be terminated for any reason on or after a Change in Control and during the Term, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation or benefit plans, programs and arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason.

#### 6. Severance Payments; Legal Expenses.

6.1 If the Executive's employment is terminated on or after a Change in Control and during the Term, (i) by the Company without Cause, (ii) by the Executive with Good Reason, or (iii) by the Executive in a Window Period Termination, then the Company shall pay the Executive the amounts (and provide the Executive the benefits) described in this Section 6.1 (together, the "Severance Payments"), in addition to any payments and benefits to which the Executive is entitled under Section 5 hereof. For purposes of this Agreement, the Executive's employment shall be deemed to have been terminated after a Change in Control by the Company without Cause or after a Change in Control by the Executive with Good Reason, if (i) the Executive's employment is terminated by the Company without Cause prior to a Change in Control (whether or not a Change in Control ever occurs) and such termination was at the request or direction of a Person who has entered into an agreement with the Company the consummation of which would constitute a Change in Control, (ii) the Executive terminates the Executive's employment for Good Reason prior to a Change in Control (whether or not a Change in Control ever occurs) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person, or (iii) the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason and such termination or the circumstance or event which constitutes Good Reason is otherwise in connection with or in anticipation of a Change in Control (whether or not a Change in Control ever occurs). For purposes of any determination regarding the applicability of the immediately preceding sentence, any position taken by the Executive shall be presumed to be correct unless the Company establishes to the Committee by clear and convincing evidence that such position is not correct. For purposes of this Agreement, termination of the Executive's employment "by the Company without Cause" shall not include termination by the Company for Disability or termination by reason of the Executive's death.

(A) In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination and in lieu of any severance benefit or separation pay otherwise payable to the Executive, the Company shall pay to the Executive a lump sum severance payment, in cash, equal to three times the sum of (i) the Executive's base salary as in effect immediately prior to the Date of Termination (or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (ii) the average annual bonus earned by the Executive pursuant to any annual bonus or incentive plan maintained by the Company in which the Executive participated in respect of the two fiscal years ending immediately prior to the fiscal year in which occurs the Date of Termination (or, if higher, immediately prior to the fiscal year in which occurs the first event or circumstance constituting Good Reason); provided, however, that if there is only one bonus earned by the Executive in the applicable two-year period, the average annual bonus will be deemed to equal the bonus so earned; and, provided further that if the Executive has been so recently hired by the Company that he has not earned any annual bonus which can be used to calculate an average annual bonus pursuant to this provision, he shall be deemed to have earned an average annual bonus determined by multiplying his applicable base salary by a fraction, the numerator of which is the total of the average annual bonuses of all employees of the Company who have severance agreements with the Company immediately prior to the Executive's Date of Termination and the denominator of which is the total of the applicable base salaries of such employees (as such terms are defined in their respective severance agreements).

(B) For the thirty-six (36) month period immediately following the Date of Termination, the Company shall arrange to provide the Executive and the Executive's dependents with medical and dental insurance benefits substantially similar to those "provided" (determined in accordance with the next sentence hereof) to the Executive and the Executive's dependents immediately prior to the Date of Termination or, if more favorable to the Executive, those "provided" to them immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive of the medical and dental insurance benefits to which the Executive was actually entitled immediately prior to such date or occurrence. For purposes of this paragraph of Section 6.1(B), in determining which benefits were "provided" at the applicable date, the Executive shall be deemed to have elected the most comprehensive benefits and coverage available to the Executive at that date (whether or not actually elected); further, such benefits shall include,

without limitation, an unrestricted right for the Executive and the Executive's dependents to select their own care providers. The Company shall provide such post-termination benefits under its medical and dental plans, to the extent that the Executive's continued participation is possible under the general terms and provisions of such plans. To the extent that such participation is not possible, the Company shall arrange to otherwise provide the Executive with such post-termination benefits.

For the thirty-six (36) month period immediately following the Date of Termination, the Company shall arrange to provide the Executive with life and accident insurance benefits substantially similar to those provided to the Executive immediately prior to the Date of Termination or, if more favorable to the Executive, those provided to the Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive immediately prior to such date or occurrence.

Benefits otherwise receivable by the Executive pursuant to this Section 6.1(B) shall be reduced to the extent benefits of the same type are received by or made available to the Executive by a successor employer during the thirty-six (36) month period following the Executive's termination of employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive); provided, however, that the Company shall reimburse the Executive for the excess, if any, of the cost of such benefits to the Executive over the cost of the Executive's actual medical, dental, life and accident insurance benefits immediately prior to the Date of Termination or, if more favorable to the Executive, the first occurrence of an event or circumstance constituting Good Reason.

(C) Notwithstanding any provision of the Company's Executive Insurance Program (with any successor plan or program, the "EIP"), if the Executive participates in the EIP, the Executive's right to be treated as a "Retired Participant" under the EIP (as defined therein) after the Date of Termination shall be determined by adding to the actual age and service credit of the Executive, as determined under the provisions of the EIP, an additional thirty-six (36) months of age and service credit.

(D) If the Executive would have become entitled to benefit coverage under the Company's post-retirement health care plan, as in effect immediately prior to the Date of Termination (or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good

Reason), had the Executive's employment terminated subsequent to the Date of Termination, on a date which would occur during the period of thirty-six (36) months immediately following the Date of Termination, the Company shall provide such post-retirement health care benefit coverage to the Executive and the Executive's dependents commencing on the later of (i) the date on which such coverage would have first become available, and (ii) the date on which benefits described in Section 6.1(B) hereof terminate.

6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (all such payments and benefits, including the Severance Payments, being hereinafter called "Total Payments") would not be deductible (in whole or part), by the Company, an Affiliate or Person making such payment or providing such benefit as a result of section 280G of the Code, then, to the extent necessary to make such portion of the Total Payments deductible (and after taking into account any reduction in the Total Payments provided by reason of section 280G of the Code in such other plan, arrangement or agreement), the cash Severance Payments shall first be reduced (if necessary, to zero), and all other Severance Payments shall thereafter be reduced (if necessary, to zero); provided, however, that the Executive may elect to have the noncash Severance Payments reduced (or eliminated) prior to any reduction of the cash Severance Payments.

(B) For purposes of this limitation, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm which was, immediately prior to the Change in Control, the Company's independent auditor (the "Auditor"), does not constitute a "parachute payment" within the meaning of section 280G(b)(2) of the Code, including by reason of section 280G(b)(4)(A) of the Code, (iii) the Severance Payments shall be reduced only to the extent necessary so that the Total Payments (other than those referred to in clauses (i) or (ii)) in their entirety constitute reasonable compensation for services actually rendered within the meaning of section 280G(b)(4)(B) of the Code or are otherwise not subject to disallowance as deductions by reason of section 280G of the Code, in the opinion of Tax Counsel, and (iv) the value of

any noncash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code.

(C) If it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding that, notwithstanding the good faith of the Executive and the Company in applying the terms of this Section 6.2, the Total Payments paid to or for the Executive's benefit are in an amount that would result in any portion of such Total Payments being subject to the Excise Tax, then, if such repayment would result in (i) no portion of the remaining Total Payments being subject to the Excise Tax and (ii) a dollar-for-dollar reduction in the Executive's taxable income and wages for purposes of federal, state and local income and employment taxes, the Executive shall have an obligation to pay the Company upon demand an amount equal to the sum of (i) the excess of the Total Payments paid to or for the Executive's benefit over the Total Payments that could have been paid to or for the Executive's benefit without any portion of such Total Payments being subject to the Excise Tax; and (ii) interest on the amount set forth in clause (i) of this sentence at the rate provided in section 1274(b)(2)(B) of the Code from the date of the Executive's receipt of such excess until the date of such payment.

6.3 The payments provided to the Executive or for the Executive's benefit in Section 6.1(A) shall be made not later than the fifth (5th) business day following the Date of Termination; provided, however, that if the amounts of such payments, and the limitation on such payments set forth in Section 6.2 hereof, cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate of the payments under Section 6.1(A), as determined in good faith by the Company, the estimate to be of the minimum amount of such payments to which the Executive is clearly entitled, and shall pay the remainder of such payments (together with interest on the unpaid remainder (or on all such payments to the extent the Company fails to make such payments when due) at 120% of the rate provided in section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the Date of Termination (or, if earlier, the thirtieth (30th) day after the Executive's receipt of an excess parachute payment). In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth (5th) business day after demand by the Company (together with interest at 120% of the rate provided in section 1274(b)(2)(B) of the Code). At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without

limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

6.4 The Company also shall pay to the Executive all reasonable legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder; provided, however, that no such fees and expenses shall be paid unless the Executive prevails on at least one of the issues he raises. Such payments shall be made within five (5) business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require.

#### 7. Termination Procedures and Compensation During Dispute.

7.1 Notice of Termination. After a Change in Control and during the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause based on clause (ii) or (iii) of the definition of Cause herein is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (ii) or (iii) of the definition of Cause herein, and specifying the particulars thereof in detail.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control and during the Term, shall mean (i) if the Executive's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the full-

time performance of the Executive's duties during such thirty (30) day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than thirty (30) days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than fifteen (15) days nor more than sixty (60) days, respectively, from the date such Notice of Termination is given).

7.3 Dispute Concerning Termination. If within fifteen (15) days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 7.3), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the earlier of (i) the date on which the Term ends or (ii) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

7.4 Compensation During Dispute. If a purported termination occurs on or after a Change in Control (or is deemed to have so occurred pursuant to the second and third sentences of Section 6.1 hereof) and during the Term and the Date of Termination is extended in accordance with Section 7.3 hereof, the Company shall continue to pay the Executive the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, salary) and continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was participating when the notice giving rise to the dispute was given until the Date of Termination, as determined in accordance with Section 7.3 hereof. Amounts paid under this Section 7.4 are in addition to all other amounts due under this Agreement (other than those due under Section 5.2 hereof) and shall not be offset against or reduce any other amounts due under this Agreement.

8. No Mitigation; Limited Offset. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 hereof or Section 7.4 hereof. Further, the amount of any payment or benefit provided for in this Agreement (other than Section 6.1(B) hereof) shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by

retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, each such amount, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the address inserted below the Executive's signature on the final page hereof and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Mine Safety Appliances Company  
RIDC Industrial Park  
121 Gamma Drive  
Pittsburgh, Pennsylvania 15238

Attention: General Counsel

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6 and 7 hereof) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes; Arbitration.

14.1 All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Committee and shall be in writing. Any denial by the Committee of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Committee shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Committee a decision of the Committee within sixty (60) days after notification by the Committee that the Executive's claim has been denied.

14.2 Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Pittsburgh, Pennsylvania in accordance with the rules of the American Arbitration Association then in effect; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Executive shall be entitled to seek specific performance of the Executive's right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(B) "Auditor" shall have the meaning set forth in Section 6.2 hereof.

(C) "Base Amount" shall have the meaning set forth in section 280G(b)(3) of the Code.

(D) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(E) "Board" shall mean the Board of Directors of the Company.

(F) "Cause" for termination by the Company of the Executive's employment shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive pursuant to Section 7.1 hereof) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, or (ii) the engaging by the Executive in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, (x) no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's act, or failure to act, was in the best interest of the Company and (y) in the event of a dispute concerning the application of this provision, no claim by the Company that Cause exists shall be given effect unless the Company establishes to

the Committee by clear and convincing evidence that Cause exists.

(G) A "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs of this Section 15(G) shall have occurred:

(I) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or

(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least fifty-one percent (51%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly,

of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty-one percent (51%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Committee" shall mean (i) the individuals (not fewer than three in number) who, on the date six months before a Change in Control, constitute the Personnel Committee of the Board, plus (ii) in the event that fewer than three individuals are available from the group specified in clause (i) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (ii)); provided, however, that the maximum number of individuals constituting the Committee shall not exceed five.

(J) "Company" shall mean Mine Safety Appliances Company, a Pennsylvania corporation and, except in determining under Section 15(G) hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(K) "Date of Termination" shall have the meaning set forth in Section 7.2 hereof.

(L) "Disability" shall be deemed the reason for the

termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six (6) consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(M) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(N) "Excise Tax" shall mean any excise tax imposed under section 4999 of the Code.

(O) "Executive" shall mean the individual named in the first paragraph of this Agreement.

(P) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) on or after any Change in Control, or prior to a Change in Control under the circumstances described in clauses (ii) and (iii) of the second sentence of Section 6.1 hereof (treating all references in paragraphs (I) through (VII) below to a "Change in Control" as references to a "Potential Change in Control"), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI) or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(I) the assignment to the Executive of any duties inconsistent with the Executive's status as an executive officer of the Company or a substantial adverse alteration in the nature or status of the Executive's responsibilities from those in effect immediately prior to the Change in Control;

(II) a reduction by the Company in the Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time;

(III) the relocation of the Executive's principal place of employment to a location more than thirty-five (35) miles from the Executive's principal place of employment immediately prior to the Change in Control or the Company's requiring the Executive to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company's business to an extent

substantially consistent with the Executive's present business travel obligations;

(IV) the failure by the Company to pay to the Executive any portion of the Executive's current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven (7) days of the date such compensation is due;

(V) the failure by the Company to continue in effect any compensation plan in which the Executive participates immediately prior to the Change in Control which is material to the Executive's total compensation, including but not limited to the Company's annual incentive plan, the 1998 Management Share Incentive Plan, the Executive Insurance Program, the Supplemental Savings Plan or the Supplemental Pension Plan or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Executive's participation relative to other participants, as existed immediately prior to the Change in Control;

(VI) except for any changes required by applicable law, the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's pension, savings, life insurance, medical, health and accident, or disability plans in which the Executive was participating immediately prior to the Change in Control, the taking of any other action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control, or the failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change in Control; or

(VII) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements

of Section 7.1 hereof; for purposes of this Agreement, no such purported termination shall be effective.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

For purposes of any determination regarding the existence of Good Reason, any claim by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes to the Committee by clear and convincing evidence that Good Reason does not exist.

(Q) "Notice of Termination" shall have the meaning set forth in Section 7.1 hereof.

(R) "Pension Plans" shall mean all tax-qualified and non-qualified supplemental or excess benefit pension plans maintained by the Company and any other plan or agreement entered into between the Executive and the Company which is designed to provide the Executive with supplemental retirement benefits.

(S) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) any individual or entity [including the trustees (in such capacity) of any such entity which is a trust] which is, directly or indirectly, the Beneficial Owner of securities of the Company representing five percent (5%) or more of the combined voting power of the Company's then outstanding securities immediately before the Effective Date or any Affiliate of any such individual or entity, including, for purposes of this Section 15(S), any of the following: (A) any trust (including the trustees thereof in such capacity) established by or for the benefit of any such individual; (B) any charitable foundation (whether a trust or a corporation, including the trustees or directors thereof in such capacity) established by any such individual; (C) any spouse of any such individual; (D) the ancestors (and spouses) and lineal descendants (and spouses) of such individual and such spouse; (E) the brothers and sisters (whether by the whole or half blood or by adoption) of either such individual or such spouse; or (F) the lineal descendants (and their spouses) of such brothers and sisters.

(T) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(II) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(III) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates); or

(IV) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(U) "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

(V) "Severance Payments" shall have the meaning set forth in Section 6.1 hereof.

(W) "Tax Counsel" shall have the meaning set forth in Section 6.2 hereof.

(X) "Term" shall mean the period of time described in Section 2 hereof (including any extension, continuation or termination described therein).

(Y) "Total Payments" shall mean those payments so described in Section 6.2 hereof.

(Z) "Window Period Termination" shall mean a termination of the Executive's employment by the Executive without Good Reason by giving a Notice of Termination during the one-year period beginning on the date of a Change in Control and ending on the first anniversary thereof.

MINE SAFETY APPLIANCES COMPANY

By:

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Thomas B. Hotopp  
President

— John T. Ryan III

Address: 5708 Lynne Haven Road  
Pittsburgh, PA 15217

SEVERANCE AGREEMENT

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THIS SEVERANCE AGREEMENT ("Agreement") is made on \_\_\_\_\_ by and between Mine Safety Appliances Company, a Pennsylvania corporation (the "Company"), and \_\_\_\_\_ (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continued employment of key management personnel; and

WHEREAS, the Company's Board of Directors recognizes that, as is the case with many publicly held corporations, the possibility of a change in control exists and that such possibility, and the uncertainty which it may engender among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and

WHEREAS, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control;

NOW, THEREFORE, in consideration of the premises and the respective covenants herein contained, the Company and the Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement (if not provided where a capitalized term initially appears) are provided in the last Section hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the date hereof and end on December 31, 2001, unless further extended as hereinafter provided. Commencing on January 1, 2001 and each January 1 thereafter, the Term shall automatically be extended for one additional year unless, not later than September 30 of the preceding year, the Company or the Executive shall have given notice not to extend the Term; provided, however, that if a Change in Control shall have occurred during the Term, the Term shall expire no earlier than thirty-six (36) months beyond the month in which such Change in Control occurred.

3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants set forth in Section 4

hereof, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described herein. Except as provided in Section 9.1 hereof, no Severance Payments shall be payable under this Agreement unless there shall have been (or, under the terms of the second sentence of Section 6.1 hereof, there shall be deemed to have been) a termination of the Executive's employment with the Company on or after a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.

4. Executive's Covenants. The Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control during the Term, the Executive will remain in the employ of the Company until the earliest of (i) a date which is six (6) months from the date of such Potential Change of Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Executive's employment for any reason.

5. Compensation Other Than Severance Payments.

5.1 After a Change in Control and during the Term, during any period that the Executive fails to perform the Executive's full-time duties with the Company as a result of incapacity due to physical or mental illness, the Company shall pay the Executive's full salary to the Executive at the rate in effect at the commencement of any such period, together with all compensation and benefits payable to the Executive under the terms of any compensation or benefit plan, program or arrangement maintained by the Company during such period, until the Executive's employment is terminated by the Company for Disability; provided, however, that such salary payments shall be reduced by the sum of the amounts, if any, payable to the Executive at or prior to the time of any such salary payment under disability benefit plans of the Company or under the Social Security disability insurance program, which amounts were not previously applied to reduce any such salary payment.

5.2 If the Executive's employment shall be terminated for any reason (other than Disability) on or after a Change in Control and during the Term, the Company shall pay the Executive's full salary to the Executive through the Date of Termination at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance

constituting Good Reason, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

5.3 If the Executive's employment shall be terminated for any reason on or after a Change in Control and during the Term, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation or benefit plans, programs and arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason.

#### 6. Severance Payments; Legal Expenses.

6.1 If the Executive's employment is terminated on or after a Change in Control and during the Term, (i) by the Company without Cause, (ii) by the Executive with Good Reason or (iii) by the Executive in a Window Period Termination, then the Company shall pay the Executive the amounts (and provide the Executive the benefits) described in this Section 6.1 (together, the "Severance Payments"), in addition to any payments and benefits to which the Executive is entitled under Section 5 hereof. For purposes of this Agreement, the Executive's employment shall be deemed to have been terminated after a Change in Control by the Company without Cause or after a Change in Control by the Executive with Good Reason, if (i) the Executive's employment is terminated by the Company without Cause prior to a Change in Control (whether or not a Change in Control ever occurs) and such termination was at the request or direction of a Person who has entered into an agreement with the Company the consummation of which would constitute a Change in Control, (ii) the Executive terminates the Executive's employment for Good Reason prior to a Change in Control (whether or not a Change in Control ever occurs) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person, or (iii) the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason and such termination or the circumstance or event which constitutes Good Reason is otherwise in connection with or in anticipation of a Change in Control (whether or not a Change in Control ever occurs). For purposes of any determination regarding the applicability of the immediately preceding sentence, any position taken by the Executive shall be presumed to be correct unless the

Company establishes to the Committee by clear and convincing evidence that such position is not correct. For purposes of this Agreement, termination of the Executive's employment "by the Company without Cause" shall not include termination by the Company for Disability or termination by reason of the Executive's death.

(A) In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination and in lieu of any severance benefit or separation pay otherwise payable to the Executive, the Company shall pay to the Executive a lump sum severance payment, in cash, equal to three times the sum of (i) the Executive's base salary as in effect immediately prior to the Date of Termination (or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (ii) the average annual bonus earned by the Executive pursuant to any annual bonus or incentive plan maintained by the Company in which the Executive participated in respect of the two fiscal years ending immediately prior to the fiscal year in which occurs the Date of Termination (or, if higher, immediately prior to the fiscal year in which occurs the first event or circumstance constituting Good Reason); provided, however, that if there is only one bonus earned by the Executive in the applicable two-year period, the average annual bonus will be deemed to equal the bonus so earned; and, provided further that if the Executive has been so recently hired by the Company that he has not earned any annual bonus which can be used to calculate an average annual bonus pursuant to this provision, he shall be deemed to have earned an average annual bonus determined by multiplying his applicable base salary by a fraction, the numerator of which is the total of the average annual bonuses of all employees of the Company who have severance agreements with the Company immediately prior to the Executive's Date of Termination and the denominator of which is the total of the applicable base salaries of such employees (as such terms are defined in their respective severance agreements).

(B) For the thirty-six (36) month period immediately following the Date of Termination, the Company shall arrange to provide the Executive and the Executive's dependents with medical and dental insurance benefits substantially similar to those "provided" (determined in accordance with the next sentence hereof) to the Executive and the Executive's dependents immediately prior to the Date of Termination or, if more favorable to the Executive, those "provided" to them immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive

of the medical and dental insurance benefits to which the Executive was actually entitled immediately prior to such date or occurrence. For purposes of this paragraph of Section 6.1(B), in determining which benefits were "provided" at the applicable date, the Executive shall be deemed to have elected the most comprehensive benefits and coverage available to the Executive at that date (whether or not actually elected); further, such benefits shall include, without limitation, an unrestricted right for the Executive and the Executive's dependents to select their own care providers. The Company shall provide such post-termination benefits under its medical and dental plans, to the extent that the Executive's continued participation is possible under the general terms and provisions of such plans. To the extent that such participation is not possible, the Company shall arrange to otherwise provide the Executive with such post-termination benefits.

For the thirty-six (36) month period immediately following the Date of Termination, the Company shall arrange to provide the Executive with life and accident insurance benefits substantially similar to those provided to the Executive immediately prior to the Date of Termination or, if more favorable to the Executive, those provided to the Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive immediately prior to such date or occurrence.

Benefits otherwise receivable by the Executive pursuant to this Section 6.1(B) shall be reduced to the extent benefits of the same type are received by or made available to the Executive by a successor employer during the thirty-six (36) month period following the Executive's termination of employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive); provided, however, that the Company shall reimburse the Executive for the excess, if any, of the cost of such benefits to the Executive over the cost of the Executive's actual medical, dental, life and accident insurance benefits immediately prior to the Date of Termination or, if more favorable to the Executive, the first occurrence of an event or circumstance constituting Good Reason.

(C) Notwithstanding any provision of the Company's Executive Insurance Program (with any successor plan or program, the "EIP"), if the Executive participates in the EIP, the Executive's right to be treated as a "Retired Participant" under the EIP (as defined therein) after the Date of Termination shall be determined by adding

to the actual age and service credit of the Executive, as determined under the provisions of the EIP, an additional thirty-six (36) months of age and service credit.

(D) If the Executive would have become entitled to benefit coverage under the Company's post-retirement health care plan, as in effect immediately prior to the Date of Termination (or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason), had the Executive's employment terminated subsequent to the Date of Termination, on a date which would occur during the period of thirty-six (36) months immediately following the Date of Termination, the Company shall provide such post-retirement health care benefit coverage to the Executive and the Executive's dependents commencing on the later of (i) the date on which such coverage would have first become available, and (ii) the date on which benefits described in Section 6.1(B) hereof terminate.

6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (all such payments and benefits, including the Severance Payments, being hereinafter called "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of section 280G of the Code in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments); provided, however, that the Executive may elect to have the noncash Severance Payments reduced (or eliminated) prior to any reduction of the cash Severance Payments.

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise

Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm (the "Auditor") which was, immediately prior to the Change in Control, the Company's independent auditor, does not constitute a "parachute payment" within the meaning of section 280G(b)(2) of the Code (including by reason of section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, in excess of the Base Amount allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code.

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Executive objects to the Company's calculations, the Company shall pay to the Executive such portion of the Severance Payments (up to 100% thereof) as the Executive determines is necessary to result in the proper application of subsection A of this Section 6.2.

6.3 The payments provided to the Executive or for the Executive's benefit in Section 6.1(A) shall be made not later than the fifth (5th) business day following the Date of Termination; provided, however, that if the amounts of such payments, and the limitation on such payments set forth in Section 6.2 hereof, cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate of the payments under Section 6.1(A), as determined in good faith by the Executive, the estimate to be of the minimum amount of such payments to which the Executive is clearly entitled, and shall pay the remainder of such payments (together with interest on the unpaid remainder (or on all such payments to the extent the Company fails to make such payments when due) at 120% of the rate provided in section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the Date of Termination

(or, if earlier, the thirtieth (30th) day after the Executive's receipt of an excess parachute payment). In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth (5th) business day after demand by the Company (together with interest at 120% of the rate provided in section 1274(b)(2)(B) of the Code).

6.4 The Company also shall pay to the Executive all reasonable legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder; provided, however, that no such fees and expenses shall be paid unless the Executive prevails on at least one of the issues he raises. Such payments shall be made within five (5) business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require.

#### 7. Termination Procedures and Compensation During Dispute.

7.1 Notice of Termination. After a Change in Control and during the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause based on clause (ii) or (iii) of the definition of Cause herein is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (ii) or (iii) of the definition of Cause herein, and specifying the particulars thereof in detail.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control and during the Term, shall mean (i) if the Executive's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such thirty (30) day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than thirty (30) days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than fifteen (15) days nor more than sixty (60) days, respectively, from the date such Notice of Termination is given).

7.3 Dispute Concerning Termination. If within fifteen (15) days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 7.3), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the earlier of (i) the date on which the Term ends or (ii) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

7.4 Compensation During Dispute. If a purported termination occurs on or after a Change in Control (or is deemed to have so occurred pursuant to the second and third sentences of Section 6.1 hereof) and during the Term and the Date of Termination is extended in accordance with Section 7.3 hereof, the Company shall continue to pay the Executive the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, salary) and continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was participating when the notice giving rise to the dispute was given until the Date of Termination, as determined in accordance with Section 7.3 hereof. Amounts paid under this Section 7.4 are in addition to all other amounts due under this Agreement (other than those due under Section 5.2 hereof) and shall not be offset against or reduce any other amounts due under this Agreement.

8. No Mitigation; Limited Offset. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 hereof or Section 7.4 hereof. Further, the amount of any payment or benefit provided for in this Agreement (other than Section 6.1(B) hereof) shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, each such amount, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the address inserted below the Executive's signature on the final page hereof and, if to the Company, to the

address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Mine Safety Appliances Company  
RIDC Industrial Park  
121 Gamma Drive  
Pittsburgh, Pennsylvania 15238  
Attention: General Counsel

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6 and 7 hereof) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

#### 14. Settlement of Disputes; Arbitration.

14.1 All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Committee and shall be in writing. Any denial by the Committee of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Committee shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Committee a decision of the Committee within sixty (60) days after notification by the Committee that the Executive's claim has been denied.

14.2 Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Pittsburgh, Pennsylvania in accordance with the rules of the American Arbitration Association then in effect; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Executive shall be entitled to seek specific performance of the Executive's right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(B) "Auditor" shall have the meaning set forth in Section 6.2 hereof.

(C) "Base Amount" shall have the meaning set forth in section 280G(b)(3) of the Code.

(D) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(E) "Board" shall mean the Board of Directors of the Company.

(F) "Cause" for termination by the Company of the Executive's employment shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness

or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive pursuant to Section 7.1 hereof) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, or (ii) the engaging by the Executive in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, (x) no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's act, or failure to act, was in the best interest of the Company and (y) in the event of a dispute concerning the application of this provision, no claim by the Company that Cause exists shall be given effect unless the Company establishes to the Committee by clear and convincing evidence that Cause exists.

(G) A "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs of this Section 15(G) shall have occurred:

(I) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or

(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least fifty-one percent (51%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty-one percent (51%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Committee" shall mean (i) the individuals (not fewer than three in number) who, on the date six months before a Change in Control, constitute the Personnel Committee of the Board, plus (ii) in the event that fewer than three individuals are available from the group specified in clause (i) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (ii)); provided, however, that the maximum number of individuals constituting the Committee shall not exceed five.

(J) "Company" shall mean Mine Safety Appliances Company, a Pennsylvania corporation and, except in determining under Section 15(G) hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(K) "Date of Termination" shall have the meaning set forth in Section 7.2 hereof.

(L) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six (6) consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(M) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(N) "Excise Tax" shall mean any excise tax imposed under section 4999 of the Code.

(O) "Executive" shall mean the individual named in the first paragraph of this Agreement.

(P) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) on or after any Change in Control, or prior to a Change in Control under the circumstances described in clauses (ii) and (iii) of the second sentence of Section 6.1 hereof (treating all references in paragraphs (I) through (VII) below to a "Change in Control" as references to a "Potential Change in Control"), of any one of the following acts by the Company, or failures by the Company to act, unless, in the

case of any act or failure to act described in paragraph (I), (V), (VI) or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(I) the assignment to the Executive of any duties inconsistent with the Executive's status as an executive officer of the Company or a substantial adverse alteration in the nature or status of the Executive's responsibilities from those in effect immediately prior to the Change in Control;

(II) a reduction by the Company in the Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time;

(III) the relocation of the Executive's principal place of employment to a location more than thirty-five (35) miles from the Executive's principal place of employment immediately prior to the Change in Control or the Company's requiring the Executive to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company's business to an extent substantially consistent with the Executive's present business travel obligations;

(IV) the failure by the Company to pay to the Executive any portion of the Executive's current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven (7) days of the date such compensation is due;

(V) the failure by the Company to continue in effect any compensation plan in which the Executive participates immediately prior to the Change in Control which is material to the Executive's total compensation, including but not limited to the Company's annual incentive plan, the 1998 Management Share Incentive Plan, the Executive Insurance Program, the Supplemental Savings Plan or the Supplemental Pension Plan or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of

payment of benefits provided and the level of the Executive's participation relative to other participants, as existed immediately prior to the Change in Control;

(VI) except for any changes required by applicable law, the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's pension, savings, life insurance, medical, health and accident, or disability plans in which the Executive was participating immediately prior to the Change in Control, the taking of any other action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control, or the failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change in Control; or

(VII) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 7.1 hereof; for purposes of this Agreement, no such purported termination shall be effective.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

For purposes of any determination regarding the existence of Good Reason, any claim by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes to the Committee by clear and convincing evidence that Good Reason does not exist.

(Q) "Notice of Termination" shall have the meaning set forth in Section 7.1 hereof.

(R) "Pension Plans" shall mean all tax-qualified and non-qualified supplemental or excess benefit pension plans maintained by the Company and any other plan or agreement entered into between the Executive and the Company which is designed to provide the Executive with supplemental retirement benefits.

(S) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) any individual or entity [including the trustees (in such capacity) of any such entity which is a trust] which is, directly or indirectly, the Beneficial Owner of securities of the Company representing five percent (5%) or more of the combined voting power of the Company's then outstanding securities immediately before the Effective Date or any Affiliate of any such individual or entity, including, for purposes of this Section 15(S), any of the following: (A) any trust (including the trustees thereof in such capacity) established by or for the benefit of any such individual; (B) any charitable foundation (whether a trust or a corporation, including the trustees or directors thereof in such capacity) established by any such individual; (C) any spouse of any such individual; (D) the ancestors (and spouses) and lineal descendants (and spouses) of such individual and such spouse; (E) the brothers and sisters (whether by the whole or half blood or by adoption) of either such individual or such spouse; or (F) the lineal descendants (and their spouses) of such brothers and sisters.

(T) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(II) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(III) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its

affiliates); or

(IV) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(U) "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

(V) "Severance Payments" shall have the meaning set forth in Section 6.1 hereof.

(W) "Tax Counsel" shall have the meaning set forth in Section 6.2 hereof.

(X) "Term" shall mean the period of time described in Section 2 hereof (including any extension, continuation or termination described therein).

(Y) "Total Payments" shall mean those payments so described in Section 6.2 hereof.

Mine Safety Appliances Company

By:

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John T. Ryan III  
Chairman and Chief  
Executive Officer

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Name:

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Address:  
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## CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 15d-14(a)

I, John T. Ryan III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mine Safety Appliances Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2003

/s/ JOHN T. RYAN III

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John T. Ryan III  
Chief Executive Officer

## CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 15d-14(a)

I, Dennis L. Zeitler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mine Safety Appliances Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2003

/s/ DENNIS L. ZEITLER

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Dennis L. Zeitler  
Chief Financial Officer

## Certification

Pursuant to 18 U.S.C. (S) 1350, the undersigned officers of Mine Safety Appliances Company (the "Company"), hereby certify, to the best of their knowledge, that the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 12, 2003

/s/ JOHN T. RYAN III

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**Name:** John T. Ryan III  
**Title:** Chief Executive Officer

/s/ DENNIS L. ZEITLER

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**Name:** Dennis L. Zeitler  
**Title:** Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Mine Safety Appliances Company and will be retained by Mine Safety Appliances Company and furnished to the Securities and Exchange Commission or its staff upon request.