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**Securities and Exchange Commission**

Washington, D.C. 20549

**FORM 10-K**  
**ANNUAL REPORT**

**Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934**  
For the fiscal year ended December 31, 2002

Commission file number 1-15579

**MINE SAFETY APPLIANCES COMPANY**

A Pennsylvania Corporation  
IRS Employer Identification No. 25-0668780  
121 Gamma Drive  
RIDC Industrial Park  
O'Hara Township  
Pittsburgh, Pennsylvania 15238  
Telephone 412/967-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

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Common Stock, no par value

American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Preferred Stock Purchase Rights

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2002

Commission File No. 1-15579

**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**

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class

Name of each exchange on which registered

**Common Stock, no par value**

**American Stock Exchange**

**Securities registered pursuant to Section 12(g) of the Act:**

**Preferred Stock Purchase Rights**

(Title of Class)

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Yes  No

As of February 21, 2003, there were outstanding 12,204,242 shares of common stock, no par value, not including 1,384,629 shares held by the Mine Safety Appliances Company Stock Compensation Trust. Total market value of outstanding shares as of February 21, 2003 was \$423,487,000. The aggregate market value of voting stock held by non-affiliates as of February 21, 2003 was \$290,841,000.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference:

DOCUMENT	FORM 10-K PART NUMBER
(1) Annual Report to Shareholders for the year ended December 31, 2002	I, II, IV
(2) Proxy Statement filed pursuant to Regulation 14A in connection with the registrant's Annual Meeting of Shareholders to be held on May 8, 2003	III

Item 1. BusinessOperating Segments:

The company is organized into three geographic operating segments – North America, Europe and International. Further information with respect to the registrant's operating segments is reported at Note 2 of Notes to Consolidated Financial Statements contained in the registrant's Annual Report to Shareholders for the year ended December 31, 2002, incorporated herein by reference.

Products and Markets:

The primary business of the registrant and its affiliated companies is the manufacture and sale of products designed to protect the safety and health of people throughout the world.

Principal products include respiratory protective equipment that is air-purifying, air-supplied and self-contained in design; instruments that monitor and analyze workplace environments and control industrial processes; thermal imaging cameras that enable firefighters and rescue workers to see through smoke and darkness; and personal protective products including head, eye and face, hearing protectors, and fall protection equipment.

Many of these products have wide application for workers in industries that include manufacturing, municipal and volunteer fire departments, public utilities, mining, chemicals, petroleum, construction, transportation, the military, and hazardous materials clean-up. Consumer products target the do-it-yourself market and are available through select home center retail outlets under the MSA Safety Works™ brand.

Additional information concerning the registrant's products is reported at Note 2 of Notes to Consolidated Financial Statements contained in the registrant's Annual Report to Shareholders for the year ended December 31, 2002, incorporated herein by reference.

The registrant and its affiliated companies compete with many large and small enterprises. For most of the registrant's products and in most markets, principal methods of competition are product features, quality and price. In the opinion of management, the registrant is a leader in the manufacture of safety and health equipment.

Orders, except under contracts with U.S. government agencies, are generally

filled promptly after receipt and the production period for special items is usually less than one year. The year-end backlog of orders under contracts with U.S. government agencies was \$38,700,000 in 2002, \$27,400,000 in 2001 and \$14,582,000 in 2000.

Sales of products to U.S. government agencies increased in 2002; in addition, incoming orders were higher than shipments in both 2002 and 2001. The company's business is not dependent on a single customer or group of related customers, the loss of which would have a material adverse effect on the registrant's results.

Research:

The registrant and its affiliated companies engage in applied research with a view to developing new products and new applications for existing products. Most of the products are designed and manufactured to meet currently applicable performance and test standards published by groups such as ANSI (American National Standards Institute), MSHA (Mine Safety & Health Administration), NFPA (U.S. National Fire Protection Association), NIOSH (National Institute for Occupational Safety and Health), UL (Underwriters' Laboratories), SEI (Safety Equipment Institute), FM (Factory Mutual), CEN (European Committee for Standardization) and CSA (Canadian Standards Association). The registrant also from time to time engages in research projects for others such as the Bureau of Mines and the Department of Defense or its prime contractors. Registrant-sponsored research and development costs for continuing operations were \$20,372,000 in 2002, \$16,740,000 in 2001, and \$15,988,000 in 2000.

In the aggregate, patents have represented an important element in building the business of the registrant and its affiliates, but in the opinion of management no one patent or group of patents is of material significance to the business as presently conducted.

General:

The company was founded in 1914 and is headquartered in Pittsburgh, Pennsylvania. As of December 31, 2002, the registrant and its affiliated companies had approximately 4,400 employees, of which 2,300 were employed by international affiliates. None of the U.S. employees are subject to the provisions of a collective bargaining agreement.

In the United States and in those countries in which the registrant has affiliates, its products are sold by its own salespersons, independent distributors and/or manufacturers' representatives. In countries where the registrant has no affiliate, products are sold primarily through independent distributors located in those countries.

The registrant is cognizant of environmental responsibilities and has taken affirmative action regarding this responsibility. There are no current or expected legal proceedings or expenditures with respect to environmental matters which would materially affect the operations of the registrant and its affiliates.

Generally speaking, the operations of the registrant and its affiliates are such that it is possible to maintain sufficient inventories of raw materials and component parts on the manufacturing premises.

Equipment and machinery for processing chemicals and rubber, plastic injection molding equipment, molds, metal cutting, stamping and working equipment, assembly fixtures and similar items are regularly acquired, repaired or replaced in the ordinary course of business at prevailing market prices.

Further information about the registrant's business is included in Management's Discussion and Analysis at pages 14 to 19 of the 2002 Annual Report to Shareholders, incorporated herein by reference.

Executive Officers:

<u>Name</u>	<u>Age</u>	<u>All Positions and Offices Presently Held</u>
J. T. Ryan III	59	Chairman and Chief Executive Officer
J. H. Baillie	56	Vice President; President, MSA Europe
J. A. Bigler	53	Vice President
K. M. Bove	44	Vice President
R. Cañizares	53	Vice President; President, International
B. V. DeMaria	55	Vice President
W. M. Lambert	44	Vice President; President, North America
D. K. McClaine	45	Secretary and General Counsel
D. L. Zeitler	54	Vice President, Chief Financial Officer, and Treasurer

All the executive officers have been employed by the registrant since prior to January 1, 1998 and have held their present positions since prior to that date except as follows:

- (a) Mr. Baillie was employed by the registrant on January 21, 1999 was elected Vice President, and appointed President, MSA Europe. Prior to that time, he was Executive Vice President of Sylvania Lighting International.
- (b) Mr. Bigler was elected Vice President on January 9, 1998. Prior to that time, he was Director of Sales.
- (c) Mr. Bove was elected Vice President on August 22, 2000. From prior to January 1, 1998 until November 1998, he was Product Group Manager of Air Purifying Respirators for the Company. From November 1998 until November 1999, he was Division Marketing Manager. From November 1999, he was General Manager of the Instrument Division.
- (d) Mr. Cañizares was employed by the registrant on January 20, 2003, elected Vice President and appointed President, International. Prior to that time, he was Senior Vice President, Global Sales & Service Group of Trane Company.
- (e) Mr. DeMaria was elected Vice President on January 9, 1998. Prior to that time, he was Director, Human Resources.

- (f) Mr. Lambert was appointed President, North America on August 22, 2002. He was elected Vice President on January 9, 1998. Prior to that time, he was General Manager of the Safety Products Division.
- (g) Mr. McClaine was elected Secretary on July 1, 2002. Prior to that time, he was Associate General Counsel.
- (h) Mr. Zeitler was elected Chief Financial Officer on November 1, 2000. From January 1998, he was Vice President.

The executive officers of the registrant serve at the pleasure of the Board of Directors and are not elected to any specified term of office.

The primary responsibilities of these officers follow:

Individual	Responsibilities
Mr. Baillie	European operations
Mr. Bigler	North America sales and distribution
Mr. Bove	Research, product development, manufacturing and marketing of instrument products in North America
Mr. Cañizares	International operations outside North America and Europe
Mr. DeMaria	Human resources and corporate communications
Mr. Lambert	North America operations
Mr. McClaine	General Counsel

## Item 2. Properties

### World Headquarters:

The registrant's executive offices are located at 121 Gamma Drive, RIDC Industrial Park, O'Hara Township, Pittsburgh, Pennsylvania 15238. This facility contains approximately 138,000 sq. ft.

### Production and Research Facilities:

The registrant's principal North American manufacturing and research facilities are located in the Greater Pittsburgh area in buildings containing approximately 957,000 square feet. Other North American manufacturing and research facilities of the registrant are located in Jacksonville, North Carolina (107,000 sq. ft.), Sparks, Maryland (54,000 sq. ft.), Englewood, Colorado (41,000 sq. ft.), Clifton, New Jersey (41,000 sq. ft.), Newport, Vermont (11,500 sq. ft.), Quebec, Canada (20,700 sq. ft.), Etobicoke, Canada (6,500 sq. ft.), and Naucalpan, Mexico (5,800 sq. ft.).

Manufacturing facilities of the European operating segment of the registrant are located in France, Germany, Italy and Scotland. The most significant is located in Germany (approximately 447,000 sq. ft., excluding 111,000 sq. ft. leased to others) and France (approximately 78,000 sq. ft.). Research activities are also conducted in Germany. Manufacturing facilities for the International operating segment are located in Australia, Brazil, China and South Africa.

Virtually all of these buildings are owned by the registrant and its affiliates and are constructed of granite, brick, concrete block, steel or other fire-resistant materials.

### Sales Offices and Warehouses:

Sales offices and distribution warehouses are owned or leased in the United States and 33 other countries in which the registrant's affiliates are located.

## Item 3. Legal Proceedings

Not Applicable.

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

No matters were submitted to a vote of security holders during fourth quarter 2002.

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Item 6. Selected Financial Data

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 7a. Quantitative and Qualitative Disclosures About Market Risk

Item 8. Financial Statements and Supplementary Data

Incorporated by reference herein pursuant to Rule 12b - 23 are

Item 5 - "Common Stock" appearing at page 19

Item 6 - "Summary of Selected Financial Data" appearing at page 35

Item 7 and 7a - "Management's Discussion and Analysis" appearing at pages 14 to 19

Item 8 - "Consolidated Financial Statements and Notes to Consolidated Financial Statements" appearing at pages 20 to 34

of the Annual Report to Shareholders for the year ended December 31, 2002. Said pages of the Annual Report are submitted with this report and pursuant to Item 601(b)(13) of Regulation S-K shall be deemed filed with the Commission only to the extent that material contained therein is expressly incorporated by reference in Items 1, 5, 6, 7, 7a, 8 and 15 (a) hereof.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 10. Directors and Executive Officers of the Registrant

Item 11. Executive Compensation

Item 12. Security Ownership of Certain Beneficial Owners and Management and related Stockholder Matters.

Item 13. Certain Relationships and Related Transactions

Incorporated by reference herein pursuant to Rule 12b - 23 are (1) "Election of Directors" appearing at pages 1 to 3, (2) "Other Information Concerning Directors and Officers" appearing at pages 4 to 10 (except as excluded below), and (3) "Stock Ownership" appearing at pages 13 to 16 of the Proxy Statement filed pursuant to Regulation 14A in connection with the registrant's Annual Meeting of Shareholders to be held on May 8, 2003. The information appearing in such Proxy Statement under the captions "Compensation Committee Report on Executive Compensation," "Audit Committee Report" and the other information appearing in such Proxy Statement and not specifically incorporated by reference herein is not incorporated herein.

Item 12. Equity Compensation Plan Information

This information is provided pursuant to Item 12.

The following table sets forth information as of December 31, 2002 concerning common stock issuable under the Company's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	492,938	\$ 29.06	891,057
Equity compensation plans not approved by security holders	None	—	None
Total	492,938	\$ 29.06	891,057

Item 14. Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company have concluded, based on their evaluation as of a date within 90 days prior to the date of the filing of this Report, that the Company's disclose controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of such evaluation.

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1 and 2. Financial Statements

The following information appearing on pages 20 to 34 inclusive in the Annual Report to Shareholders of the registrant for the year ended December 31, 2002, is incorporated herein by reference pursuant to Rule 12b-23.

Report of Independent Accountants

Consolidated Statement of Income - three years ended December 31, 2002

Consolidated Balance Sheet - December 31, 2002 and 2001

Consolidated Statement of Changes in Retained Earnings and Accumulated Other Comprehensive Income - three years ended December 31, 2002

Consolidated Statement of Cash Flows - three years ended December 31, 2002

Notes to Consolidated Financial Statements

Said pages of the Annual Report are submitted with this report and, pursuant to Item 601(b)(13) of Regulation S-K shall be deemed to be filed with the Commission only to the extent that material contained therein is expressly incorporated by reference in Items 1, 5, 6, 7, 8 and 15 (a)(1) and (2) hereof.

The following additional financial information for the three years ended December 31, 2002 is filed with the report and should be read in conjunction with the above financial statements:

Report of Independent Accountants on Financial Statement Schedule

Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, not material or the required information is shown in the consolidated financial statements and consolidated notes to the financial statements listed above.

(a) 3. Exhibits

- (3) (i) Restated Articles of Incorporation as amended to April 27, 1989, filed as Exhibit 3(i) to Form 10-Q on August 12, 1999, are incorporated herein by reference.
- (3) (ii) By-laws of the registrant, as amended on March 13, 2001, filed as Exhibit 3(ii) to Form 10-K on March 27, 2001, is incorporated herein by reference.
- (4) Rights Agreement dated as of February 10, 1997 between the registrant and Norwest Bank Minnesota, N.A., as Rights Agent, filed as Exhibit (4) to Form 10-K on March 27, 2002, is incorporated herein by reference.
- (10) (a) \* 1987 Management Share Incentive Plan, filed as Exhibit 10(a) to Form 10-K on March 26, 1999, is incorporated herein by reference.
- (10) (b) \* 1998 Management Share Incentive Plan, is filed herewith.
- (10) (c) \* Retirement Plan for Directors, as amended effective April 1, 2001, filed as Exhibit 10(c) to Form 10-K on March 27, 2001, is incorporated herein by reference.
- (10) (d) \* Supplemental Pension Plan as of May 5, 1998, filed as Exhibit 10(g) to Form 10-Q on August 14, 1998, is incorporated herein by reference.
- (10) (e) \* 1990 Non-Employee Directors' Stock Option Plan as amended effective April 1, 2001, filed as Exhibit 10(e) to Form 10-K on March 27, 2001, is incorporated herein by reference.
- (10) (f) \* Executive Insurance Program as Amended and Restated as of January 1, 2001, filed as Exhibit 10(g) to Form 10-K on March 27, 2001, is incorporated herein by reference.
- (10) (g) \* Annual Incentive Bonus Plan as of May 5, 1998, filed as Exhibit 10(k) to Form 10-Q on August 14, 1998, is incorporated herein by reference.
- (10) (h) \* Form of Severance Agreement as of May 20, 1998 between the

registrant and John T. Ryan III, filed as Exhibit 10(m) to Form 10-Q on August 14, 1998, is incorporated herein by reference.

- (10) (i) \* Form of Severance Agreement between the registrant and the other executive officers filed as Exhibit 10(n) to Form 10-Q on August 14, 1998, is incorporated herein by reference.
- (10) (j) \* First Amendment to the 1998 Management Share Incentive Plan as of March 10, 1999, filed as Exhibit 10(l) to Form 10-K on March 26, 1999, is incorporated herein by reference.
- (10) (k) Trust Agreement as of June 1, 1996 between the registrant and PNC Bank, N.A. re the Mine Safety Appliances Company Stock Compensation Trust, is filed herewith.
- (10) (l) \* MSA Supplemental Savings Plan, as amended and restated effective January 1, 2003, is filed herewith.
- (99) (1) Certification of J. T. Ryan III pursuant to 18 U.S.C.(5)1350.
- (99) (2) Certification of D. L. Zeitler pursuant to 18 U.S.C.(5)1350.

- The exhibits marked by an asterisk are management contracts or compensatory plans or arrangements.

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- (13) Annual Report to Shareholders for year ended December 31, 2002
  - (21) Affiliates of the registrant
  - (23) Consent of PricewaterhouseCoopers LLP, independent accountants

The registrant agrees to furnish to the Commission upon request copies of all instruments with respect to long-term debt referred to in Note 12 of the Notes to Consolidated Financial Statements filed as part of Exhibit 13 to this annual report which have not been previously filed or are not filed herewith.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of the year ended December 31, 2002.

**Report of Independent Accountants on  
Financial Statement Schedule**

To the Board of Directors  
of Mine Safety Appliances Company:

Our audits of the consolidated financial statements referred to in our report dated February 21, 2003 appearing in the 2002 Annual Report to Shareholders of Mine Safety Appliances Company (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania  
February 21, 2003



Certifications

I, John T. Ryan III, certify that:

1. I have reviewed this annual report on Form 10-K of Mine Safety Appliances Company;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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-14 and 15d-14) for the registrant and have:
  - a. Designed such disclosure controls and procedures 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 annual report is being prepared;
  - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c. Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: March 28, 2003

/s/ JOHN T. RYAN III

Name:

John T. Ryan III

Title:

Chairman of the Board and Chief Executive Officer

I, Dennis L. Zeitler, certify that:

1. I have reviewed this annual report on Form 10-K of Mine Safety Appliances Company;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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-14 and 15d-14) for the registrant and have:
  - a. Designed such disclosure controls and procedures 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 annual report is being prepared;
  - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c. Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: March 28, 2003

/s/ DENNIS L. ZEITLER

Name:

Dennis L. Zeitler

Title:

Chief Financial Officer And Treasurer

MINE SAFETY APPLIANCES COMPANY AND AFFILIATES  
VALUATION AND QUALIFYING ACCOUNTS  
THREE YEARS ENDED DECEMBER 31, 2002  
(IN THOUSANDS)

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Allowance for doubtful accounts:			
Balance at beginning of year	\$ 2,956	\$ 2,363	\$ 2,322
Additions -			
Charged to costs and expenses	1,538	1,358	750
Deductions -			
Deductions from reserves (1)	360	765	709
Balance at end of year	<u>\$ 4,134</u>	<u>\$ 2,956</u>	<u>\$ 2,363</u>

(1) Bad debts written off, net of recoveries.

MINE SAFETY APPLIANCES COMPANY

1998 MANAGEMENT SHARE INCENTIVE PLAN

SECTION 1. PURPOSE.

The purpose of the 1998 Management Share Incentive Plan of Mine Safety Appliances Company (the "Plan") is to benefit the Company's shareholders by encouraging high levels of performance by individuals whose performance is a key element in achieving the Company's continued success by rewarding the creation of shareholder value, and to enable the Company to recruit, reward, retain and motivate employees to work as a team to achieve the Company's goals.

SECTION 2. DEFINITIONS IN LAST SECTION.

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

SECTION 3. ELIGIBILITY.

Awards may be granted only to Employees who are designated as Participants from time to time by the Committee. The Committee shall determine which Employees shall be Participants, the types of Awards to be made to Participants and the terms, conditions and limitations applicable to the Awards.

SECTION 4. AWARDS.

Awards may include, but are not limited to, those described in this Section 4. The Committee may grant Awards singly, in tandem or in combination with other Awards, as the Committee may in its sole discretion determine; provided that Stock Options may not be granted in tandem with Incentive Stock Options. Subject to the other provisions of this Plan, Awards may also be granted in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan and any other employee benefit or compensation plan of the Company.

4.1 Stock Options

A Stock Option is a right to purchase a specified number of Shares at a specified price during such specified time as the Committee shall determine.

- (a) Options granted may be either of a type that complies with the requirements of incentive stock options as defined in Section 422 of the Code ("Incentive Stock Options") or of a type that does not comply with such requirements ("Non-Qualified Stock Options"). The requirements imposed by the Code and the regulations thereunder for qualification as an Incentive Stock Option, whether or not specified in this Plan, shall be deemed incorporated within any Award Agreement pertaining to an Incentive Stock Option.
- (b) The exercise price per Share of any Stock Option which is intended to be an Incentive Stock Option shall be no less than the Fair Market Value per Share subject to the option on the date the Stock Option is granted, except that in the case of an Incentive Stock Option granted to an Employee who, immediately prior to such grant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any subsidiary (a "Ten Percent Employee"), the exercise price per Share shall not be less than one hundred ten percent (110%) of such Fair Market Value per Share on the date the Incentive Stock Option is granted. For purposes of this Section 4.1(b), an individual (i) shall be considered as owning not only shares of stock owned individually but also all shares of stock that are at the time owned, directly or indirectly, by or for the spouse, ancestors, lineal descendants and brothers and sisters (whether by the whole or half blood) of such individual and (ii) shall be considered as owning proportionately any shares owned, directly or indirectly, by or for any corporation, partnership, estate or trust in which such individual is a shareholder, partner or beneficiary.

- (c) The term of any Stock Option which is intended to be an Incentive Stock Option shall not be greater than ten years from its date of grant, except that in the case of a Ten Percent Employee, such term shall not be greater than five years.
- (d) A Stock Option may be exercised, in whole or in part, by giving written notice of exercise to the Company, specifying the number of Shares to be purchased.
- (e) The exercise price of the Stock Option may be paid in cash or, at the discretion of the Committee, may also be paid by the tender of Stock already owned by the Participant, or through a combination of cash and Stock, or through such other means the Committee determines are consistent with the Plan's purpose and applicable law. No fractional Shares will be issued or accepted.
- (f) Notwithstanding any other provision contained in the Plan or in any Award Agreement, but subject to the possible exercise of the Committee's discretion contemplated in the last sentence of this Section 4.1(f), the aggregate Fair Market Value on the date of grant, of the Shares with respect to which Incentive Stock Options are exercisable for the first time by an Employee during any calendar year under all plans of the corporation employing such Employee, any parent or subsidiary corporation of such corporation and any predecessor corporation of any such corporation shall not exceed \$100,000. If the date on which one or more of such Incentive Stock Options could first be exercised would be accelerated pursuant to any provision of the Plan or any Award Agreement, and the acceleration of such exercise date would result in a violation of the restriction set forth in the preceding sentence, then, notwithstanding any such provision, but subject to the provisions of the next succeeding sentence, the exercise dates of such Incentive Stock Options shall be accelerated only to the date or dates, if any, that do not result in a violation of such restriction and, in such event, the exercise dates of the Incentive Stock Options with the lowest option prices shall be accelerated to the earliest such dates. The Committee may, in its discretion, authorize the acceleration of the exercise date of one or more Incentive Stock Options even if such acceleration would violate the \$100,000 restriction set forth in the first sentence of this paragraph and even if such Incentive Stock Options are thereby converted in whole or in part to Non-Qualified Stock Options.

#### 4.2 Stock Appreciation Rights

A Stock Appreciation Right is a right to receive, upon surrender of the right, an amount payable in cash and/or Shares under such terms and conditions as the Committee shall determine.

- (a) A Stock Appreciation Right may be granted in tandem with part or all of (or in addition to, or completely independent of) a Stock Option or any other Award under this Plan. A Stock Appreciation Right issued in tandem with a Stock Option may be granted at the time of grant of the related Stock Option or at any time thereafter during the term of the Stock Option; provided, however, that a Stock Appreciation Right issued in tandem with an Incentive Stock Option can only be granted at the time of grant of the Incentive Stock Option.
- (b) The amount payable in cash and/or Shares with respect to each right shall be equal in value to a percentage (including up to 100%) of the amount by which the Fair Market Value per Share on the exercise date exceeds the Fair Market Value per Share on the date of grant of the Stock Appreciation Right. The applicable percentage shall be established by the Committee. The Award Agreement may state whether the amount payable is to be paid wholly in cash, wholly in Shares or partly in each; if the Award Agreement does not so state the manner of payment, the Committee shall determine such manner of payment at the time of payment. The amount payable in Shares, if any, is determined with reference to the Fair Market Value per Share on the date of exercise.
- (c) Stock Appreciation Rights issued in tandem with Stock Options shall be exercisable only to the extent that the Stock Options to which they relate are exercisable. Upon exercise of the tandem Stock Appreciation Right, and to the extent of such exercise, the Participant's underlying Stock Option shall automatically terminate. Similarly, upon the exercise of the tandem Stock Option, and to the extent of such exercise, the Participant's related Stock Appreciation Right shall automatically terminate.

(d) Notwithstanding any other provision of this Plan to the contrary, with respect to a Stock Appreciation Right granted in connection with an Incentive Stock Option: (i) the Stock Appreciation Right will expire no later than the expiration of the underlying Incentive Stock Option; (ii) the value of the payout with respect to the Stock Appreciation Right may be for no more than one hundred percent (100%) of the difference between the exercise price of the underlying Incentive Stock Option and the Fair Market Value of the Shares subject to the underlying Incentive Stock Option at the time the Stock Appreciation Right is exercised; and (iii) the Stock Appreciation Right may be exercised only when the Fair Market Value of the Shares subject to the Incentive Stock Option exceeds the per Share exercise price of the Incentive Stock Option.

#### 4.3 Restricted Stock

Restricted Stock is Stock that is issued to a Participant and is subject to such terms, conditions and restrictions as the Committee deems appropriate, which may include, but are not limited to, restrictions upon the sale, assignment, transfer or other disposition of the Restricted Stock and the requirement of forfeiture of the Restricted Stock upon termination of employment under certain specified conditions. The Committee may provide for the lapse of any such term or condition or waive any term or condition based on such factors or criteria as the Committee may determine. Subject to the restrictions stated in this Section 4.3 and in the applicable Award Agreement, the Participant shall have, with respect to Awards of Restricted Stock, all of the rights of a shareholder of the Company, including the right to vote the Restricted Stock and the right to receive any cash dividends on such Stock. Unless otherwise determined by the Committee, dividends or other distributions on Restricted Stock which are paid in Shares or other securities or property shall be held subject to the same terms, conditions and restrictions as the Restricted Stock on which they are paid.

#### 4.4 Performance Awards

Performance Awards may be granted under this Plan from time to time based on such terms and conditions as the Committee deems appropriate; provided that such Awards shall not be inconsistent with the terms and purposes of this Plan. Performance Awards are Awards the payment or vesting of which is contingent upon the achievement of specified levels of performance under specified Performance Criteria during a specified Performance Period by the Company, a subsidiary or subsidiaries, any branch, department or other portion thereof or the Participant individually, as determined by the Committee at the time the Performance Award is granted. Performance Awards may be in the form of performance units, performance shares and such other forms of Performance Awards as the Committee shall determine. The maximum amount that may be paid in cash or in Fair Market Value (determined as of the date of payment or vesting) of Shares or other securities under all Performance Awards under the Plan paid to any one Participant during a calendar year shall in no event exceed \$200,000.

#### 4.5 Other Awards

The Committee may from time to time grant Stock, other Stock-based and non-Stock-based Awards under the Plan (singly, in tandem or in combination with other Awards), including without limitation those Awards pursuant to which Shares are or may in the future be acquired, Awards denominated in Stock units, securities convertible into Stock, phantom securities, dividend equivalents and cash. The Committee shall determine the terms and conditions of such other Stock, Stock-based and non-Stock-based Awards, provided that such Awards shall not be inconsistent with the terms and purposes of this Plan.

### SECTION 5. AWARD AGREEMENTS.

Each Award under this Plan shall be evidenced by an Award Agreement setting forth the number of Shares or other securities, Stock Appreciation Rights, or units subject to the Award, if any, and such other terms and conditions applicable to the Award (and not inconsistent with this Plan) as are determined by the Committee.

(a) Award Agreements shall include the following terms:

(i) Non-assignability: A provision that the relevant Award shall not be assigned, pledged or otherwise transferred except by will or by the laws of descent and distribution and that during the lifetime of a Participant, the Award shall be exercised only by such Participant or by the Participant's guardian or legal representative; provided, however, that, in the Committee's discretion, and except in the case of Incentive Stock Options, an Award Agreement may expressly provide for specifically limited transferability.

(ii) Termination of Employment: A provision describing the treatment of an Award in the event of the Retirement, Disability, death or other termination of a Participant's employment with the Company, including but not limited to terms relating to the vesting, time for exercise, forfeiture or cancellation of an Award in such circumstances.

(iii) Rights as Shareholder: A provision that a Participant shall have no rights as a shareholder with respect to any securities covered by an Award until the date the Participant becomes the holder of record. Except as provided in Section 8 hereof, no adjustment shall be made for dividends or other rights, unless the Award Agreement specifically requires such adjustment, in which case, grants of dividend equivalents or similar rights shall not be considered to be a grant of any other shareholder right.

(iv) Withholding: A provision requiring the withholding of applicable taxes required by law from all amounts paid in satisfaction of an Award to a Participant. In the case of an Award paid in cash, the withholding obligation shall be satisfied by withholding the applicable amount and paying the net amount in cash to the Participant. In the case of Awards paid in Shares or other securities of the Company, (i) a Participant may satisfy the withholding obligation by paying the amount of any taxes in cash, (ii) with the approval of the Committee (or, in the case of deduction, by the unilateral action of the Committee), Shares or other securities may be deducted by the Company from the payment or delivered to the Company by the Participant to satisfy the obligation in full or in part as long as such withholding or delivery of Shares or other securities does not violate any applicable laws, rules or regulations of federal, state or local authorities. The number of Shares or other securities to be deducted or delivered shall be determined by reference to the Fair Market Value of such Shares or securities on the applicable date.

(b) Award Agreements may include such other terms as are necessary and appropriate to effect an Award to the Participant, including but not limited to (i) the term of the Award, (ii) vesting provisions, (iii) deferrals, (iv) any requirements for continued employment with the Company, (v) any other restrictions or conditions (including performance requirements) on the Award and the method by which restrictions or conditions lapse, (vi) the effect upon the Award of a Change in Control, (vii) the price, amount or value of Awards, (viii) such Participant's permitted transferees, if any, (ix) all Shares issued or issuable to such Participant in connection with an Award in the event of such Participant's termination of employment, and (x) any other terms and conditions which the Committee shall deem necessary and desirable.

#### SECTION 6. SHARES OF STOCK SUBJECT TO THE PLAN.

(a) Subject to the adjustment provisions of Section 8 hereof, the maximum aggregate number of Shares which may be granted pursuant to the Plan is 600,000 Shares.

(b) Any Shares which are subject to any unexercised or undistributed portion of any terminated, expired, exchanged or forfeited Award (or Awards settled in cash in lieu of Shares) shall become available for grant pursuant to new Awards.

(c) The Committee may make such additional rules for determining the number of Shares granted under the Plan as it deems necessary or appropriate.

(d) The Stock which may be issued pursuant to an Award under the Plan may be treasury Stock or authorized but unissued Stock or Stock acquired, subsequently or in anticipation of the transaction, in the open market or otherwise to satisfy the requirements of the Plan, or any combination of such Stock.

- (e) Subject to the adjustment provisions of Section 8 hereof, the maximum aggregate number of Shares available for grants of Stock Options or Stock Appreciation Rights to any one Participant under the Plan shall not exceed 300,000 Shares. The limitation in the preceding sentence shall be interpreted and applied in a manner consistent with Section 162(m) of the Code.

#### SECTION 7. ADMINISTRATION.

- (a) The Plan and all Awards granted pursuant thereto shall be administered by the Committee so that, insofar as is possible and practicable, transactions with respect to Awards under the Plan shall be exempt from Section 16(b) of the Exchange Act. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum (or the unanimous consent in writing of the members of the Committee) shall constitute action by the Committee.
- (b) The Committee shall periodically determine the Participants in the Plan and the nature, amount, pricing, timing, and other terms of Awards to be made to such individuals.
- (c) The Committee shall have the power to interpret and administer the Plan. All questions of interpretation with respect to the Plan, the number of Shares or other securities, Stock Appreciation Rights, or units granted, and the terms of any Award Agreements shall be determined by the Committee, and its determination shall be final and conclusive upon all parties in interest. In the event of any conflict between an Award Agreement and the Plan, the terms of the Plan shall govern.
- (d) The Committee may delegate to the officers or employees of the Company the authority to execute and deliver such instruments and documents, to do all such ministerial acts and things, and to take all such other ministerial steps deemed necessary, advisable or convenient for the effective administration of the Plan in accordance with its terms and purpose.
- (e) Notwithstanding the foregoing provisions of this Section 7, no power given the Committee herein shall be used after a Change in Control to affect detrimentally the rights of any Participant with respect to any Awards hereunder which are outstanding immediately prior to the Change in Control.

#### SECTION 8. EQUITABLE ADJUSTMENTS.

Subject to any required action by the Company's shareholders, upon the occurrence of any event which affects the Shares in such a way that an adjustment of outstanding Awards is appropriate in order to prevent the dilution or enlargement of rights under the Awards (including, without limitation, any extraordinary dividend or other distribution (whether in cash or in kind), recapitalization, stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event), the Committee shall make appropriate equitable adjustments, which may include, without limitation, adjustments to any or all of the number and kind of Shares (or other securities) which may thereafter be issued in connection with such outstanding Awards and adjustments to any exercise price specified in the outstanding Awards and shall also make appropriate equitable adjustments to the number and kind of Shares (or other securities) authorized by or to be granted under the Plan.

#### SECTION 9. CHANGE IN CONTROL.

Notwithstanding any other provision of the Plan to the contrary, and unless the applicable Award Agreement shall otherwise provide, immediately prior to any Change in Control of the Company, (i) all Stock Options and freestanding Stock Appreciation Rights which are then outstanding hereunder shall become fully vested and exercisable, (ii) all restrictions with respect to Shares of Restricted Stock which are then outstanding hereunder shall lapse, and such Shares shall be fully vested and nonforfeitable, and (iii) with respect to all Performance Awards which are then outstanding hereunder, all uncompleted Performance Periods shall be deemed to have been completed, the target level of performance set forth with respect to each Performance Criterion under such Performance Awards shall be deemed to have been attained and a pro rata portion (based on the ratio of (i) the

number of full and partial months which have elapsed from the beginning of the Performance Period through the Change in Control to (ii) the number of months originally contained in the Performance Period) of each such Performance Award shall become payable to the respective Participant, with the remainder of each such Performance Award being cancelled for no value.

#### SECTION 10. RIGHTS OF EMPLOYEES.

- (a) Status as an eligible Employee shall not be construed as a commitment that any Award will be made under the Plan to such eligible Employee or to eligible Employees generally.
- (b) Nothing contained in the Plan (or in any other documents related to this Plan or to any Award) shall confer upon any Employee or Participant any right to continue in the employ of the Company or any of its subsidiaries or constitute any contract or limit in any way the right of the Company or any subsidiary to change such person's compensation or other benefits or to terminate the employment of such person with or without cause.

#### SECTION 11. COMPLIANCE WITH APPLICABLE LEGAL REQUIREMENTS.

Awards shall be subject to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the Shares subject to the Awards upon any securities exchange or under any state or federal securities or other law or regulation, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to or in connection with the granting of the Awards or the issuance or purchase of Shares thereunder, no Awards may be granted or exercised, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. The holders of such Awards will supply the Company with such certificates, representations and information as the Company shall request and shall otherwise cooperate with the Company in obtaining such listing, registration, qualification, consent or approval.

#### SECTION 12. AMENDMENT AND TERMINATION.

The Board may at any time amend, suspend or terminate the Plan. The Committee may at any time alter or amend any or all Award Agreements under the Plan to the extent permitted by law. However, no such action by the Board or by the Committee shall impair the rights of Participants under outstanding Awards without the consent of the Participants affected thereby. Further, the Board shall not amend the Plan without the approval of the Company's shareholders to the extent such approval is required by law, agreement or the rules of any exchange upon which the Stock shall be listed (or if the Stock shall be admitted to quotation on the National Association of Securities Dealers Automated Quotation ("NASDAQ") System, the rules of NASDAQ).

#### SECTION 13. UNFUNDED PLAN.

The Plan shall be unfunded. Neither the Company nor the Board shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Company, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan.

#### SECTION 14. LIMITS OF LIABILITY.

- (a) Any liability of the Company to any Participant with respect to an Award shall be based solely upon contractual obligations created by the Plan and the Award Agreement.
- (b) Neither the Company nor any member of the Board or of the Committee, nor any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party for any action taken or not taken, in good faith under the Plan.

SECTION 15. EFFECTIVE DATE AND DURATION OF THE PLAN.

The Plan shall become effective upon its adoption by the Board (the "Effective Date"); provided, however, that the grant of any Award shall be subject to and contingent upon obtaining the approval of this Plan by the Company's shareholders within twelve (12) months after the date the Plan is adopted by the Board. Subject to obtaining such approval, the Committee shall have authority to grant Awards hereunder from the Effective Date until the tenth (10th) anniversary of the Effective Date, subject to the ability of the Board to terminate the Plan as provided in Section 12 hereof.

SECTION 16. 1987 MANAGEMENT SHARE INCENTIVE PLAN.

Outstanding grants of options, Restricted Stock and all other outstanding awards under the Company's 1987 Management Share Incentive Plan shall continue to be subject to, and administered in accordance with, the terms of that plan.

SECTION 18. DEFINITIONS.

For purposes of the Plan, the following terms, as used herein, shall have the respective meanings specified:

- (a) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.
- (b) "Award" or "Awards" means an award granted pursuant to Section 4 hereof.
- (c) "Award Agreement" means an agreement described in Section 5 hereof entered into between the Company and a Participant, setting forth the terms, conditions and any limitations applicable to the Award granted to the Participant.
- (d) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.
- (e) "Beneficiary" means a person or persons designated by a Participant (if the terms of the relevant Award Agreement permit such a designation) to receive, in the event of death, any unpaid portion of an Award held by the Participant. Any Participant so permitted by an Award Agreement may, subject to such limitations as may be prescribed by the Committee, designate one or more persons primarily or contingently as beneficiaries in writing upon forms supplied by and delivered to the Company, and may revoke such designations in writing. If a Participant having a right to designate a beneficiary under an Award Agreement fails effectively to designate a beneficiary, then the Award will be paid in the following order of priority:
  - (I) Surviving spouse;
  - (II) Surviving children in equal shares; or
  - (III) To the estate of the Participant.
- (f) "Board" means the Board of Directors of the Company as it may be comprised from time to time.
- (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 18(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 March 11, 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 March 11, 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 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" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. References to specified provisions of the Code shall also include any successor provisions.
- (i) "Committee" means a committee of the Board appointed to administer the Plan (which committee may also be the Compensation Committee of the Board). The Committee shall be composed of two or more directors as appointed from time to time to serve by the Board. If for any reason a Committee shall not have been appointed by the Board, the Board shall serve as such Committee.
- (j) "Company" means Mine Safety Appliances Company, a Pennsylvania corporation, or any successor corporation (except that Company shall not mean any successor corporation thereto in determining under Section 18(g) hereof whether or not any Change in Control of the Company has occurred).
- (k) "Disability" shall mean the inability, in the opinion of the Committee, of a Participant, because of an injury or sickness, to work at a reasonable occupation which is available with the Company or at any gainful occupation to which the Participant is or may become fitted, except that in the case of Incentive Stock Options, Disability shall mean permanent and total disability as defined in Section 422(e)(3) of the Code.
- (l) "Employee" means any individual who is an employee of the Company or any Participating Subsidiary.
- (m) "Exchange Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time, or any successor statute.
- (n) "Fair Market Value" of a Share, unless otherwise provided in the applicable Award Agreement, means:
- (I) If the Stock is admitted to trading on one or more national securities exchanges,

- (A) the average of the reported highest and lowest sale prices per Share as reported on the reporting system selected by the Committee on the relevant date; or
- (B) in the absence of reported sales on that date, the average of the reported highest and lowest sales prices per Share on the last previous day for which there was a reported sale; or
- (II) If the Stock is not admitted to trading on any national securities exchange, but is admitted to quotation on the NASDAQ System and has been designated as a NASDAQ National Market ("NNM") security,
- (A) the average of the reported highest and lowest sale prices per Share as reported on NASDAQ on the relevant date; or
- (B) in the absence of reported sales on that date, the average of the reported highest and lowest sales prices per Share on the last previous day for which there was a reported sale; or
- (III) If the Stock is not admitted to trading on any national securities exchange, but is admitted to quotation on NASDAQ as a NASDAQ SmallCap Market security (and has not been designated as a NNM security), the average of the highest bid and lowest asked prices per Share on the relevant date; or
- (IV) If the preceding clauses (I), (II) and (III) do not apply, the Fair Market Value determined by the Committee, using such criteria as it shall determine, in good faith and in its sole discretion, to be appropriate for such valuation.
- (o) "Participant" means an Employee who has been designated by the Committee to receive an Award Pursuant to this Plan.
- (p) "Participating Subsidiary" means a subsidiary of the Company, of which the Company beneficially owns (whether at the date of adoption of this Plan or at a later date), directly or indirectly, more than 50% of the aggregate voting power of all outstanding classes and series of stock.
- (q) "Performance Award" means an Award which is granted pursuant to Section 4.4 hereof and is contingent upon the performance of all or a portion of the Company and/or its subsidiaries and/or which is contingent upon the individual performance of the Participant to whom it is granted.
- (r) "Performance Criteria" means one or more preestablished, objective measures of performance during a Performance Period by the Company, a subsidiary or subsidiaries, any department or other portion thereof or the Participant individually, selected by the Committee in its discretion to determine whether a Performance Award has been earned in whole or in part. Performance Criteria may be based on earnings or earnings per share; earnings before interest and taxes; return on equity, assets or investment; sales, gross profits or expenses; or stock price. Performance Criteria based on such performance measures may be based either on the level of performance of the Company, subsidiary or portion thereof under such measure for the Performance Period and/or upon a comparison of such performance with the performance under such measure during a prior period or with the performance of a peer group of corporations selected or defined by the Committee at the time of making a Performance Award. The Committee may in its discretion also determine to use other objective performance measures as Performance Criteria.
- (s) "Performance Period" means an accounting period of the Company or a subsidiary of not less than one year, as determined by the Committee in its discretion.
- (t) "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 18(t), 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.

- (u) "Restricted Stock" means Shares which have certain restrictions attached to the ownership thereof, which may be issued under Section 4.3.
- (v) "Retirement" means a termination of employment with the Company or a Participating Subsidiary at or after age 65 with the prior written consent of the Committee.
- (w) "Share" means a share of Stock.
- (x) "Stock" means the Common Stock, without par value, of the Company, or, in the event that the outstanding Common Stock is hereafter changed into, or exchanged for, different stock or securities, such other stock or securities.
- (y) "Stock Appreciation Right" means a right, the value of which is determined relative to the appreciation in value of Shares, which may be issued under Section 4.2.
- (z) "Stock Option" means a right to purchase Shares granted pursuant to Section 4.1 and includes Incentive Stock Options and Non-Qualified Stock Options as defined in Section 4.1

MINE SAFETY APPLIANCES COMPANY

STOCK COMPENSATION TRUST

Effective as of June 1, 1996

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MINE SAFETY APPLIANCES COMPANY  
STOCK COMPENSATION TRUST

THIS TRUST AGREEMENT (the "Agreement") made effective as of June 1, 1996, between Mine Safety Appliances Company, a Pennsylvania corporation, and PNC Bank, N.A., as trustee.

W I T N E S S E T H :

WHEREAS, the Company (as defined below) desires to establish a trust (the "Trust") in accordance with the laws of the Commonwealth of Pennsylvania and for the purposes stated in this Agreement;

WHEREAS, the Trustee (as defined below) desires to act as trustee of the Trust, for the purposes hereinafter stated and in accordance with the terms hereof;

WHEREAS, the Company or its subsidiaries have previously adopted the Plans (as defined below);

WHEREAS, the Company desires to provide assurance of the availability of the shares of its common stock necessary to satisfy certain of its obligations or those of its subsidiaries under the Plans (as defined below);

WHEREAS, the Company desires that the assets to be held in the Trust Fund (as defined below) should be principally or exclusively securities of the Company and, therefore, expressly waives any diversification of investments that might otherwise be necessary, appropriate, or required pursuant to applicable provisions of law, if any; and

WHEREAS, PNC Bank, N.A., has been appointed as trustee and has accepted such appointment as of the date set forth first above;

NOW, THEREFORE, the parties hereto hereby establish the Trust and agree that the Trust will be comprised, held and disposed of as follows:

ARTICLE 1.

Trust, Trustee and Trust Fund

1.1. Trust. This Agreement and the Trust shall be known as the Mine Safety Appliances Company Stock Compensation Trust. The parties intend that the Trust will be an independent legal entity with title to and power to convey all of its assets. The parties hereto further intend that the trust not be subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust is not a part of any of the Plans (as herein defined). The assets of the Trust will be held, invested and disposed of by the Trustee, in accordance with the terms of the Trust. The Company will not knowingly take any action that would cause the assets held pursuant to the Trust to become "plan assets" within the meaning of ERISA without so advising the Trustee. The Trust is intended to be a "grantor trust" within the meaning of Section 671 of the Internal Revenue Code of 1986.

1.2. Trustee. The trustee named above, and its successor or successors, is hereby designated as the trustee hereunder, to receive, hold, invest, administer and distribute the Trust Fund in accordance with this Agreement, the provisions of which shall govern the power, duties and responsibilities of the Trustee.

1.3. Trust Fund. The assets held at any time and from time to time under the Trust collectively are herein referred to as the "Trust Fund" and shall consist of contributions received by the Trustee, proceeds of any loans, investments and reinvestment thereof, the earnings and income thereon, less disbursements therefrom. Except as herein otherwise provided, title to the assets of the Trust Fund shall at all times be vested in the Trustee and securities that are part of the Trust Fund shall be held in such manner that the Trustee's name and the fiduciary capacity in which the securities are held are fully disclosed, subject to the right of the Trustee to hold title in bearer form or in the name of a nominee, and the interests of others in the Trust Fund shall be only the right to have such assets received, held, invested, administered and distributed in accordance with the provisions of the Trust.

1.4. Trust Fund Subject to Claims. Notwithstanding any provision of this Agreement to the contrary, the Trust Fund shall at all times remain subject to the claims of the Company's general creditors under federal and state law.

In addition, the Board of Directors and Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing of the Company's Insolvency (as defined below). If a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, the Trustee shall determine whether the Company is Insolvent and, pending such determination, the Trustee shall discontinue allocations pursuant to Article 3.

Unless the Trustee has actual knowledge of the Company's Insolvency, or has received notice from the Company or a person claiming to be a creditor alleging that the Company is Insolvent, the Trustee shall have no duty to inquire whether the Company is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's Insolvency.

If at any time the Trustee has determined that the Company is Insolvent, the Trustee shall discontinue allocations

pursuant to Article 3 and shall hold the Trust Fund for the benefit of the Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of employees as general creditors of the Company with respect to benefits due under the Plans or otherwise.

The Trustee shall resume allocations pursuant to Article 3 only after the Trustee has determined that the Company is not Insolvent or is no longer Insolvent as the case may be.

1.5 Use of Trust. The Trust Fund shall be used for the exclusive purpose of aiding the Company in delivering the benefits provided by the Plans and defraying the expenses of the Trust in accordance with this Trust Agreement. The Company may terminate the Trust in accordance with Section 8.2 hereof, but, income or corpus of the Trust Fund is recoverable by the Company only as provided in Section 2.2 and 8.2.

1.6. Definitions. In addition to the terms defined in the preceding portions of the Trust, certain capitalized terms have the meanings set forth below:

Board of Directors. "Board of Directors" means the board of directors of the Company.

Change of Control. "Change of Control" means any of the following events:

(a) an acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company; provided, however, that the following acquisitions shall not constitute a Change of Control: (i) an acquisition by or directly from the Company, (ii) an acquisition by any employee benefit plan or trust sponsored or maintained by the Company; and (iii) any acquisition described in subclauses (A) or (B) of subsection (b) below; or

(b) approval by the stockholders of the Company of (i) a complete dissolution or liquidation of the Company, (ii) a sale or other disposition of all or substantially all of the Company's assets or (iii) a reorganization, merger, or consolidation ("Business Combination") unless either (A) all or substantially all of the stockholders of the Company immediately prior to the Business Combination own more than 50% of the voting securities of the entity surviving the Business Combination, or the entity which directly or indirectly controls such surviving entity, in substantially the same proportion as they owned the voting securities of the Company immediately prior thereto, or (B) the consideration (other than cash paid in lieu of fractional shares or payment upon perfection of appraisal rights) issued to stockholders of the Company in the Business Combination is solely

common stock which is publicly traded on an established securities exchange in the United States.

Code. "Code" means the Internal Revenue Code of 1986, as amended.

Committee. "Committee" means a committee of officers or other individuals, subject to Section 9.2, appointed by the Board of Directors from time to time to administer the Trust.

Company. "Company" means Mine Safety Appliances Company, a Pennsylvania corporation, or any successor thereto. References to the Company shall include its subsidiaries where appropriate.

Company Stock "Company Stock" means shares of common stock, no par value, issued by the Company or any successor securities.

Extraordinary Dividend. "Extraordinary Dividend" means any dividend or other distribution of cash or other property (other than Company Stock) made with respect to Company Stock, which the Board of Directors declares generally to be other than an ordinary dividend.

Fair Market Value. "Fair Market Value" means as of any date the closing price quotation, or, if none, the average of the bid and asked prices, as reported with respect to the Company Stock on the most recently available date, on any national exchange on which the Company Stock is then listed, or if not so listed, on the NASDAQ National Market, or other consolidated reporting system reporting trades of the Company Stock. If the Company Stock is not so listed, "Fair Market Value" shall mean the average of the bid and asked prices as quoted by all market makers in the Company Stock. In the event that a market for the Company Stock does not exist, the Committee may determine, in any case or cases, that "Fair Market Value" shall be determined on the basis of the opinion of one or more independent and reputable appraisers qualified to value companies in the Company's line of business.

Insolvency. "Insolvency" means (i) the inability of the Company to pay its debts as they become due, or (2) the Company being subject to a pending proceeding as a debtor under the provisions of Title 11 of the United States Code (Bankruptcy Code).

Loan. "Loan" means the loan and extension of credit to the Trust evidenced by a promissory note dated as of the date of the Closing (as defined in the Stock Purchase Agreement dated June 4, 1996 between the Trust and the Company), with which the Trustee will purchase Company Stock.

Option Grant. "Option Grant" means an option granted under one of the Plans to a Plan Participant to acquire shares of Company Stock.

Plan Committee Certification. "Plan Committee Certification" means a certification to be provided to the Trustee by the Committee from time to time which (i) sets forth the number of shares of Company Stock to be transferred to a Plan Participant, and (ii) certifies that the determination of such number is in accordance with the terms of each Plan.

Plans. "Plans" means the employee plans listed on Schedule A hereto and any other employee benefit plan of the Company or its subsidiaries designated as such by the Board of Directors.

Plan Participant. "Plan Participant" means an individual who has an Option Grant under any of the Plans.

Suspense Account. "Suspense Account" means the account in which shares of Company Stock acquired with the Loan are held until they are released pursuant to Section 3.1.

Trustee. "Trustee" means PNC Bank, N.A., or any successor trustee.

Trust Year. "Trust Year" means the period beginning on the date of the Closing (the "Closing Date") and ending on the next following December 31st and on each December 31st thereafter.

## ARTICLE 2.

### Contributions and Dividends

2.1. Contributions. For each Trust Year the Company shall contribute to the Trust in cash such amount, which together with dividends, as provided in Section 2.2, and any other earnings of the Trust, shall enable the Trustee to make all payments of principal and interest due under the Loan on a timely basis. Unless otherwise expressly provided herein, the Trustee shall apply all such contributions, dividends and earnings to the payment of principal and interest due under the Loan. If, at the end of any Trust Year, no such contribution has been made in cash, such contribution shall be deemed to have been made in the form of forgiveness of principal and interest on the Loan to the extent of the Company's failure to make contributions as required by this Section 2.1. The Company may from time to time, in its sole discretion, make additional contributions to the Trust for the purpose of enabling the Trust to make prepayments of principal with respect to the Loan (a "Prepayment Contribution"). The Trustee shall immediately use any Prepayment Contribution to make a prepayment of principal with respect to the Loan. All contributions made under the Trust shall be delivered to the

Trustee. The Trustee shall be accountable for all contributions received by it, but shall have no duty to require any contributions to be made to it.

2.2. Dividends. Except as otherwise provided herein, dividends paid in cash on Company Stock held by the Trust, including Company Stock held in the Suspense Account, shall be applied to pay interest and repay scheduled principal due under the Loan. In the event that dividends paid on Company Stock held in the Trust, other than Extraordinary Dividends, exceed the amount of scheduled principal and interest due in any Trust Year, such excess shall be used to purchase additional shares of Company Stock and/or shall be distributed to a broad cross-section of individuals employed by the Company, as determined in good faith by the Committee. Dividends which are not in cash or in Company Stock (including Extraordinary Dividends, or portions thereof) shall be reduced to cash by the Trustee and reinvested in Company Stock as soon as practicable. For purposes of this Agreement, Company Stock purchased with the proceeds of an Extraordinary Dividend, any excess dividend or with the proceeds of a non-cash dividend shall for purposes of this Agreement (including without limitation Section 3.1 hereof), be deemed to have been acquired with the proceeds of the Loan. In the Trustee's discretion, investments in Company Stock may be made through open-market purchases, private transactions or (with the Company's consent) purchases from the Company.

#### ARTICLE 3.

##### Release and Allocation of Company Stock

3.1. Release of Shares. Upon any payment (including a prepayment) or forgiveness in any Trust Year of any principal on the Loan (a "Principal Payment"), the following number of shares of Company Stock acquired with the proceeds of the Loan shall be available for allocation ("Available Shares") as provided in this Article 3: the number of shares so acquired and held in the Suspense Account immediately before such payment or forgiveness, multiplied by a fraction the numerator of which is the amount of the Principal Payment and the denominator of which is the sum of such Principal Payment and the remaining principal of the Loan outstanding after such Principal Payment.

3.2. Allocations. Available Shares shall be allocated as directed by a Plan Committee Certification to the Plan Participants at such times as may be required to provide shares in accordance with the Plans.

#### ARTICLE 4.

##### Compensation, Expenses and Tax Withholding

4.1. Compensation and Expenses. The Trustee shall be entitled to such reasonable compensation for its services as may

be agreed upon from time to time by the Company and the Trustee and to be reimbursed for its reasonable legal, accounting and appraisal fees, out-of-pocket expenses and other charges reasonably incurred in connection with the administration, management, investment and distribution of the Trust Fund. Such compensation shall be paid, and such reimbursement shall be made out of the Trust Fund. The Company agrees to make sufficient contributions to the Trust to pay such amounts owing the Trustee in addition to those contributions required by Section 2.1 and, in the event the Company fails to make the contributions necessary to pay amounts owing to the Trustee, the Trustee shall be entitled to seek payment directly from the Company or the Trust Fund.

4.2. Withholding of Taxes. The Trustee may withhold, require withholding, or otherwise satisfy its withholding obligation, on any distribution which it is directed to make. The amount to be withheld shall be such amount as the Company advises the Trustee it reasonably estimates to be necessary to comply with applicable federal, state and local withholding requirements. Upon determination of the tax withholding liability, the Trustee shall distribute the balance of the distribution to the appropriate Participant and deliver to the Company the amount necessary to satisfy any withholding obligation. The Company will then deliver the withholding amount to the appropriate governmental entity. Prior to making any distribution hereunder, the Trustee may require such indemnity, as the Trustee shall reasonably deem necessary for its protection.

#### ARTICLE 5.

##### Administration of Trust Fund

5.1. Management and Control of Trust Fund. Subject to the terms of this Agreement, the Trustee shall have exclusive authority and responsibility to manage and control the assets of the Trust Fund. The Trustee's duties shall be limited to those duties specified in this Agreement.

5.2. Investment of Funds. Except as otherwise provided in Section 2.2 and in this Section 5.2, the Trustee shall invest and reinvest the Trust Fund exclusively in Company Stock, including any accretions thereto resulting from the proceeds of a tender offer, recapitalization or similar transaction which, if not in Company Stock, shall be reduced to cash as soon as practicable. To the extent the Trust Fund is invested in Company Stock, the Company waives any diversification of investments that might otherwise be necessary, appropriate or required pursuant to applicable law. The Trustee may invest any portion of the Trust Fund temporarily pending investment in Company Stock, distribution or payment of expenses in (i) investments in United States Government obligations with maturities of less than one year, (ii) interest-bearing accounts including but not limited to

certificates of deposit, time deposits, saving accounts and money market accounts with maturities of less than one year in any bank, including the Trustee, with aggregate capital in excess of \$1,000,000,000 and a Moody's Investor Services rating of at least P1, or an equivalent rating from a nationally recognized ratings agency, which accounts are insured by the Federal Deposit Insurance Corporation or other similar federal agency, (iii) obligations issued or guaranteed by any agency or instrumentality of the United States of America with maturities of less than one year, (iv) short-term discount obligations of the Federal National Mortgage Association or (v) any mutual fund or funds which invests primarily in one or more of the above-described investments, including funds for which Trustee or its affiliates provide investment advisory, custodian, transfer agent or other services.

5.3. Trustee's Administrative Powers. Except as otherwise provided herein, and subject to the Trustee's duties hereunder, the Trustee shall have the following powers and rights, in addition to those provided elsewhere in this Agreement or by law:

(a) to retain any asset of the Trust Fund;

(b) subject to Section 5.4 and Article 3, to sell, transfer, mortgage, pledge, lease or otherwise dispose of, or grant options with respect to, any Trust Fund assets at public or private sale;

(c) upon direction from the Committee, to borrow from any lender (including the Company pursuant to the Loan), to acquire Company Stock at Fair Market Value as authorized by this Agreement, to enter into lending agreements upon such terms (including reasonable interest and security for the loan and rights to renegotiate and prepay such loan) as may be determined by the Committee; provided, however, that any collateral given by the Trustee for the Loan shall be limited to cash and property contributed by the Company to the Trust and dividends paid on Company Stock held in the Trust and shall not include Company Stock acquired with the proceeds of Loan;

(d) with the consent of the Committee, to settle, submit to arbitration, compromise, contest, prosecute or abandon claims and demands in favor of or against the Trust Fund;

(e) to vote or to give any consent with respect to any securities, including any Company Stock, held by the Trust either in person or by proxy for any purpose, provided that the Trustee shall vote, tender or exchange all shares of Company Stock as provided in Section 5.4;

(f) to exercise any of the powers and rights of an individual owner with respect to any asset of the Trust Fund

and to perform any and all other acts that in its judgment are necessary or appropriate for the proper administration of the Trust Fund, even though such powers, rights and acts are not specifically enumerated in this Agreement;

(g) to employ such accountants, actuaries, investment bankers, appraisers, other advisors and agents as may be reasonably necessary in collecting, managing, administering, investing, valuing, distributing and protecting the Trust Fund or the assets thereof or any borrowings of the Trustee made in accordance with Section 5.3(c); and to pay their reasonable fees and out-of-pocket expenses, which shall be deemed to be expenses of the Trust and for which the Trustee shall be reimbursed in accordance with Section 4.1;

(h) to cause any asset of the Trust Fund to be issued, held or registered in the Trustee's name or in the name of its nominee, or in such form that title will pass by delivery, provided that the records of the Trustee shall indicate the true ownership of such asset;

(i) to utilize another entity as custodian to hold, but not invest or otherwise manage or control, some or all of the assets of the Trust Fund; and

(j) to consult with legal counsel (who may also be counsel for the Trustee generally) with respect to any of its duties or obligations hereunder; and to pay the reasonable fees and out-of-pocket expenses of such counsel, which shall be deemed to be expenses of the Trust and for which the Trustee shall be reimbursed in accordance with Section 4.1.

Notwithstanding the foregoing, neither the Trust nor the Trustee shall have any power to, and shall not, engage in any trade or business.

#### 5.4. Voting and Tendering of Company Stock.

(a) Voting of Company Stock. The Trustee shall follow the directions of each Plan Participant other than Plan Participants who are members of the Board of Directors of the Company (such non-members being hereinafter the "Directing Plan Participants"), as to the manner in which shares of Company Stock held by the Trust are to be voted on each matter brought before an annual or special stockholders' meeting of the Company or the manner in which any consent is to be executed, in each case as provided below. Before each such meeting of stockholders, the Trustee shall cause to be furnished to each Directing Plan Participant, a copy of the proxy solicitation material received by the Trustee, together with a form requesting confidential instructions as to how to vote the shares of Company Stock held by the Trustee. Upon timely receipt of directions from the Directing Plan Participants, the Trustee shall on each such

matter vote the number of shares (including fractional shares) of Company Stock held by the Trust as follows:

The Company Stock shall be voted by the Trustee as directed by the Directing Plan Participants with each Directing Plan Participant directing a number of shares of Company Stock (the "Participant Directed Amount") equal to the quotient of (x) the total number of shares of Company Stock held by the Trust and (y) the number of Directing Plan Participants on the relevant date. Any Shares for which the Trustee does not receive a signed voting-direction instrument shall be voted for, against or to abstain in the same proportions as those shares of Company Stock for which the Trustee did receive instructions.

Similar provisions shall apply in the case of any action by shareholder consent without a meeting.

(b) Tender or Exchange of Company Stock. The Trustee shall use its best efforts timely to distribute or cause to be distributed to each Plan Participant any written materials distributed to stockholders of the Company generally in connection with any tender offer or exchange offer, together with a form requesting confidential instructions as to whether or not to tender or exchange shares of Company Stock held in the Trust. Upon timely receipt of instructions from a Directing Plan Participant, the Trustee shall tender such Directing Participant's Participant Directed Amount if such Directing Plan Participant has directed the Trustee to tender. The Company will cooperate in registering the Company Stock held by the Trust which is the subject of a tender or exchange offer. The Company shall be responsible for all expenses incurred in connection with the registration of such Company Stock.

(c) The Company shall maintain appropriate procedures to ensure that all instructions by Directing Plan Participants in the Plans are collected, tabulated, and transmitted to the Trustee without being divulged or released to any person affiliated with the Company or its affiliates. All actions taken by Directing Plan Participants shall be held confidential by the Trustee and shall not be divulged or released to any person, other than (i) agents of the Trustee who are not affiliated with the Company or its affiliates or (ii) by virtue of the execution by the Trustee of any proxy, consent or letter of transmittal for the shares of Company Stock held in the Trust.

#### 5.5. Indemnification.

(a) The Company shall and hereby does indemnify and hold harmless the Trustee from and against any claims, demands, actions, administrative or other proceedings, causes of action, liability, loss, cost, damage or expense (including reasonable attorneys' fees), which may be asserted against it, in any way arising out of or incurred as a result of its action or failure to act in connection with the establishment, operation and administration of the Trust; provided that such indemnification

shall not apply to the extent that a court of competent jurisdiction finally determines that the Trustee has acted (i) negligently, (ii) in violation of applicable law or its duties under this Trust or (iii) in bad faith. The Trustee shall be under no liability to any person for any loss of any kind which may result (i) by reason of any action taken by the Trustee in accordance with any direction of the Committee or any Directing Plan Participant acting pursuant to Section 5.4 (ii) by reason of the Trustee's failure to exercise any power or authority or to take any action hereunder because of the failure of any such Directing Plan Participant to give directions to the Trustee, as provided for in this Agreement, or (iii) by reason of any act or omission of any of the Directing Plan Participants with respect to the Trustee's duties under this Trust. The Trustee shall be fully protected in acting upon any instrument, certificate, or paper delivered by the Committee or any Plan Participant or beneficiary and believed in good faith by the Trustee to be genuine and to be signed or presented by the proper person or persons, and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

(b) The Company may, but shall not be required to, maintain liability insurance to insure its obligations hereunder. If any payments made by the Company or the Trust pursuant to this indemnity are covered by insurance maintained by the Company, the Company or the Trust (as applicable) shall be subrogated to the rights of the indemnified party against the insurance company.

(c) Without limiting the generality of the foregoing, the Company will, at the request of the Trustee, advance to the Trustee reasonable amounts of expenses, including reasonable attorneys' fees and expenses, which the Trustee advises have been incurred in connection with its investigation or defense of any claim, demand, action, cause of action, administrative or other proceeding arising out of or in connection with the Trustee's performance of its duties under this Agreement.

(d) In no event shall the Trustee be liable for consequential damages.

(e) The Trustee may initiate an action in interpleader with respect to any issue under this Agreement and the Company shall indemnify the Trustee from and against any reasonable legal expenses incurred by the Trustee in connection therewith.

5.6. General Duty to Communicate to Committee. The Trustee shall promptly notify the Committee of all communications with or from any government agency or with respect to any legal proceeding with regard to the Trust and with or from any Plan Participants concerning their entitlements under the Plans or the Trust.

ARTICLE 6.

Accounts and Reports of Trustee

6.1. Records and Accounts of Trustee. The Trustee shall maintain accurate and detailed records and accounts of all transactions of the Trust, which shall be available at all reasonable times for inspection or audit by any person designated by the Company and which shall be retained as required by applicable law.

6.2. Fiscal Year. The fiscal year shall be the same as the Trust Year. The fiscal year of the Trust shall be the twelve month period or a shorter period in the case of the initial fiscal year.

6.3. Reports of Trustee. The Trustee shall prepare and present to the Committee a report for the period ending on the last day of each fiscal year, and for such shorter periods as the Committee may reasonably request, listing all securities and other property acquired and disposed of and all receipts, disbursements and other transactions effected by the Trust after the date of the Trustee's last account, and further listing all cash, securities, and other property held by the Trust, together with the fair market value thereof, as of the end of such period. In addition to the foregoing, the report shall contain such information regarding the Trust Fund's assets and transactions as the Committee in its discretion may reasonably request.

The Committee may approve of any report furnished by the Trustee pursuant to the foregoing paragraph either by written statement of approval furnished to the Trustee or shall be deemed to have approved any such report by failure to file written objection to the report with the Trustee within one hundred and eighty (180) days of the date on which the Committee received the report. The Committee shall not be liable to any person for the approval, disapproval or failure to approve or object to any report rendered by the Trustee.

6.4. Final Report. In the event of the resignation or removal of a Trustee hereunder, the Committee may request and the Trustee shall then with reasonable promptness submit, for the period ending on the effective date of such resignation or removal, a report similar in form and purpose to that described in Section 6.3.

ARTICLE 7.

Succession of Trustee

7.1. Resignation of Trustee. The Trustee or any successor thereto may resign as Trustee hereunder at any time upon delivering a written notice of such resignation, to take effect thirty (30) days after the delivery thereof to the

Committee, unless the Committee accepts shorter notice; provided, however, that no such resignation shall be effective until a successor Trustee has assumed the office of Trustee hereunder.

7.2. Removal of Trustee. The Trustee or any successor thereto may be removed by the Company by delivering to the Trustee so removed an instrument executed by the Committee informing the Trustee of the Committee's decision. Such removal shall take effect at the date specified in such instrument, which shall not be less than thirty (30) days after delivery of the instrument, unless the Trustee accepts shorter notice; provided, however, that no such removal shall be effective until a successor Trustee has assumed the office of Trustee hereunder.

7.3. Appointment of Successor Trustee. Whenever the Trustee or any successor thereto shall resign or be removed or a vacancy in the position shall otherwise occur, the Company shall use its best efforts to appoint a successor Trustee as soon as practicable after receipt by the Committee of a notice described in Section 7.1, or the delivery to the Trustee of a notice described in Section 7.2, as the case may be, but in no event more than sixty (60) days after receipt or delivery, as the case may be, of such notice. A successor Trustee's appointment shall not become effective until such successor shall accept such appointment by delivering its acceptance in writing to the Company. If a successor is not appointed within such 60 day period, the Trustee, at the Company's expense, may petition a court of competent jurisdiction for appointment of a successor.

7.4. Succession to Trust Fund Assets. The title to all property held hereunder shall vest in any successor Trustee acting pursuant to the provisions hereof without the execution or filing of any further instrument, but a resigning or removed Trustee shall execute all instruments and do all acts necessary to vest title in the successor Trustee. Each successor Trustee shall have, exercise and enjoy all of the powers, both discretionary and ministerial, herein conferred upon its predecessors. A successor Trustee shall not be obliged to examine or review the accounts, records, or acts of, or property delivered by, any previous Trustee and shall not be responsible for any action or any failure to act on the part of any previous Trustee.

7.5. Continuation of Trust. In no event shall the legal disability, resignation or removal of a Trustee terminate the Trust, but the Company shall forthwith appoint a successor Trustee in accordance with Section 7.3 to carry out the terms of the Trust.

7.6. Changes in Organization of Trustee. In the event that any corporate Trustee hereunder shall be converted into, shall merge or consolidate with, or shall sell or transfer substantially all of its assets and business to, another corporation, state or federal, the corporation resulting from such conversion, merger or consolidation, or the corporation to

which such sale or transfer shall be made, shall thereupon become and be the Trustee under the Trust with the same effect as though originally so named.

7.7. Continuance of Trustee's Powers in Event of Termination of the Trust. In the event of the termination of the Trust, as provided herein, the Trustee shall dispose of the Trust Fund in accordance with the provisions hereof. Until the final distribution of the Trust Fund, the Trustee shall continue to have all powers provided hereunder as necessary or expedient for the orderly liquidation and distribution of the Trust Fund.

7.8. Corporate Trustee. The Trustee or any successor Trustee shall be an independent corporate entity with assets of at least \$15 billion.

#### ARTICLE 8.

##### Amendment or Termination

8.1. Amendments. Except as otherwise provided herein, the Company may amend the Trust at any time and from time to time in any manner which it seems desirable, provided that no amendment shall permit the Company to receive any distribution prohibited by the last sentence of Section 1.5 hereof and no amendment which would adversely affect the duties of the Trustee shall be made without the Trustee's written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Company shall retain the power under all circumstances to amend the Trust to correct any errors or clarify any ambiguities or similar issues of interpretation in this Agreement, except to the extent any such amendment adversely affects the duties of the Trustee.

8.2. Termination. Subject to the terms of this Section 8.2, the Trust shall terminate on the earliest of the date (i) all available shares are distributed, (ii) on which the Loan is paid in full and (iii) the 20th anniversary of the effective date of the Trust (the "Termination Date"). The Company may terminate the Trust at any time prior to the Termination Date. The Trust shall also terminate automatically upon the Company giving the Trustee written notice of a Change of Control. Immediately upon a termination of the Trust, the Company shall be deemed to have forgiven all amounts then outstanding under the Loan. As soon as practicable after receiving notice from the Company of a Change of Control or upon any other termination of the Trust, the Trustee shall sell all of the Company Stock and other non-cash assets (if any) then held in the Trust Fund provided, that the Trustee will not be required to sell such Company Stock unless such sale can be completed without violating applicable securities laws. In the event of a Change of Control or any other termination of the Trust, the Company will cooperate in registering the Company Stock held by the Trust. The Company shall be responsible for all expenses

incurred in connection with the registration of such Company Stock. The proceeds of such sale shall first be returned to the Company up to an amount equal to the principal amount, plus any accrued interest, of the Loan that was forgiven upon such termination. Any funds remaining in the Trust after such payment to the Company (the "Excess Funds") shall be used to fund (1) the existing obligations of the Company under (i) the Plans and, then, (ii) all broad-based employee benefit plans maintained by the Company, and (2) the anticipated future obligations of the Company to the pre Change-of-Control employee population under one or more broad based employee plans, and, (3) if any Excess Funds remain, such amount shall be paid directly to the active participants in the Company's 401(k) defined contribution plan in proportion to each participant's base pay. Any determination as to which plans are entitled to funding pursuant to this paragraph or the extent of any obligation to such plan shall be made by the Committee.

8.3. Form of Amendment or Termination. Any amendment or termination of the Trust shall be evidenced by an instrument in writing signed by an authorized officer of the Company, certifying that said amendment or termination has been authorized and directed by the Company or the Board of Directors, as applicable, and, in the case of any amendment, shall be consented to by signature of an authorized officer of the Trustee, if required by Section 8.1.

#### ARTICLE 9.

##### Miscellaneous

9.1. Controlling Law. The laws of the Commonwealth of Pennsylvania shall be the controlling law in all matters relating to the Trust, without regard to conflicts of law.

9.2. Committee Action. Any action required or permitted to be taken by the Committee may be taken on behalf of the Committee by any individual so authorized. The Company shall furnish to the Trustee the name and specimen signature of each member of the Committee upon whose statement of a decision or direction the Trustee is authorized to rely. Until notified of a change in the identity of such person or persons, the Trustee shall act upon the assumption that there has been no change. In the event that a Change of Control occurs, the Board of Directors shall no longer have the authority to remove or appoint members of the Committee and the members of the Committee in place immediately preceding such a Change of Control shall continue as such members and shall have the authority to appoint new members to replace any members who resign or otherwise cease to be members after the Change of Control.

9.3. Notices. All notices, requests, or other communications required or permitted to be delivered hereunder

shall be in writing, delivered by registered or certified mail, return receipt requested as follows:

To the Company

Donald H. Cuzzo, Esquire  
Secretary  
Mine Safety Appliances Company  
P.O. Box 426  
Pittsburgh, PA 15230

To the Trustee:

PNC Bank, N.A.  
One Oliver Plaza  
27th Floor  
6th Avenue  
Pittsburgh, PA 15222

Attn: Frank Leja, Vice President

Any party hereto may from time to time, by written notice given as aforesaid, designate any other address to which notices, requests or other communications addressed to it shall be sent.

9.4. Severability. If any provision of the Trust shall be held illegal or invalid or unenforceable for any reason, such provision shall not affect the remaining parts hereof, but the Trust shall be construed and enforced as if said provision had never been inserted herein.

9.5. Protection of Persons Dealing with the Trust. No person dealing with the Trustee shall be required or entitled to monitor the application of any money paid or property delivered to the Trustee, or determine whether or not the Trustee is acting pursuant to authorities granted to it hereunder or to authorizations or directions herein required.

9.6. Tax Status of Trust. It is intended that the Company, as grantor hereunder, be treated as the owner of the entire Trust and the trust assets under Section 671 et seq. of the Code. Until advised otherwise, the Trustee may presume that the Trust is so characterized for federal income tax purposes and shall make all filings of tax returns on that presumption.

9.7. Participants to Have No Interest in the Company by Reason of the Trust. Neither the creation of the Trust nor anything contained in the Trust shall be construed as giving any person, including any individual employed by the Company or any subsidiary of the Company, any equity or interest in the assets, business, or affairs of the Company except to the extent that any such individuals are entitled to exercise stockholder rights with respect to Company Stock pursuant to Section 5.4.

9.8. Nonassignability. No right or interest of any person to receive distributions from the Trust shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, or bankruptcy, but excluding death or mental incompetency, and no right or interest of any person to receive distributions from the Trust shall be subject to any obligation or liability of any such person, including claims for alimony or the support of any spouse or child.

9.9. Gender and Plurals. Whenever the context requires or permits, the masculine gender shall include the feminine gender and the singular form shall include the plural form and shall be interchangeable.

9.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Agreement to be signed, and their seals affixed hereto, by their authorized officers all as of the day, month and year first above written.

PNC BANK, N.A.

By: /s/ Frank H. Leja

-----  
Title: Vice President  
-----

Attest: /s/ Howard H. Giles

-----  
Title: Ass't. Vice President  
-----

MINE SAFETY APPLIANCES COMPANY

By: /s/ D. L. Zeitler

-----  
Title: Treasurer  
-----

Attest: /s/ D. H. Cuzzo

-----  
Title: Secretary  
-----

SCHEDULE A

Employee Benefit Plans

1. Mine Safety Appliances Company 1987 Management Share Incentive Plan
2. Mine Safety Appliances Company 1990 Non-Employee Directors' Stock Option Plan.
3. 1998 Management Share Incentive Plan. Amended as of 5-5-98 Board Meeting

MSA SUPPLEMENTAL SAVINGS PLAN

As Amended and Restated

Effective January 1, 2003

MSA SUPPLEMENTAL SAVINGS PLAN

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MSA SUPPLEMENTAL SAVINGS PLAN

Mine Safety Appliances Company (the "Company") hereby amends and restates this MSA SUPPLEMENTAL SAVINGS PLAN (the "Plan") effective January 1, 2003 as provided below.

WHEREAS, the Company maintains the MSA Retirement Savings Plan (the "Retirement Savings Plan") for the benefit of the its employees; and

WHEREAS, the Retirement Savings Plan is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") and provides for elective deferrals up to 25% of compensation as permitted under Code Section 401(k) and matching contributions of 50% of each dollar deferred up to a maximum of 8% of compensation as permitted under Code Section 401(m); and

WHEREAS, the Company first adopted the Plan effective January 1, 1987 to provide benefits to certain executive employees that could not be provided under the Retirement Savings Plan on account of Code Section 415; and

WHEREAS, the Plan was amended and restated effective January 1, 1997 to include additional benefits for participants on account of the application of other qualified plan limits under the Retirement Savings Plan; and

WHEREAS, the Plan was most recently amended and restated effective December 1, 1999, to make certain changes regarding the investment of funds allocated under the Plan and to provide protection to participants in the event of a change in control of the Company; and

WHEREAS, the Company desires to amend and restate the Plan to provide additional flexibility with regard to the elections to defer and receive benefits under the Plan and to make certain other changes.

NOW THEREFORE, the Plan is hereby amended and restated as follows:

ARTICLE I

DEFINITIONS

Unless otherwise specifically defined in this Article I or where a term first appears in this Plan, all capitalized terms used in this Plan shall have the same meanings as are ascribed to them under the Company's Retirement Savings Plan.

1.1 "Administrator" means the Retirement Savings Plan Committee, as appointed by the Board from time to time, unless the Board shall expressly appoint another Administrator. The Administrator may, by written notice of appointment delivered to any other person or persons (whether legal or natural), designate and allocate any fiduciary responsibility to such other person or persons, who may also serve in more than one fiduciary capacity with respect to the Plan.

1.2 "Amendment Effective Date" means January 1, 2003.

1.3 "Beneficiary" means the person or persons designated by a Participant (in accordance with procedures established by the Administrator) to receive the value of his Supplemental Account in the event of his death prior to receipt of all benefits due hereunder, or, if no such person is designated by a Participant, Beneficiary means the person or persons designated by the Participant under the provisions of the Retirement Savings Plan to receive the value of his account thereunder in the event of his death prior to receipt of all benefits due thereunder.

1.4 "Board" means the Board of Directors of Mine Safety Appliances Company, or any successor thereto.

1.5 "Bonus" means the annual Coordinating Committee Bonus, if any paid by the Company. The term Bonus shall not include any other bonuses paid by the Company.

1.6 "Change in Control" of the Company shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) any Person (as defined in this Section 1.5) is or becomes the Beneficial Owner (as defined in this Section 1.5), 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, as defined in this Section 1.5)) 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 7, 2002, 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 7, 2002, 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.

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

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

"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 Amendment Effective Date 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.

1.7 "Claimant" has the meaning given it in Section 7.2 hereof.

1.8 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.9 "Code Limitations" means the limitation of Code Section 401(a)(17) restricting the contributions of a Participant or the Company under the provisions of the Retirement Savings Plan.

1.10 "Company" means Mine Safety Appliances Company, a Pennsylvania corporation, and, except in determining under Section 1.5 hereof whether or not any Change in Control of the Company has occurred, any successor thereto. For purposes of this Plan (except in determining under Section 1.5 hereof whether or not any Change in Control of the Company has occurred), any subsidiary or affiliate of Mine Safety Appliances Company whose employees participate in the Retirement Savings Plan shall be included within the definition of "Company."

1.11 "Compensation" means the compensation of a Participant as defined in the Retirement Savings Plan for purposes of calculating Employee Contributions, but without regard to the limit on such compensation otherwise required by Code Section 401(a)(17).

1.12 "Deferral Election" means a "salary reduction agreement" or "bonus deferral agreement" between an Eligible Employee and the Company, as described in Sections 3.1 and 3.2 hereof.

1.13 "Distribution Election" means the election to receive benefits under the Plan in an alternative form as provided in Section 6.2 of the Plan. The election must be in writing in the form provided in Appendix B to the Plan and delivered to the Administrator.

1.14 "Eligible Employee" means an Employee who participates in the Retirement Savings Plan and whose Employee Contributions, and/or any Company Matching Contributions with respect thereto, are restricted by the application of a Code Limitation, and also includes other Employees as designated by the Administrator as eligible to participate in the Plan and who are members of a select group of management or highly compensated employees.

1.15 "Investment Funds" means the separate investment vehicles designated by the Administrator in which the amounts in a Participant's Supplemental Account can be deemed invested, at the election of the Participant in accordance with Article IV hereof.

1.16 "Participant" means an individual who, as an Eligible Employee, participated in the Plan prior to the Amendment Effective Date and/or files a Deferral Election with respect to Compensation in accordance with Section 3.1 or 3.2 hereof. An individual who becomes a Participant continues to be a Participant until the entire amount of his benefit hereunder has been distributed.

1.17 "Payment Date" means the date selected by the Participant for the commencement of all or a portion of the Participant's benefits under the Plan. The Payment Date may be either the Participant's termination date or a specified date selected by the Participant. The specified date may be a date during which the Participant is still an Employee,

or may be a date subsequent to the Employee's retirement. If the date is during the time the Participant is still an employee, the distributions shall be based on the value of the Employee's Supplemental Account as of the specified Payment Date and shall not affect the allocation of future amounts to the Participant's Supplemental Account. The election to receive benefits on a Payment Date shall be in writing and submitted to the Administrator in the form provided in Appendix A to the Plan.

1.18 "Plan" means this MSA Supplemental Savings Plan as in effect from time to time.

1.19 "Retirement Savings Plan" means the MSA Retirement Savings Plan as in effect from time to time.

1.20 "Supplemental Account" means the unfunded bookkeeping accounts established and maintained in accordance with Article III hereof to record the contributions deemed to be made by the Participant and the Company for each year, as well as the earnings, gains and losses thereon, expenses allocable thereto, distributions therefrom and other reductions in value thereof. The Supplemental Accounts for each year shall be comprised of two bookkeeping sub-accounts, the Supplemental Employee Contributions Account and the Supplemental Company Matching Contributions Account, as described in Article III hereof.

1.21 "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

1.22 "Valuation Date" means every business day.

ARTICLE II

PARTICIPATION

2.1 An Eligible Employee who is a Participant in this Plan immediately prior to the Amendment Effective Date shall continue to be a Participant as of the Amendment Effective Date. Any other Eligible Employee who files a Deferral Election in accordance with Section 3.1 or 3.2 hereof shall become a Participant in this Plan as of the date provided in such Deferral Election (unless already a Participant herein).

ARTICLE III

THE SUPPLEMENTAL ACCOUNT

3.1 Deferral Election and Supplemental Employee Contributions.

(a) Excess Salary Reduction Agreement. An Eligible Employee may elect to execute salary reduction agreement with the Company (a "Deferral Election") to defer a portion of his Compensation in excess of the Code Limitation during a stated deferral period by a specified percentage not exceeding eight percent (8%) (hereafter in this Article III, the "Elected Percentage") and to credit such net reduction as Supplemental Employee Contributions to the Supplemental Employee Contributions Account portion of the Supplemental Account of the Eligible Employee.

(b) Salary Reduction Agreement. An Eligible Employee may also elect to execute a Deferral Election with the Company to defer an additional portion of his Compensation during a stated deferral period and to credit such net reduction as Supplemental Employee

Contributions to the Supplemental Employee Contributions Account portion of the Supplemental Account of the Eligible Employee.

(c) Salary Deferral Elections. The Salary Deferral Elections set forth in paragraphs (a) and (b) above must be filed with the Administrator before the beginning of the relevant deferral period. The timely-filed Deferral Election shall become effective on the first day of the deferral period set forth in such Deferral Election, which deferral period (except as provided in Section 3.2 hereof) shall be a complete calendar year. Such Deferral Election shall be effective to defer Compensation relating to the Participant's services performed in such calendar year. A Deferral Election with respect to Compensation during a calendar year cannot be altered or revoked during that calendar year and must be made each calendar year. Amounts credited to the Participant's Supplemental Employee Contributions Account prior to the effective date of any new Deferral Election will not be affected.

(d) Bonus Deferrals. An Eligible Employee may elect to execute a Deferral Election with the Company under which the Employee agrees to reduce his Bonus from the Company by a stated percentage or dollar amount, and to credit such reduction as Supplemental Employee Contributions to the Supplemental Employee Contributions Account portion of the Supplemental Account of the Eligible Employee. This Deferral Election shall be irrevocable with respect to any and all Bonuses declared during a calendar year and must be filed with the Administrator before the earlier of December 31, of the year in which the Bonus is based, or the date the Bonus is both ascertainable and allocated to the credit of the Eligible Employee. The minimum amount of deferral for a calendar year shall be the lesser of \$5,000 or 5% of the annual Bonus award. The deferral of a Bonus under this paragraph (d) shall apply after the deferral on such amount, if any under paragraphs (a) and (b) above.

3.2 Some Mid-Year Elections Permitted. In the first calendar year in which an Employee becomes an Eligible Employee (or (i) in the calendar year in which a former Employee who has returned to the Company's employ becomes an Eligible Employee (whether or not he was an Eligible Employee during a previous period of employment) or (ii) in the calendar year in which a former Eligible Employee who continued as an Employee (but ceased to be an Eligible Employee and no longer has a Deferral Election in effect) again becomes an Eligible Employee), he may make and file a Deferral Election within thirty days after he becomes an Eligible Employee as to Compensation for services performed during such calendar year subsequent to filing the Deferral Election.

3.3 Supplemental Company Matching Contributions. The Employer shall credit as Supplemental Company Matching Contributions to the Supplemental Company Matching Contributions Account portion of the Supplemental Account of each Participant who has Supplemental Employee Contributions credited to his Supplemental Account pursuant to a salary reduction agreement for a calendar year Supplemental Company Matching Contributions with respect to such calendar year equal to fifty percent (50%) of the result of subtracting the aggregate amount of Company Matching Contributions credited to the Participant's account under the Retirement Savings Plan with respect to such calendar year from the lesser of the Elected Percentage of salary reduced pursuant to a salary reduction agreement or eight percent (8%) of Compensation. There shall be no Matching Contributions made with respect to a Bonus deferral election pursuant to Section 3.1(b) of this Plan.

3.4 Earnings and Expenses for a Supplemental Account. All Supplemental Employee Contributions and Supplemental Company Matching Contributions credited to a Participant's Supplemental Account shall be treated as though invested and reinvested only in

Investment Funds selected (or deemed selected) by such Participant pursuant to Article IV hereof. A pro-rata portion of all dividends, interest gains and distributions of any nature earned in a given period in respect of an Investment Fund in which the Supplemental Account is treated as investing shall be credited to the Supplemental Account, such credit to be calculated by multiplying all such dividends, interest gains and distributions by a fraction, the numerator of which is equal to the portion of the Supplemental Account of each Participant that is deemed invested in the particular Investment Fund and the denominator of which is equal to the aggregate of all amounts invested in the same Investment Fund. All investment income deemed received from an Investment Fund shall be deemed reinvested in the same Investment Fund. Expenses attributable to the acquisition of investments shall be charged to the Supplemental Account (and respective sub-accounts thereof) of the Participant for which such investment is deemed made.

3.5 Recordkeeping. The dollar amounts of any such Employee Contributions and Company Matching Contributions for a Participant for each payroll period shall be credited promptly upon the completion of such payroll period to the appropriate sub-account of the Participant's Supplemental Account (an unfunded bookkeeping account). The sum of the balance of a Participant's Supplemental Employee Contributions Account and the vested balance of a Participant's Supplemental Company Matching Contribution Account, as such sum varies from time to time, shall be recorded on the financial books and records of the Company as a liability owed to the Participant. The Administrator or its delegate shall maintain such bookkeeping accounts as it deems necessary to administer this Plan and shall calculate, or direct the calculation of, amounts in the Participants' Supplemental Accounts. The Administrator's determination of the value of Participants' Supplemental Accounts shall be final and binding

upon all Participants and on the Company. Participants will be furnished statements of their Supplemental Account values at least quarter-annually.

#### ARTICLE IV

##### PARTICIPANT-DIRECTION OF INVESTMENT

4.1 Participant-Directed Investment. Subject to Section 4.5 hereof, a Participant may make elections as to the deemed investment of his Supplemental Account in accordance with such procedures as are established and uniformly applied by the Administrator or its delegate. The Administrator or its delegate shall provide each Participant with a description of the Investment Funds available for selection from time to time and such other relevant information about the Investment Funds as it receives from time to time. The Participant's investment election shall remain in force until revised by means of a subsequent investment election becoming effective pursuant to Section 4.2 hereof. During any period in which the Participant does not have an investment election in force, the Participant shall be deemed to have elected an investment in the Retirement Government Money Market Portfolio (or any substantially similar approved Investment Fund which has been substituted therefor) until another investment election subsequently becomes effective pursuant to Section 4.2 hereof.

4.2 Changes in Investment Direction and Transfers. Subject to Section 4.5 hereof, on any business day a Participant may elect to change his deemed investment election as to subsequent contributions or to transfer amounts among one or more of the Investment Funds then available by following notice procedures established and uniformly applied by the Administrator or its delegate. The Participant's notice of change or transfer shall be effective as soon as reasonably practicable (as determined by the Administrator in its sole discretion) after the Administrator or its delegate has received such notice.

4.3 Responsibility for Investment Elections. The selection of investment choices among the Investment Funds available from time to time shall be the sole responsibility of each Participant. The deemed investment return (or loss) with respect to a Participant's Supplemental Account shall be determined solely by the Participant's investment elections made in accordance with this Supplemental Plan and the procedures established and uniformly applied by the Administrator or its delegate. The availability of an Investment Fund to a Participant shall not be construed as a recommendation for investment therein. Further, neither the Company, any Participating Affiliate, the Administrator or its delegate, any Employee nor the trustee of any trust which may be established by the Company in accordance with Section 7.3 hereof is authorized to make any recommendation to any Participant with respect to the selection of investments among the Investment Funds.

4.4 Participant's Risk. Each Participant assumes all risk connected with any decrease in the market value of any of his Supplemental Account's deemed investments. The value of the Participant's Supplemental Account and the payment of any amount which may be or become due therefrom are not guaranteed by any one or any entity.

4.5 Investment Restrictions, Temporary Suspensions of Plan Activities and Investment Fund Transfers by Administrator. The provisions of this Section 4.5 shall apply notwithstanding any other provision of any other Section of this Plan to the contrary. In accordance with its established and uniformly applied procedures, the Administrator or its delegate may place certain restrictions or limitations on the dollar amounts, percentages or types of investment elections, transfers and/or allocations which are deemed made under the Plan. If the Administrator changes the Plan's recordkeeper, the Administrator may temporarily suspend certain Plan activities (including without limitation, distributions, contribution percentage

changes and investment allocations) in order to facilitate the recordkeeping change. If an Investment Fund is eliminated by the Administrator or its delegate, then the Administrator or its delegate may direct that amounts deemed invested in the Investment Fund which was eliminated shall be automatically transferred to another Investment Fund with similar investment goals. After any such transfer by the Administrator or its delegate, further investment changes may be made by the Participant in accordance with Section 4.2 hereof. Notwithstanding the foregoing provisions of this Section 4.5, no power given the Administrator or its delegate in this Section 4.5 can be used after a Change in Control to reduce or adversely affect in any way any benefit payable to, or accrued by, a Participant (or his Beneficiary) hereunder.

#### ARTICLE V

##### VESTING

5.1 Vesting in Supplemental Employee Contributions Account. A Participant's unfunded and unsecured interest in his Supplemental Employee Contributions Account shall be 100% vested at all times.

5.2 Vesting in Supplemental Company Contributions Account. A Participant's unfunded and unsecured interest in his Supplemental Company Matching Contributions Account shall become 100% vested upon the earliest of the following to occur:

- (i) Participant's completion of five (5) years of Continuous Service;
- (ii) Death of the Participant while employed by the Company;
- (iii) Attainment of the Participant's 65th birthday while employed by the Company; or

(iv) Occurrence of a Change in Control while the Participant is employed by the Company.

5.3 Forfeitures. If a Participant terminates his employment, any portion of his Supplemental Account (including any amounts credited after his termination of employment) which is not payable to him under Article VI hereof shall be forfeited by him upon such termination.

#### ARTICLE VI

##### DISTRIBUTION OF BENEFITS

6.1 Time of Distribution. The vested amount held in a Participant's Supplemental Account hereunder shall become payable to him commencing on the Participant's Payment Date. A Participant shall select a Payment Date at any time and may make a separate election with respect to each year of deferrals, however, such election shall not be valid until the one-year anniversary after it is made. Accordingly, if a Participant elects a Payment Date but then terminates employment prior to the one-year anniversary date, the election will be void and distributions will commence as of the Participant's termination date. Under no circumstance, however, may the commencement of benefits be delayed beyond the later of 90 days after the Participant's termination date or the first day of April of the year following the calendar year in which the Participant attains age 70 1/2

6.2 Form of Distribution. If the value of the Participant's vested Supplemental Account is less than \$25,000, cash payment shall be made in a single lump sum. If the value of the Participant's vested Supplemental Account is \$25,000 or more, cash payment will be made in five (5) approximately equal annual installments, each installment calculated by dividing the

then-current value of the Participant's vested Supplemental Account by the number of remaining installment payments. Alternatively, a Participant may make an irrevocable Distribution Election to receive the entire vested balance of his Supplemental Account in either a single cash payment or any number of annual or monthly installments, each installment calculated by dividing then current value of the Participant's vested Supplemental Account by the number of remaining installment payments. A Participant may elect a Distribution Election at any time and may make a separate election with respect to each year of deferrals, however, such election shall not be valid until the one-year anniversary after it is made. Accordingly, if a Participant makes a Distribution Election but then terminates employment prior to the one-year anniversary date, the election will be void and distributions will commence under either the previously made election, if any, or if there is no previously made election under the general five installment rule set forth above. Notwithstanding the foregoing provisions of this Section 6.2, if the employment of a Participant shall be terminated within the three-year period immediately following a Change in Control (other than by the Participant's death), the entire balance of his Supplemental Account shall be paid to him in a single cash payment, not later than the fifth (5th) business day following such termination.

6.3 Hardship Distributions. A Participant may receive a distribution of all or a portion of his vested Supplemental Account in the event of an Unforeseeable Emergency in the discretion of the Administrator. The amount provided as a hardship distribution must be limited to the amount necessary to meet the need. Any such hardship distribution shall not have any affect on the allocation of future amounts to the Participant's Supplemental Account.

6.4 Distribution on Death. In the event of a Participant's death hereunder, the then current value of his Supplemental Account shall be paid to his Beneficiary in either a lump

sum cash payment or annual installment payments for a period not to exceed 15 years as determined in the discretion of the Administrator.

6.5 Valuation of Supplemental Account. A Participant's Account shall be valued for distribution purposes as of the date of distribution.

## ARTICLE VII

### GENERAL PROVISIONS

7.1 Administration. The responsibility to administer this Plan and to interpret and carry out its provisions is hereby delegated to the Administrator. The Administrator is hereby authorized to delegate any part or all of its duties to such other administrators as it may appoint. The Administrator (or its delegate) shall have the same rights, powers, duties and fiduciary obligations, and operate with the same standard of care, with respect to this Plan and its Participants as the Retirement Savings Plan Committee has and does with respect to the Retirement Savings Plan and its participants.

7.2 Benefit Review Procedure. The Administrator shall initially make all determinations of eligibility for and the amount of benefits payable to a Participant or his Beneficiary (hereafter referred to as the "Claimant"). If the Administrator makes a decision which is adverse to the interests of any Claimant, the Administrator shall furnish notice of the adverse decision to the Claimant specifying the reason for the denial. The Claimant shall have the right to request a redetermination of such decision by the Administrator within sixty (60) days of receipt of the written notice of claim denial. The Employee Benefit Plan Committee appointed by the Board shall promptly review the request for redetermination, and within sixty (60) days submit its final decision to the Claimant in writing.

7.3 No Right to Assets. Any Participant (or Participant's beneficiary) who may have or claim any interest in or right to any compensation, payment or benefit payable hereunder shall rely solely upon the unsecured promise of the Company as set forth herein for the payment thereof and shall have the status of a general unsecured creditor of the Company. The Plan constitutes a mere promise by the Company to make certain benefit payments in the future. The right of any Participant or beneficiary to benefits hereunder is strictly contractual. Notwithstanding the foregoing provisions of this Article VII, Mine Safety Appliances Company may, in its discretion, establish a trust to pay amounts becoming payable by the Company pursuant to this Plan, which trust shall be subject to the claims of the general creditors of Mine Safety Appliances Company in the event of its bankruptcy or insolvency. Notwithstanding any establishment of such a trust, the Company shall remain responsible for the payment of any amounts so payable which are not so paid by such trust. If any such trust is established, the trustee will not be required to invest trust assets in accordance with the directions of Participants given in accordance with this Plan, although the trustee, in its discretion, may so invest the trust assets. Notwithstanding any provision of this Plan, all "investment powers" given to any Participant over his Supplemental Account are actually powers to direct a deemed investment of such Supplemental Account, thus determining the investment return on the contributions deemed made to such Supplemental Account and the amount of the benefit the Company must pay the Participant with respect to such Supplemental Account. It is intended that this Plan shall be unfunded for Federal income tax purposes and for purposes of Title I of ERISA. It is intended that any trust established in accordance with this Section 7.3 shall be treated as a grantor trust under the Code and that the establishment of such a trust shall not cause Participants to realize current income on amounts contributed thereto.

7.4 No Contract of Employment. This Plan shall not be construed to establish a guarantee of future or continued employment by the Company of any Participant.

7.5 Non-Alienation. Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment, whether voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish the same shall be void; nor shall any such distribution or payment be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such distribution or payment. If any Participant or Beneficiary is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish any such distribution or payment voluntarily or involuntarily, the Administrator, in its discretion, may hold or cause to be held or applied such distribution or payment or any part thereof to or for the benefit of such Participant or Beneficiary in such manner as the Administrator shall direct.

7.6 Payments to Minors or Incompetents. If the Administrator determines that any person entitled to payments under the Plan is an infant or incompetent by reason of physical or mental disability, it may cause all payments thereafter becoming due to such person to be made to any other person for his benefit, without responsibility to follow the application of amounts so paid. Payments made pursuant to this provision shall completely discharge the Company, the Plan, and the Administrator.

7.7 Construction: Choice of Laws. The provisions of the Plan shall be construed, administered and governed under the laws of the Commonwealth of Pennsylvania to the extent such laws are not preempted by ERISA or any other federal laws which may from time to time be applicable. Whenever any words are used herein in the masculine gender, they

shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and whenever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply. Titles of Articles and Sections hereof are for convenience of reference only and are not to be taken into account in construing the provisions of this Plan.

7.8 Invalidity of Provisions. If any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if said illegal and invalid provision had never been inserted herein.

7.9 Amendment and Termination. The Company expects to continue the Plan indefinitely, but specifically reserves the right, in the sole and unfettered discretion of its Board, at any time, to amend, in whole or in part, any or all of the provisions of the Plan and to terminate the Plan in whole or in part, provided, however, that no such amendment or termination shall (i) reduce or adversely affect the benefits payable under the Plan to a Participant (or his Beneficiary) if the Participant's termination of employment with the Company has occurred prior to such termination or amendment of the Plan, or (ii) reduce or adversely affect the benefit to be paid with respect to the Participant on the date of such termination or amendment, as compared with the benefit that would have been payable with respect to the Participant if his employment had terminated on the day before the Plan was so terminated or amended. Upon a termination of the Plan, no further Supplemental Employee Contributions or Supplemental Company Matching Contributions shall be made under the Plan, but the Supplemental Accounts maintained under the Plan at the time of such Plan Termination shall continue to be governed by the terms of the Plan until paid out in accordance with such terms.

APPENDIX A

MSA SUPPLEMENTAL SAVINGS PLAN

SPECIFIED PAYMENT DATE

I, \_\_\_\_\_ hereby elect to have [ ]\$ [ ] %  
of my vested Supplemental Account paid upon the earlier of my termination of  
employment or the following date: \_\_\_\_\_.

I understand that this election shall not be valid until the one-year  
anniversary date of this election. I also understand that this election shall be  
irrevocable and that by making this election, I am also electing to receive the  
above benefits in the form of a single cash sum.

I have made this election on this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

WITNESS:

PARTICIPANT:

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Approved by Administrator:

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Date:

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APPENDIX B

MSA SUPPLEMENTAL SAVINGS PLAN

DISTRIBUTION ELECTION

I, \_\_\_\_\_ hereby elect to have my benefits  
under the MSA Supplemental Savings Plan paid in the following form:

A single cash sum payment.

15 Approximately equal annual installments.

I understand that this election shall not be valid until the one-year anniversary date of this election. I also understand that this election shall be irrevocable.

I have made this election on this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

WITNESS:

PARTICIPANT:

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Approved by Administrator:

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Date:

## Management's Discussion and Analysis

## Forward-looking Statements

The following discussion should be read in conjunction with the consolidated financial statements contained in this Annual Report to Shareholders. 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.

## Critical Accounting Policies and Estimates

MSA prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires MSA to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. MSA bases its estimates and judgements on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. MSA evaluates these estimates and judgements on an on-going basis. Actual results may differ from these estimates and judgements.

MSA believes the following critical accounting policies affect its more significant estimates and judgements used in the preparation of the financial statements. MSA recognizes revenue from the sale of products when title, ownership, and risk of loss pass to the customers. Amounts billed to customers for shipping and handling are included in net sales. MSA records estimated reductions to sales for customer programs including volume-based incentives. If market conditions were to change, the amounts due to customers under these programs could differ from the recorded estimates. MSA maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of MSA's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances could be required. MSA provides for the estimated cost of product warranties at the time that sales are recognized. While MSA has extensive product quality programs and processes, the company's warranty obligation is affected by product failure rates, material usage, and service delivery costs incurred in correcting a product failure. Should actual product failure rates, material usage, or service delivery costs differ from MSA's estimates, revisions to the estimated warranty liability would be required. MSA maintains reserves covering the uninsured portion of product liability claims. These reserves are based on management's evaluation of known claims and actuarial valuations. Should actual claims be greater than MSA's estimates, additional product liability charges could be required. MSA writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of the inventory and the estimated market value based on assumptions about future demand and market conditions. If actual market conditions were less favorable than those projected by management, additional inventory write-downs could be required. MSA records an estimated income tax liability based on management's best judgement of the amounts likely to be paid in the various tax jurisdictions in which it operates. The tax liabilities ultimately paid are dependent on a number of factors, including the resolution of tax audits, and may differ from the amounts recorded. Tax liabilities are adjusted through income when it becomes probable that the actual liability differs from the amount recorded. Actuarial assumptions have a significant impact on the determination of net periodic pension costs and credits. If actual experience differs from these assumptions, future net periodic pension costs and credits could be adversely affected.

Significant accounting policies are described in note 1 to the consolidated financial statements.

## Results of Operations

Corporate initiatives - MSA's performance in recent years is the result of a number of ongoing initiatives intended to improve competitive position and profitability through the development of key new products, increased focus on core safety products business competencies, selective entry into emerging geographic markets, and continuing emphasis on operating cost control.

During the second quarter of 2002, MSA acquired CGF Gallet, of Lyon, France, the leading European manufacturer of protective helmets for the fire service, as well as head protection for the police and military. The Gallet acquisition reflects MSA's ongoing strategy of identifying and making targeted acquisitions in focused product and geographic markets. The Gallet product line complements MSA's established line of fire service products and provides the company with opportunities in other areas where Gallet is strong - such as in the law enforcement, military, and aviation markets. Gallet is being integrated into MSA's operations and its products are being marketed under the MSA Gallet name.

In November, the company announced its decision to explore strategic options regarding the future operations of Callery Chemical, a division that develops, manufactures, and sells alkali metal strong bases and borane chemicals. These specialty chemicals are used in pharmaceuticals, agricultural chemicals, plastics, and a number of other applications. Current discussions with potential purchasers could result in the division being sold for a gain during 2003. The divestiture of the specialty chemical business will better position the company to focus on its core safety products business. The results of the division and the assets expected to be sold have been reported as discontinued operations and assets held for sale in the accompanying financial statements.

Making it easy for customers to do business with us has always been a priority at MSA. This commitment is evident in our award-winning Pittsburgh based customer service center which gives customers in the U.S. and Canada access to knowledgeable and responsive one-stop-shopping. To further enhance our interface with our distributor partners and end-users worldwide, MSA recently introduced new e-business capabilities. Through our ePartner website, our distributor partners in North America and Europe can access the MSA product catalog, check product availability, view order and account status, configure assemble-to-order products, and enter orders.

2002 versus 2001 - Sales for 2002 were \$564.4 million, an increase of \$54.7 million, or 11%, from \$509.7 million in 2001.

Sales by North American operations were \$369.7 million in 2002, an increase of \$26.1 million, or 8%, from \$343.6 million in 2001. The sales improvement occurred in the United States and is largely related to higher shipments of gas masks to the military and homeland security markets. Sales to the fire service market were relatively flat year-to-year with increased shipments of self-contained breathing apparatus being offset by lower shipments of thermal imaging cameras. Thermal imaging camera sales are dependent on the level of federal government funding provided to local fire departments. During 2002 much of this funding was diverted to meeting homeland security requirements. Sales of instruments and fall protection equipment were slightly lower in 2002, reflecting sluggishness in industrial markets.

Sales by European operations were \$122.4 million in 2002, an increase of \$28.2 million, or 30%, from \$94.2 million in 2001. A significant portion of the improvement was due to the acquisition of Gallet Helmets during the second quarter. European sales also benefited from strong shipments of escape breathing devices for use in the merchant marine fleet. When stated in U.S. dollars, European sales also benefited from the currency translation effects of a strong Euro.

Sales by International operations were \$72.2 million in 2002 compared to \$71.7 million in 2001, an increase of \$471,000, or 1%. Local currency sales growth of approximately 7% was offset by unfavorable currency translation effects when stated in U.S. dollars. Local currency sales growth was achieved in Africa, Brazil, and Australia.

Gross profit for 2002 was \$212.8 million, an increase of \$12.7 million, or 6%, from \$200.1 million in 2001. The ratio of gross profit to sales was 37.7% in 2002 compared to 39.2% in 2001. The lower gross profit percentage is largely related to sales mix changes and somewhat lower gross margins in North American industrial markets.

Research and development expenses, which are included in cost of products sold, were \$20.4 million in 2002, an increase of \$3.7 million, or 22%, from \$16.7 million in 2001. These expenses relate to safety products equipment research and development activities primarily in the U.S. and Europe. The increase reflects higher research and development costs in the U.S. and in Europe due to the acquisition of Gallet.

Selling, general and administrative expenses increased \$10.8 million, or 8% to \$140.9 million in 2002, but decreased as a percent of sales to 25.0% in 2002 compared to 25.5% in 2001. The increase in selling, general and administrative expenses occurred in North America and Europe and reflects costs associated with higher sales volumes, higher insurance costs, and the acquisition of Gallet.

## Management's Discussion and Analysis

Depreciation and amortization expense was \$21.5 million in 2002, a decrease of \$1.1 million, or 5%, from \$22.6 million in 2001. As required by FAS No. 142, goodwill amortization was discontinued at the beginning of 2002. Goodwill amortization expense was \$2.2 million in 2001. The decrease associated with the absence of goodwill amortization in 2002 was partially offset by the inclusion of Gallet depreciation and regular asset additions.

Cost of products sold and selling, general and administrative expenses include net periodic pension benefit costs and credits. As described in note 6, pension credits, combined with pension costs, resulted in net pension credits of \$13.1 million in 2002 and \$15.0 million in 2001. The current recognition of pension income is primarily the result of the exceptional investment performance of the U.S. pension fund over the past ten years. During that period, the investment performance of the MSA Noncontributory Pension Fund has ranked among the top 10% of all U.S. pension funds. Future net pension credits can be volatile depending on the future performance of plan assets, changes in actuarial assumptions regarding such factors as the selection of discount rates and rates of return on plan assets, changes in the amortization levels of actuarial gains and losses, plan amendments affecting benefit pay-out levels, and profile changes in the participant populations being valued. Changes in any of these factors could cause net pension credits to change. To the extent net pension credits decline in the future, income would be adversely affected.

Interest expense in 2002 was \$4.8 million compared to \$5.3 million in 2001. The decrease relates to reductions in long term debt and average short term borrowings.

Currency exchange gains of \$191,000 were recorded in 2002 compared to a loss of \$1.2 million in 2001. The favorable swing was primarily due to the strengthening of the Euro during 2002. The most significant losses from currency valuation changes in 2001 related to the strengthening of the U.S. dollar against the Canadian dollar.

Other income, for which further information is included in note 14, was \$2.3 million in 2002 compared to \$2.8 million in 2001.

The effective income tax rate for continuing operations, for which further information is included in note 3, was 35.1% in 2002 and 40.7% in 2001. The effective tax rate in 2002 was lower than in 2001 due to favorable tax effects associated with the charitable donation of property and adjustments to prior year tax provisions, net of valuation allowances taken on deferred tax assets. The 2001 effective tax rate included the recognition of a valuation allowance on deferred tax assets related to foreign tax credit carry-forwards in the U.S. and improved earnings in high tax rate countries.

Net income from continuing operations was \$31.2 million in 2002, an increase of \$5.4 million, or 21%, over 2001 net income from continuing operations of \$25.9 million. Continuing operations basic earnings per share of common stock improved to \$2.56 in 2002 compared to \$2.17 in 2001.

Income from discontinued operations, for which further information is included in note 17, was \$3.9 million in 2002, a decrease of \$1.9 million, or 33%, from \$5.8 million in 2001. The decrease reflects lower sales and gross margin percentages in 2002.

Net income for 2002 was \$35.1 million, an increase of \$3.5 million, or 11%, over 2001 net income of \$31.6 million. Basic earnings per share of common stock improved to \$2.88 in 2002 compared to \$2.65 in 2001.

2001 versus 2000 - Sales for 2001 were \$509.7 million, an increase of \$41.4 million, or 9%, from \$468.3 million in 2000.

Sales by North American operations were \$343.6 million in 2001, an increase of \$47.8 million, or 16%, from \$295.8 million in 2000. Approximately half of the sales increase was related to shipments of self-contained breathing apparatus, thermal imaging cameras and fire helmets to the fire service market. Gas mask and respirator sales increased throughout the year, but spiked late in the year in response to the September 11 disasters. Rescue and recovery efforts and heightened emphasis on domestic preparedness and homeland security increased demand for these products. Sales of fall protection equipment also grew in 2001, primarily due to the acquisition of Surety Manufacturing and Testing, Ltd. during the first quarter. Instrument sales were also higher during 2001, particularly in permanent instruments, reflecting market acceptance of the Ultima and other new products.

Sales by European operations were \$94.2 million in 2001, a decrease of \$4.9 million, or 5%, from \$99.1 million in 2000. The negative currency translation effects of a strong U.S. dollar accounted for approximately \$4.0 million of this decrease. Higher local currency sales in most European markets were offset by lower sales in Sweden and Switzerland, where distribution businesses were divested during 2001.

Sales by International operations were \$71.7 million in 2001 compared to \$73.2 million in 2000, a decrease of \$1.5 million, or 2%. Local currency sales growth of approximately 12% was offset by unfavorable currency translation effects when stated in U.S. dollars. Substantial local currency sales growth was achieved in Brazil.



Gross profit for 2001 was \$200.1 million, an increase of \$25.8 million, or 15%, from \$174.3 million in 2000. The ratio of gross profit to sales was 39.2% in 2001 compared to 37.2% in 2000. The improved gross profit percentage accounts for almost half of the increase in gross profit dollars. The higher gross profit percentage reflects improvements in production efficiency and inventory management in North America and Europe.

Research and development expenses, which are included in cost of products sold, were \$16.7 million in 2001, an increase of \$752,000, or 5%, from \$16.0 million in 2000. These expenses related to safety products equipment research and development activities primarily in the U.S. and Germany.

Depreciation, selling and administrative expenses increased \$6.9 million, or 7%, to \$152.7 million in 2001, but decreased as a percent of sales to 30.0% in 2001 compared to 31.1% in 2000. The increase in depreciation, selling and administrative expenses occurred in North America and reflects costs associated with higher sales volumes and a full year's amortization of goodwill related to mid-2000 acquisitions. Depreciation, selling and administrative expenses at international operations were generally flat year-to-year.

Cost of products sold and selling, general and administrative expenses include net periodic pension benefit costs and credits. As described in note 6, pension credits, combined with pension costs, resulted in net pension credits of \$15.0 million in 2001 and \$14.9 million in 2000. Net pension credits in 2000 included credits of \$2.4 million related to settlement and curtailment gains in Canada and Britain.

Interest expense in 2001 was \$5.3 million compared to \$4.0 million in 2000. The increase relates to a full year's interest expense on additional borrowings made during 2000 to finance acquisitions and common share repurchases by the company.

Currency exchange losses of \$1.2 million were incurred in 2001 compared to a gain of \$444,000 in 2000. The unfavorable swing was primarily related to the strengthening of the U.S. dollar against the Canadian dollar. The most significant gains from currency valuation changes in 2000 occurred in Mexico.

Other income, for which further information is included in note 14, was \$2.8 million in 2001 compared to \$2.4 million in 2000.

The effective income tax rate for continuing operations, for which further information is included in note 3, was 40.7% in 2001 and 31.1% in 2000. The effective rate in 2001 was higher than the U.S. statutory income tax rate primarily due to the recognition of a valuation allowance on deferred tax assets related to foreign tax credit carry-forwards in the U.S. and improved earnings in high tax rate countries. The lower rate in 2000 was primarily due to operating losses in Germany and adjustments to prior year foreign sales corporation tax benefits in the U.S.

Net income from continuing operations for 2001 was \$25.9 million, an increase of \$7.0 million, or 37%, over 2000 net income of \$18.9 million. Continuing operations basic earnings per share of common stock improved to \$2.17 in 2001 compared to \$1.54 in 2000.

Income from discontinued operations, for which further information is included in note 17, was \$5.8 million in 2001, an increase of \$1.4 million, or 32%, from \$4.4 million in 2000. The increase was primarily due to stronger gross margins in 2001.

Net income for 2001 was \$31.6 million, an increase of \$8.4 million, or 36%, over 2000 net income of \$23.2 million. Basic earnings per share of common stock improved to \$2.65 in 2001 compared to \$1.89 in 2000.

#### Liquidity and Financial Condition

Continuing operations provided cash of \$42.9 million in 2002 compared to providing \$20.2 million in 2001. The increase was related to higher net income and favorable changes in operating assets and liabilities. In 2002, increases in receivables used cash of \$3.0 million compared to using \$16.8 million in 2001. Reductions in inventory provided \$5.5 million of cash in 2002 compared to increases in inventory using \$10.7 million in 2001. Trade receivables related to continuing operations were \$58.6 million at December 31, 2002. Trade receivables for continuing operations expressed in number of days sales outstanding was 38 days at December 31, 2002, compared to 36 days at the end of 2001. Other receivables were \$35.5 million at December 31, 2002 and \$38.3 million at December 31, 2001, representing the company's retained interest in securitized receivables. Inventories of continuing operations were \$76.7 million at December 31, 2002. Inventories of continuing operations measured against sales turned 7.4 times in 2002 and 7.3 times in 2001. Cash provided by continuing operations in 2001 was \$24.9 million lower than in 2000. Net income for 2001 was higher than in 2000, however, cash flow in 2000 benefited from significant reductions in receivables and inventories.

Cash provided by discontinued operations in 2002 was \$1.2 million lower than in 2001. The decrease is primarily due to lower income. Cash provided by discontinued operations in 2001 was \$4.2 million higher than in 2000, reflecting higher income.

Management's Discussion and Analysis

Investing activities used cash of \$34.0 million in 2002 compared to using \$20.1 million in 2001. The increase in cash used for investing activities was primarily related to higher spending on acquisitions and lower cash received on property disposals. In 2002, net cash of approximately \$14.5 million was used for the acquisition of CGF Gallet. In 2001, cash was used for the acquisition of Surety Manufacturing and Testing, Ltd. Property disposals provided cash of \$649,000 in 2002 compared to providing \$6.7 million in 2001, which included cash received on sales of property in Europe. Cash used for investing activities in 2001 was \$22.4 million lower than in 2000, primarily due to lower spending on acquisitions. In 2000, \$29.5 million of cash was used for the acquisitions of CairnsHelmets and ISI Group, Inc. Capital expenditures of \$19.9 million in 2002, \$20.0 million in 2001 and \$16.1 million in 2000 were primarily related to purchases of new or replacement tooling and production equipment.

Financing activities used cash of \$7.1 million in 2002 compared to using \$6.3 million in 2001. The increased use of cash for financing activities reflects higher dividend payments and lower net proceeds from company stock sales and repurchases. Financing activities used cash of \$6.3 million in 2001 compared to providing \$4.1 million in 2000. In 2000, the company issued \$40.0 million of private placement debt which was partially used to finance acquisitions and common stock repurchases. Dividends paid on common stock during 2002 (the 85th consecutive year of dividend payment) were 65 cents per share. Dividends paid per share in 2001 and 2000 were 54 cents and 47 cents, respectively. As of December 31, 2002, an additional 43,274 shares of common stock may be repurchased under current authorizations.

The average amount of short term debt outstanding during 2002 and 2001 was \$3.1 million and \$4.2 million, respectively. Credit available with financial institutions at December 31, 2002 was the U.S. dollar equivalent of \$18.7 million, of which \$9.6 million was unused. Long-term debt, including the current portion, at December 31, 2002 was \$69.3 million, or 19.3% of total capital. Total capital is defined as long-term debt plus the current portion of long-term debt and shareholders' equity.

Outstanding indebtedness at December 31, 2002 and 2001 was as follows:

(In thousands)	2002	2001
Bank lines of credit .....	\$ 9,096	\$ 2,167
Industrial development debt .....	10,750	10,750
Senior notes .....	56,000	60,000
Other .....	2,564	906
	78,410	73,823
Current portion .....	(14,060)	(6,442)
	64,350	67,381

Accounts Receivable Securitization

As described in note 10, the company sells eligible trade accounts receivable to Mine Safety Funding Corporation (MSF), an unconsolidated wholly-owned subsidiary. MSF was established in November 1999 to provide the company with an inexpensive and reliable source of financing to replace borrowings under short term lines of credit. Under accounting principles generally accepted in the United States of America, MSF is not consolidated with MSA because legally it is a bankruptcy remote entity. In the event that MSA declared bankruptcy all cash collections on trade receivables owned by MSF would first be used to satisfy MSF's borrowings before any remaining proceeds could be returned to MSA. This arrangement permits MSF to borrow at advantageous interest rates using its portfolio of trade receivables as security. As a result of the securitization agreement, \$29.0 million of accounts receivable and short-term debt has been removed from the company's December 31, 2002 balance sheet. At December 31, 2001, \$25.0 million of accounts receivable and short-term debt were removed from the company's balance sheet under this arrangement.

Cumulative Translation Adjustments

The year-end position of the U.S. dollar relative to international currencies resulted in translation gains of \$5.8 million being credited to the cumulative translation adjustments shareholders' equity account in 2002, compared to losses of \$4.9 million in 2001 and \$5.9 million in 2000. Translation gains in 2002 occurred primarily in Europe and reflect the significant strengthening of the Euro. These gains were partially offset by losses in South America. Translation losses in 2001 occurred primarily in South Africa, Brazil, Chile and most European countries. The losses in 2000 occurred primarily in Australia, South Africa, Britain, Canada, and Germany.

Contractual Cash Obligations

The company is obligated to make future payments under various contracts such as debt and lease agreements. Significant contractual cash obligations of MSA as of December 31, 2002 were as follows:

(In thousands) ....	Total	2003	2004	2005	2006	2007	Thereafter
---------------------	-------	------	------	------	------	------	------------

Long-term debt ....	\$69,314	\$4,964	\$4,679	\$4,557	\$8,140	\$ 87	\$46,887
Operating leases ..	9,508	2,583	1,903	1,293	835	645	2,249
	-----	-----	-----	-----	-----	-----	-----
	78,822	7,547	6,582	5,850	8,975	732	49,136

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## Financial Instrument Market Risk

Market risk represents the risk of adverse changes in the value of a financial instrument caused by changes in currency exchange rates, interest rates, and equity prices. The company is exposed to market risks related to currency exchange rates and interest rates.

Currency exchange rate sensitivity - By the very nature of its global operations, the company's cash flow and earnings are subject to fluctuations due to exchange rate changes. Because the company operates in a number of locations around the world, currency exchange risk is well diversified. When appropriate, the company may attempt to limit its exposure to changes in currency exchange rates through both operational and financial market actions. These actions may include contracts and other actions designed to hedge existing exposures by essentially creating offsetting currency exposures. At December 31, 2002 and 2001 contracts for the purpose of hedging currency were not significant.

Interest rate sensitivity - The company is exposed to changes in interest rates primarily as a result of borrowing and investing activities used to maintain liquidity and fund business operations. Because of the relatively short maturities of temporary investments and the variable rate nature of industrial development debt, the fair values of these financial instruments approximate cost at December 31, 2002 and 2001. The incremental increase in the fair value of fixed rate long term debt resulting from a hypothetical 10% decrease in interest rates would be approximately \$1.2 million. However, the company's sensitivity to interest rate declines and the corresponding increase in the fair value of its debt portfolio would unfavorably affect earnings and cash flows only to the extent that the company elected to repurchase or retire all or a portion of its fixed rate debt portfolio at prices above carrying values.

## Related Party Transactions

Transactions with related parties are made at negotiated prices and were not material to the financial position or results of operations of MSA at December 31, 2002.

## Recently Issued Accounting Standards

FAS 143, Accounting for Asset Retirement Obligations, addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets. The company does not expect that the adoption of this statement, which is effective January 1, 2003, will have a significant effect on its results or financial position.

FAS 146, Accounting for Costs Associated with Exit or Disposal Activities, requires that costs associated with exit or disposal activities be recognized when the liability is incurred rather than at the date of commitment to an exit or disposal plan. FAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The company does not expect that the adoption of this statement will have a significant effect on its results or financial position.

FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees that it has issued and requires the recognition of a liability at fair value by the guarantor at the inception of a guarantee. The disclosure requirements are effective as of December 31, 2002. The initial measurement and recognition provisions of FIN 45 are required to be applied on a prospective basis to guarantees issued or modified after December 31, 2002. The company does not expect that the adoption of this interpretation will have a significant effect on its financial statements.

## Common Stock

At December 31, 2002, there were 12,207,029 shares of common stock outstanding. There were approximately 1,000 identifiable common stockholders on November 22, 2002, a recent date for dividends. Common stock price and volume information is included on the American Stock Exchange under the symbol MSA. The quarterly high and low price quotations and cash dividend information for common shares follow:

Quarter	2002		2001	
	High	Low	High	Low
First	\$43.20	\$35.35	\$25.65	\$22.00
Second	50.50	35.00	34.25	25.45
Third	40.75	31.90	47.92	30.35
Fourth	39.25	27.40	51.90	32.10

  

Quarter	Dividend	Record	Payment
	Per Share	Date	Date
----- 2002			
First	\$.14	Feb. 22, 2002	Mar. 10, 2002
Second	.17	May 17, 2002	Jun. 10, 2002
Third	.17	Aug. 26, 2002	Sep. 10, 2002
Fourth	.17	Nov. 22, 2002	Dec. 10, 2002
-----			

Total	.65		
	----		
		2001	
		-----	
First	\$.12	Feb. 23, 2001	Mar. 10, 2001
Second	.14	May 14, 2001	Jun. 8, 2001
Third	.14	Aug. 24, 2001	Sep. 10, 2001
Fourth	.14	Nov. 23, 2001	Dec. 10, 2001
	----		
Total	.54		
	----		

The company's stock transfer agent is Wells Fargo Shareowner Services, 161 North Concord Exchange, P. O. Box 738, South St. Paul, MN 55075-0738.

## Responsibility Statements

### Responsibility for Financial Statements

The management of Mine Safety Appliances Company prepared the accompanying financial statements and is responsible for their integrity and objectivity. These statements were prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements include amounts that are based on management's best estimates and judgements. The other information in this annual report is consistent with the financial statements.

The company maintains a system of internal controls, including accounting controls, and a program of internal auditing. The system of controls provides for appropriate procedures that are consistent with high standards of accounting and administration. Management believes that the company's system of internal accounting controls provides reasonable assurance that assets are safeguarded against losses from unauthorized use or disposition and that the financial records are reliable for use in preparing financial statements.

Management recognizes its responsibility for fostering a strong ethical climate so that the company's affairs are conducted according to the highest standards of personal and corporate conduct. This responsibility is characterized and reflected in a broad business ethics policy that addresses, among other things, conduct of business activities within the laws of the United States and other countries in which the company operates and potential conflicts of interests of its associates.

The Board of Directors, through its Audit Committee, assumes an oversight role in the preparation of the financial statements. The Audit Committee meets at least twice a year with the company's independent accountants and internal auditors to discuss the scope of their work and the results of their examinations.

### Report of Independent Accountants

To the Shareholders and Board of Directors of Mine Safety Appliances Company:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in retained earnings and accumulated other comprehensive income, and cash flows present fairly, in all material respects, the financial position of Mine Safety Appliances Company and its subsidiaries (the "Company") at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 17, the Company has met the requirements under Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" to classify the results of its Callery Chemical Division as a discontinued operation and the assets as held for sale.

/s/ Dennis L. Zeitler

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Dennis L. Zeitler  
Vice President  
Chief Financial Officer  
and Treasurer

/s/ PricewaterhouseCoopers LLP

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PricewaterhouseCoopers LLP  
Pittsburgh, Pennsylvania  
February 21, 2003

Consolidated Statement of Income

(In thousands, except per share amounts)

Year Ended December 31	2002	2001	2000
Net sales .....	\$564,426	\$509,736	\$468,307
Other income .....	2,271	2,776	2,444
	566,697	512,512	470,751
Costs and expenses			
Cost of products sold .....	351,587	309,680	293,960
Selling, general and administrative .....	140,924	130,092	124,840
Depreciation and amortization .....	21,525	22,590	20,936
Interest .....	4,769	5,349	4,040
Currency exchange (gains) losses .....	(191)	1,197	(444)
	518,614	468,908	443,332
Income from continuing operations before income taxes...	48,083	43,604	27,419
Provision for income taxes .....	16,870	17,753	8,531
Net income from continuing operations .....	31,213	25,851	18,888
Net income from discontinued operations .....	3,864	5,780	4,351
Net income .....	\$ 35,077	\$ 31,631	\$ 23,239
Basic earnings per common share:			
Continuing operations .....	\$ 2.56	\$ 2.17	\$ 1.54
Discontinued operations .....	.32	.48	.35
Net income .....	\$ 2.88	\$ 2.65	\$ 1.89
Diluted earnings per common share:			
Continuing operations .....	\$ 2.54	\$ 2.13	\$ 1.53
Discontinued operations .....	.31	.48	.35
Net income .....	\$ 2.85	\$ 2.61	\$ 1.88

See notes to consolidated financial statements.

Consolidated Balance Sheet

(In thousands, except share amounts)

December 31	2002	2001
	-----	-----
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents .....	\$ 36,477	\$ 26,701
Trade receivables, less allowance for doubtful accounts of \$4,134 and \$2,956 .....	58,648	50,704
Other receivables .....	35,456	38,325
Inventories .....	76,748	77,874
Deferred tax assets .....	20,396	13,633
Prepaid expenses and other current assets .....	10,157	10,449
Assets held for sale .....	45,062	
	-----	-----
Total current assets .....	282,944	217,686
<b>Property</b>		
Land .....	4,800	4,661
Buildings .....	87,333	102,555
Machinery and equipment .....	250,797	272,284
Construction in progress .....	5,580	8,289
	-----	-----
Total .....	348,510	387,789
Less accumulated depreciation .....	(222,905)	(236,128)
	-----	-----
Net property .....	125,605	151,661
<b>Other Assets</b>		
Prepaid pension cost .....	107,338	92,437
Deferred tax assets .....	7,800	12,694
Goodwill .....	42,963	33,722
Other noncurrent assets .....	13,115	12,498
	-----	-----
Total .....	\$ 579,765	\$ 520,698
	=====	=====
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes payable and current portion of long-term debt .....	\$ 14,060	\$ 6,442
Accounts payable .....	30,979	24,751
Employees' compensation .....	16,216	14,368
Insurance .....	8,899	9,267
Taxes on income .....	3,748	4,812
Other current liabilities .....	25,798	22,860
	-----	-----
Total current liabilities .....	99,700	82,500
<b>Long-Term Debt</b>		
.....	64,350	67,381
<b>Other Liabilities</b>		
Pensions and other employee benefits .....	61,198	55,428
Deferred tax liabilities .....	61,402	56,053
Other noncurrent liabilities .....	4,053	5,832
	-----	-----
Total other liabilities .....	126,653	117,313
	=====	=====
<b>Shareholders' Equity</b>		
Preferred stock, 4 1/2% cumulative, \$50 par value (callable at \$52.50) .....	3,569	3,569
Common stock, no par value (shares outstanding: 2002--12,207,029 2001--12,100,727) .....	28,626	25,386
Stock compensation trust .....	(21,697)	(22,179)
Treasury shares, at cost .....	(134,827)	(133,981)
Deferred stock compensation .....	(801)	(652)
Accumulated other comprehensive income .....	(20,501)	(26,216)
Earnings retained in the business .....	434,693	407,577
	-----	-----
Total shareholders' equity .....	289,062	253,504
	-----	-----
Total .....	\$ 579,765	\$ 520,698
	=====	=====

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

(In thousands)

Year Ended December 31

	2002	2001	2000
	-----	-----	-----
<b>Operating Activities</b>			
Net income .....	\$ 35,077	\$ 31,631	\$ 23,239
Depreciation and amortization .....	21,525	22,590	20,936
Pensions .....	(13,125)	(14,962)	(14,900)
Net gain on sale of investments and assets .....	(35)	(1,764)	(2,136)
Deferred income taxes .....	4,765	9,259	3,432
Net income from discontinued operations .....	(3,864)	(5,780)	(4,351)
Receivables and other receivables .....	(3,008)	(16,846)	5,309
Inventories .....	5,518	(10,716)	6,683
Accounts payable and accrued liabilities .....	(3,616)	(2,955)	5,476
Other assets and liabilities .....	(1,775)	4,132	237
Other--including currency exchange adjustments ..	1,457	5,561	1,114
	-----	-----	-----
Cash Flow From Continuing Operations .....	42,919	20,150	45,039
Cash Flow From Discontinued Operations .....	6,412	7,635	3,439
	-----	-----	-----
Cash Flow From Operating Activities .....	49,331	27,785	48,478
	-----	-----	-----
<b>Investing Activities</b>			
Property additions .....	(19,946)	(19,987)	(16,067)
Property disposals .....	649	6,685	3,428
Acquisitions, net of cash acquired, and other investing .....	(14,668)	(6,765)	(29,796)
	-----	-----	-----
Cash Flow From Investing Activities .....	(33,965)	(20,067)	(42,435)
	-----	-----	-----
<b>Financing Activities</b>			
Additions to long-term debt .....	677	12	40,720
Reductions of long-term debt .....	(7,089)	(5,259)	(640)
Changes in notes payable and short-term debt ....	5,578	1,150	(2,276)
Cash dividends .....	(7,961)	(6,480)	(5,881)
Company stock purchases .....	(846)	(3,227)	(54,948)
Company stock sales .....	2,508	7,477	27,088
	-----	-----	-----
Cash Flow From Financing Activities .....	(7,133)	(6,327)	4,063
	-----	-----	-----
Effect of exchange rate changes on cash .....	1,543	(1,231)	(673)
	-----	-----	-----
Increase in cash and cash equivalents .....	9,776	160	9,433
Beginning cash and cash equivalents .....	26,701	26,541	17,108
	-----	-----	-----
Ending cash and cash equivalents .....	\$ 36,477	\$ 26,701	\$ 26,541
	-----	-----	-----
<b>Supplemental cash flow information:</b>			
Interest payments .....	\$ 5,890	\$ 6,566	\$ 3,419
Income tax payments .....	18,546	9,765	6,789
<b>Noncash investing activity:</b>			
Investment sold for other current assets .....			1,334

See notes to consolidated financial statements.

Consolidated Statement of Changes in Retained Earnings and Accumulated Other Comprehensive Income

(In thousands)

	Retained Earnings	Accumulated Other Comprehensive Income	Comprehensive Income
	-----	-----	-----
Balances January 1, 2000 .....	\$365,068	\$(14,831)	
Net income .....	23,239		\$23,239
Cumulative translation adjustments .....		(5,921)	(5,921)
Minimum pension liability adjustments (a) ..		(117)	(117)
Comprehensive income .....			\$17,201
Common dividends .....	(5,832)		=====
Preferred dividends .....	(49)		
Balances December 31, 2000 .....	382,426	(20,869)	
Net income .....	31,631		\$31,631
Cumulative translation adjustments .....		(4,934)	(4,934)
Minimum pension liability adjustments (a) ..		(413)	(413)
Comprehensive income .....			\$26,284
Common dividends .....	(6,432)		=====
Preferred dividends .....	(48)		
Balances December 31, 2001 .....	407,577	(26,216)	
Net income .....	35,077		\$35,077
Cumulative translation adjustments .....		5,772	5,772
Minimum pension liability adjustments (a) ..		(57)	(57)
Comprehensive income .....			\$40,792
Common dividends .....	(7,914)		=====
Preferred dividends .....	(47)		
Balances December 31, 2002 .....	\$434,693	\$(20,501)	
	=====	=====	

(a) - Charges to minimum pension liability adjustments in 2002, 2001 and 2000 are net of tax benefit of \$38,000, \$275,000 and \$78,000, respectively.

Components of accumulated other comprehensive income are as follows:

	(In thousands)		
	2002	2001	2000
	-----	-----	-----
Cumulative translation adjustments .....	\$(19,593)	\$(25,365)	\$(20,431)
Minimum pension liability adjustments ...	(908)	(851)	(438)
Accumulated other comprehensive income ..	\$(20,501)	\$(26,216)	\$(20,869)
	-----	-----	-----

See notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

### Note 1 - Significant Accounting Policies

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Principles of Consolidation** - The consolidated financial statements include the accounts of the company and all subsidiaries except Mine Safety Funding Corporation. Intercompany accounts and transactions are eliminated. To facilitate timely reporting, several international subsidiaries have November 30th fiscal year ends. Certain prior year amounts have been reclassified to conform with the current year presentation.

**Currency Translation** - The functional currency of all significant foreign subsidiaries is the local currency. Assets and liabilities of these subsidiaries are translated at year-end exchange rates. Income statement accounts are translated at the average rates of exchange prevailing during the year. Translation adjustments for these companies are reported as a component of shareholders' equity and are not included in income. Foreign currency transaction gains and losses are included in net income for the period.

**Cash Equivalents** - Cash equivalents include temporary deposits with financial institutions and highly liquid investments with original maturities of 90 days or less.

**Inventories** - Inventories are stated at the lower of cost or market. Most U.S. inventories are valued on the last-in, first-out (LIFO) cost method. Other inventories are valued on the average cost method or at standard costs which approximate actual costs.

**Property and Depreciation** - Property is recorded at cost. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets. Expenditures for significant renewals and improvements are capitalized. Ordinary repairs and maintenance are expensed as incurred. Gains or losses on property dispositions are included in income and the cost and related depreciation are removed from the accounts.

**Goodwill and Other Intangible Assets** - Effective January 1, 2002, the company adopted FAS No. 142, Goodwill and Other Intangible Assets. Under this standard, goodwill and intangible assets with indefinite lives are not amortized, but are subject to impairment write-down tests that must be performed at least annually. For years ending prior to 2002, goodwill was amortized on a straight line basis over periods not exceeding 35 years. Other intangible assets are amortized on a straight-line basis over their useful lives.

**Revenue Recognition** - Revenue from the sale of products is recognized when title, ownership, and risk of loss pass to the customer.

**Shipping and Handling** - Shipping and handling expenses for products sold to customers are charged to cost of products sold as incurred. Amounts billed to customers for shipping and handling are included in net sales.

**Research and Development** - Research and development costs are charged to cost of products sold as incurred.

**Income Taxes** - Deferred income taxes are provided for temporary differences between financial and tax reporting. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized. No provision is made for possible U.S. taxes on the undistributed earnings of foreign subsidiaries that are considered to be reinvested indefinitely. Calculation of the unrecognized deferred tax liability for temporary differences related to these earnings is not practicable. Where it is contemplated that earnings will be remitted, credits for foreign taxes already paid are expected to generally offset applicable U.S. income taxes. In cases where they will not offset U.S. income taxes, appropriate provisions are recorded.

**Stock-Based Compensation Plans** - The company applies the intrinsic value-based method in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Accordingly, no compensation cost is recognized for stock option grants. Compensation cost for restricted stock awards is measured at the market value of the shares when awarded. Unearned stock compensation is reported in shareholders' equity and is charged to income over the restriction period.

**Recently Issued Accounting Standards** - FAS 143, Accounting for Asset Retirement Obligations, addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets. The company does not expect that the adoption of this statement, which is effective January 1, 2003, will have a significant effect on its results or financial position.

FAS 146, Accounting for Costs Associated with Exit or Disposal Activities, requires that costs associated with exit or disposal activities be recognized

when the liability is incurred rather than at the date of commitment to an exit or disposal plan. FAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The company does not expect that the adoption of this statement will have a significant effect on its results or financial position.

FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees that it has issued and requires the recognition of a liability at fair value by the guarantor at the inception of a guarantee. The disclosure requirements are effective as of December 31, 2002. The initial measurement and recognition provisions of FIN 45 are required to be applied on a prospective basis to guarantees issued or modified after December 31, 2002. The company does not expect that the adoption of this interpretation will have a significant effect on its financial statements.

## Notes to Consolidated Financial Statements

## Note 2 - Segment Information

The company is organized into three geographic operating segments: North America, Europe, and International. The company is engaged in the manufacture and sale of safety and health equipment, including respiratory protective equipment, head protection, eye and face protection, hearing protectors, safety clothing, industrial emergency care products, mining safety equipment, thermal imaging cameras and monitoring instruments. In addition, the company manufactures and sells specialty chemicals, including boron-based chemicals.

Reportable segment information is presented in the following table:

(In thousands)	North America	Europe	International	Reconciling items	Consolidated totals
	-----	-----	-----	-----	-----
<b>2002</b>					
Sales to external customers .....	\$369,728	\$122,377	\$72,206	\$ 115	\$564,426
Intercompany sales .....	21,472	35,733	3,116	(60,321)	
Net income from continuing operations ...	26,732	2,519	2,372	(410)	31,213
Net income from discontinued operations ..	3,864				3,864
Total assets continuing operations .....	363,999	145,663	50,364	(25,323)	534,703
Assets held for sale .....	45,062				45,062
Interest income .....	424	142	281	106	953
Interest expense .....	4,501	67	201		4,769
Noncash items:					
Depreciation and amortization .....	16,012	4,446	1,047	20	21,525
Pension income (expense) .....	16,360	(3,123)	(112)		13,125
Equity in earnings of affiliates .....			23		23
Income tax provision .....	13,900	1,056	1,647	267	16,870
Investments in affiliates .....	1,374		158		1,532
Property additions .....	15,412	3,698	831	5	19,946
Fixed assets .....	95,411	25,329	4,824	41	125,605
<b>2001</b>					
Sales to external customers .....	343,646	94,187	71,735	168	509,736
Intercompany sales .....	20,074	21,668	2,124	(43,866)	
Net income from continuing operations ...	22,575	130	3,619	(473)	25,851
Net income from discontinued operations ..	5,780				5,780
Total assets .....	399,912	96,372	48,816	(24,402)	520,698
Interest income .....	513	146	408	116	1,183
Interest expense .....	4,844	156	349		5,349
Noncash items:					
Depreciation and amortization .....	17,714	3,680	1,170	26	22,590
Pension income (expense) .....	17,885	(2,783)	(140)		14,962
Equity in earnings of affiliates .....			40		40
Income tax provision .....	15,094	900	1,732	27	17,753
Investments in affiliates .....	1,374		135		1,509
Property additions .....	13,407	4,916	1,621	43	19,987
Fixed assets .....	127,461	18,118	6,033	49	151,661
<b>2000</b>					
Sales to external customers .....	295,789	99,119	73,199	200	468,307
Intercompany sales .....	25,573	16,389	1,453	(43,415)	
Net income from continuing operations ...	17,525	(2,225)	3,624	(36)	18,888
Net income from discontinued operations ..	4,351				4,351
Total assets .....	365,035	93,955	50,296	(19,603)	489,683
Interest income .....	604	285	329	25	1,243
Interest expense .....	3,329	216	495		4,040
Noncash items:					
Depreciation and amortization .....	16,123	3,374	1,314	125	20,936
Pension income (expense) .....	16,640	(1,552)	(188)		14,900
Equity in earnings of affiliates .....			25		25
Income tax provision (benefit) .....	8,721	(2,041)	1,776	75	8,531
Investments in affiliates .....	1,358		95		1,453
Property additions .....	10,738	3,630	1,694	5	16,067
Fixed assets .....	132,597	20,681	6,290	18	159,586

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

Sales are attributed to segments and countries based on the location of the selling company. Sales to external customers in Germany were \$50,925,000 in 2002, \$46,865,000 in 2001, and \$47,471,000 in 2000.

Note 3 - Income Taxes

The U.S. and non-U.S. components of income before income taxes and provisions for income taxes are summarized as follows:

	(In thousands)		
	2002	2001	2000
<b>Income From Continuing Operations Before Income Taxes</b>			
U.S. income.....	\$47,850	\$34,190	\$25,422
Non-U.S. income .....	10,190	6,226	6,080
Currency translation losses.....	(317)	(776)	
Eliminations.....	(9,640)	3,964	(4,083)
<b>Income Before Income Taxes.....</b>	<b>48,083</b>	<b>43,604</b>	<b>27,419</b>
<b>Provision For Income Taxes</b>			
<b>Current</b>			
Federal.....	8,115	5,370	1,199
State.....	610	404	512
Non-U.S. ....	3,380	2,720	3,388
<b>Total current provision .....</b>	<b>12,105</b>	<b>8,494</b>	<b>5,099</b>
<b>Deferred</b>			
Federal.....	4,101	8,377	5,150
State .....	936	1,732	1,137
Non-U.S. ....	(272)	(850)	(2,855)
<b>Total deferred provision.....</b>	<b>4,765</b>	<b>9,259</b>	<b>3,432</b>
<b>Provision for Income Taxes.....</b>	<b>16,870</b>	<b>17,753</b>	<b>8,531</b>

The following is a reconciliation of the U.S. Federal income tax rate to the effective tax rate for continuing operations:

Provision for income taxes at statutory rate.....	35.0%	35.0%	35.0%
State income taxes, net of federal benefit.....	2.9	3.2	3.9
Effects of foreign operations.....	(.5)	.4	(3.5)
Charitable contribution.....	(1.4)		
Valuation allowance.....	3.2	2.3	
Adjustment of prior years income taxes.....	(3.8)		(3.4)
Other--net.....	(.3)	(.2)	(.9)
<b>Provision for income taxes.....</b>	<b>35.1%</b>	<b>40.7%</b>	<b>31.1%</b>

The components of deferred taxes are as follows:

	2002	2001
<b>Deferred tax assets</b>		
Postretirement benefits.....	\$ 5,628	\$ 5,701
Inventory reserves .....	4,836	3,463
Vacation allowances .....	2,560	2,441
Net operating losses .....	5,023	6,629
Foreign tax credit carryforwards (expiring between 2003 and 2007).....	1,975	2,099
Liability insurance .....	1,363	1,931
Basis of capital assets .....	5,105	886
Intangibles .....	1,371	679
Warranties .....	1,016	997
Other .....	3,734	2,504
<b>Total deferred tax assets .....</b>	<b>32,611</b>	<b>27,330</b>
Valuation allowance .....	(1,975)	(1,000)
<b>Net deferred tax assets .....</b>	<b>30,636</b>	<b>26,330</b>
<b>Deferred tax liabilities</b>		
Depreciation .....	(26,213)	(24,234)
Pension .....	(37,296)	(32,511)
Other .....	(333)	689
<b>Total deferred tax liabilities .....</b>	<b>(63,842)</b>	<b>(56,056)</b>
<b>Net deferred taxes .....</b>	<b>(33,206)</b>	<b>(29,726)</b>

Net operating loss carryforwards of \$4,552,000 have no expiration date and \$471,000 expire in 2008.

Undistributed earnings of international companies for which U.S. income taxes have not been provided were \$85,535,000 at December 31, 2002.

Notes to Consolidated Financial Statements

Note 4 - Capital Stock

- . Common stock, no par value - 60,000,000 shares authorized
- . Second cumulative preferred voting stock, \$10 par value - 1,000,000 shares authorized; none issued
- . 4 1/2% cumulative preferred nonvoting stock, \$50 par value - 100,000 shares authorized; 71,373 shares issued and 50,313 shares (\$1,629,000) held in treasury (no activity in 2002 and 2000; 600 shares, \$21,000, purchased for treasury in 2001)

Common stock activity is summarized as follows:

	Shares			Dollars (In thousands)		
	Shares Issued	Stock Compensation Trust	Shares in Treasury	Shares Issued	Stock Compensation Trust	Treasury Cost
Balances January 1, 2000 .....	6,778,599	(567,630)	(1,919,298)	\$12,596	\$(26,679)	\$ (95,154)
Restricted stock awards (pre-split) .....		19,760		318	929	
Treasury shares purchased (pre-split) .....			(74,616)			(4,994)
Three-for-one stock split .....	13,557,198	(1,095,740)	(3,987,828)			
Restricted stock awards forfeited (post-split)..			(2,790)			(58)
Stock options exercised (post-split) .....		4,290		21	67	
Treasury shares purchased (post-split) .....			(2,009,322)			(49,954)
Treasury shares issued (post-split) .....			1,125,000	5,906		21,094
Balances December 31, 2000 .....	20,335,797	(1,639,320)	(6,868,854)	18,841	(25,683)	(129,066)
Restricted stock awards .....		860		12	13	
Restricted stock awards forfeited .....			(3,900)			(80)
Stock options exercised .....	147,254	223,087		4,226	3,491	
Tax benefit on exercise of stock options .....				2,307		
Treasury shares purchased .....			(94,197)			(3,206)
Balances December 31, 2001 .....	20,483,051	(1,415,373)	(6,966,951)	25,386	(22,179)	(132,352)
Restricted stock awards .....	23,198			915		
Stock options exercised .....	73,860	30,744		1,786	482	
Tax benefit on exercise of stock options .....				539		
Treasury shares purchased .....			(21,500)			(846)
Balances December 31, 2002 .....	20,580,109	(1,384,629)	(6,988,451)	28,626	(21,697)	(133,198)

On May 10, 2000, the company's shareholders approved a three-for-one stock split of both the issued and authorized common stock, which was distributed on May 24, 2000, to shareholders of record on May 12, 2000.

During 2000, the company purchased 2.1 million shares of common stock from a major shareholder for \$54.9 million. In a subsequent transaction, the company sold 1,125,000 shares of common stock that were held in treasury to the MSA Non-Contributory Pension Plan for Employees for \$27.0 million.

The Mine Safety Appliances Company Stock Compensation Trust was established to fund certain benefit plans, including employee and non-employee directors stock options and awards. Shares held by the Stock Compensation Trust, and the corresponding cost of those shares, are reported as a reduction of common shares issued. Differences between the cost of the shares held by the Stock Compensation trust and the market value of shares released for stock-related benefits are reflected in shares issued.

The company has a Shareholder Rights Plan under which each outstanding share of common stock is granted one-third of a preferred share purchase right. The rights are exercisable for a fraction of a share of preferred stock, only if a person or group acquires or commences a tender offer for 15% or more of the company's common stock. In the event a person or group acquires 15% or more of the outstanding common stock, each right not owned by that person or group will entitle the holder to purchase that number of shares of common stock having a value equal to twice the \$225 exercise price. The Board of Directors may redeem the rights for \$.01 per right at any time until ten days after the announcement that a 15% position has been acquired. The rights expire on February 21, 2007.

Note 5 - Stock Plans

The 1998 Management Share Incentive Plan provides for grants of restricted stock awards and stock options to eligible key employees through March 2008. The 1990 Non-Employee Directors' Stock Option Plan, as amended April 1, 2001, provides for annual grants of stock options and restricted stock awards to eligible directors. As of December 31, 2002, there were 824,625 shares and 66,432 shares, respectively, reserved for future grants under these plans.

Restricted stock awards are granted without payment to the company in consideration of services to be performed in the ensuing three years (four years for employee awards prior to 2002). Restricted stock awards of 23,198 shares (fair value of \$915,000), 860 shares (fair value of \$25,000), and 19,760 pre-split shares (fair value of \$1,247,000) were granted in 2002, 2001, and 2000, respectively. Restricted stock awards expense charged to operations was \$766,000 in 2002, \$437,000 in 2001, and \$547,000 in 2000.

Stock options are generally granted at market value option prices, are exercisable beginning six months after the grant date, and expire after ten years (limited instances of option prices in excess of market value and expiration after five years). A summary of option activity under the two plans, adjusted to reflect the three-for-one stock split in May 2000, follows:

	2002		2001		2000	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year ...	413,487	\$22.55	544,794	\$20.08	305,379	\$19.24
Granted .....	184,055	39.51	244,344	25.38	267,120	21.11
Exercised .....	(104,604)	21.68	(370,341)	20.84	(4,290)	20.56
Forfeited .....			(5,310)	18.79	(23,415)	19.30
Outstanding at end of year .....	492,938	29.06	413,487	22.55	544,794	20.08
Options exercisable at year-end ....	492,938		413,487		544,794	

The following table summarizes information about options outstanding at December 31, 2002:

Shares	Range of Exercise Price per Share	Weighted-Average	
		Exercise Price	Remaining Life
163,450	\$14.83 - \$21.02	\$20.74	6.6
145,433	\$22.88 - \$29.20	25.20	8.0
184,055	\$39.26 - \$43.88	39.51	8.7
492,938	\$14.83 - \$43.88	29.06	7.8

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 and FAS 148, net income and earnings per share would have been reduced to the pro forma amounts shown below:

	(In thousands)		
	2002	2001	2000
Net income as reported .....	\$35,077	\$31,631	\$23,239
Fair value of stock options granted, net of tax ..	(1,717)	(1,519)	(1,464)
Pro forma net income .....	33,360	30,112	21,775
Basic earnings per share:			
As reported .....	\$ 2.88	\$ 2.65	\$ 1.89
Pro forma .....	2.74	2.52	1.77
Diluted earnings per share:			
As reported .....	\$ 2.85	\$ 2.61	\$ 1.88
Pro forma .....	2.71	2.49	1.76

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 2002, 2001, and 2000, respectively: risk-free interest rate of 5.3%, 5.2%, and 7.0%; dividend yield of 2.0%, 2.1%, and 2.3%; expected option life of 9.9 years, 9.9 years, and 9.8 years; and expected volatility factor of 23%, 23%, and 19%.

## Note 6 - Pensions and Other Postretirement Benefits

The company maintains various defined benefit and defined contribution plans covering the majority of its employees. The principal U.S. plan is funded in compliance with the Employee Retirement Income Security Act (ERISA). It is the general policy to fund current costs for the international plans except in Germany and Mexico, where it is common practice and permissible under tax laws to accrue book reserves.

A minimum liability is recognized for unfunded defined benefit plans for which the accumulated benefit obligation exceeds accrued pension costs. The amount of the minimum liability in excess of unrecognized prior service cost, net of tax benefit, is recorded as a reduction in shareholders' equity. Non-contributory plan benefits are generally based on years of service and employees' compensation during the last years of employment. Benefits are paid from funds previously provided to trustees or are paid by the company and charged to the book reserves.

During 2001, the principal U.S. and German non-contributory pension plans were amended to permit the payment of certain unfunded German benefits from assets of the U.S. plan.

The company provides certain health care benefits and limited life insurance for retired employees and their eligible dependents.

Information pertaining to defined benefit pension plans and other postretirement benefits plans is provided in the following table.

	(In thousands)			
	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
<b>Change in Benefit Obligations</b>				
Benefit obligations at January 1 .....	\$193,603	\$177,032	\$ 21,835	\$ 19,370
Service cost .....	5,378	4,645	392	502
Interest cost .....	12,917	12,393	1,404	1,488
Employee contributions .....	214	231		
Plan amendments .....	454		(1,319)	
Actuarial losses .....	11,666	14,594	487	2,484
Benefits paid .....	(12,242)	(11,998)	(2,122)	(2,009)
Curtailments .....		(167)		
Settlements .....		(1,245)		
Currency translation effects .....	6,020	(1,882)		
Benefit obligations at December 31 .....	218,010	193,603	20,677	21,835
<b>Change in Plan Assets</b>				
Fair value of plan assets at January 1 .....	314,122	324,824		
Actual return on plan assets .....	(32,599)	5,383		
Employer contributions .....	2,433	1,177	122	94
Employee contributions .....	263	231		
Benefits paid .....	(12,242)	(11,998)	(2,122)	(2,009)
Section 420 transfer to retiree medical plan ...	(2,000)	(1,915)	2,000	1,915
Reimbursement of German benefits .....	(719)	(1,888)		
Settlements .....		(1,245)		
Currency translation effects .....	578	(447)		
Fair value of plan assets at December 31 .....	269,836	314,122		
<b>Funded Status</b>				
Funded status at December 31 .....	51,826	120,519	(20,677)	(21,835)
Unrecognized transition gains .....	(137)	(748)		
Unrecognized prior service cost .....	1,647	1,488	(2,138)	(957)
Unrecognized net actuarial losses (gains) .....	9,846	(65,695)	6,768	6,833
Prepaid (accrued) benefit cost .....	63,182	55,564	(16,047)	(15,959)
<b>Amounts Recognized in the Balance Sheet</b>				
Prepaid benefit cost .....	107,338	92,437		
Accrued benefit liability .....	(46,226)	(38,987)	(16,047)	(15,959)
Intangible asset .....	557	696		
Minimum pension liability adjustments .....	1,513	1,418		
Prepaid (accrued) benefit cost .....	63,182	55,564	(16,047)	(15,959)

(In thousands, except percents)

	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
Actuarial Assumptions at December 31				
Discount rate .....	6.4%	6.8%	7.0%	7.5%
Expected return on plan assets .....	8.2%	9.0%		
Rate of compensation increases .....	3.9%	4.2%		
Plans with Accumulated Benefit Obligations in Excess of Plan Assets				
Projected benefit obligations .....	\$57,196	\$40,547		
Accumulated benefit obligations .....	50,494	37,759		
Plan assets .....	0	0		

(In thousands)

	Pension Benefits			Other Benefits		
	2002	2001	2000	2002	2001	2000
Components of Net Periodic Benefit Cost (Credit)						
Service cost .....	\$ 5,378	\$ 4,645	\$ 4,358	\$ 392	\$ 502	\$ 409
Interest cost .....	12,917	12,393	12,537	1,404	1,488	1,390
Expected return on plan assets .....	(27,332)	(27,202)	(25,181)			
Amortization of transition asset .....	(592)	(597)	(624)			
Amortization of prior service cost .....	298	300	302	(138)	(108)	(108)
Recognized net actuarial (gains) losses .....	(3,794)	(4,745)	(3,914)	552	377	310
Settlement gain .....			(2,093)			
Curtailed loss (gain) .....		244	(285)			
Net periodic benefit (credit) cost .....	(13,125)	(14,962)	(14,900)	2,210	2,259	2,001

For measurement purposes, a 7.5% increase in the costs of covered health care benefits was assumed for the year 2002, decreasing by .5% for each successive year to 4% in 2009 and thereafter. A one-percentage-point change in assumed health care cost trend rates would have increased or decreased the other postretirement benefit obligations and current year plan expense by approximately \$1.0 million and \$100,000, respectively.

Expense for defined contribution pension plans was \$3,049,000 in 2002, \$2,739,000 in 2001, and \$2,619,000 in 2000.

The U.S. defined benefit pension plan owned 1,016,500 shares (market value \$32.8 million) at December 31, 2002 and 1,072,500 shares (market value \$43.1 million) at December 31, 2001 of the company's common stock. The pension plan received dividends of \$666,650 and \$601,200, respectively, on these shares.

#### Note 7 - Short-Term Debt

Short-term bank lines of credit amounted to \$18,664,000 of which \$9,568,000 was unused at December 31, 2002. Generally, these short-term lines of credit are renewable annually, and there are no significant commitment fees or compensating balance requirements. Short-term borrowings with banks, which exclude the current portion of long-term debt, were \$9,096,000 and \$2,167,000 at December 31, 2002 and 2001, respectively. The average month-end balance of total short-term borrowings during 2002 was \$3,100,000 while the maximum month-end balance of \$9,096,000 occurred at December 31, 2002. The average interest rate during 2002 was approximately 6% based upon total short-term interest expense divided by the average month-end balance outstanding, and 3% at year-end.

#### Note 8 - Leases

The company leases office space, manufacturing and warehouse facilities, automobiles and other equipment under operating lease arrangements. Rent expense was \$6,879,000 in 2002, \$6,020,000 in 2001, and \$5,917,000 in 2000. Minimum rental commitments under noncancelable leases are \$2,583,000 in 2003, \$1,903,000 in 2004, \$1,293,000 in 2005, \$835,000 in 2006, \$645,000 in 2007, and \$2,249,000 after 2007.

#### Note 9 - Earnings per Share

Basic earnings per share is computed on the weighted average number of common 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.

(In thousands)

2002	2001	2000
------	------	------

Net income from continuing operations .....	\$31,213	\$25,851	\$18,888
Preferred stock dividends .....	(47)	(48)	(49)
Income available to common shareholders ...	31,166	25,803	18,839
Basic shares outstanding .....	12,171	11,910	12,301
Stock options .....	124	169	55
Diluted shares outstanding .....	12,295	12,079	12,356
Antidilutive stock options .....	184	0	18

Notes to Consolidated Financial Statements

Note 10 - Accounts Receivable Securitization

The company has securitization agreements with Mine Safety Funding Corporation (MFS) under which the company sells MSF, on a continuous basis, an undivided interest in eligible trade accounts receivable generated by the company, while maintaining a subordinated interest in a portion of the receivables. MSF is an unconsolidated wholly-owned, bankruptcy-remote subsidiary of the company. Financial assets, net of retained interests, are removed from the balance sheet when the assets are sold and control is surrendered. The company services the sold receivables for MSF at market rates and, accordingly, no servicing asset or liability has been recorded. MSF and the company have also entered into securitization agreements with financial institutions under which MSF may sell up to \$30 million of accounts receivable to a multi-seller asset-backed commercial paper issuer.

At December 31, 2002, accounts receivable of \$66.2 million were owned by MSF. 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 company incurred net costs associated with the securitization facility of \$2.1 million in 2002, representing the discount loss on the sale of the receivables, partially offset by related servicing income and dividends received from MSF. The net cost includes \$884,000 in bad debt expense borne by MSF during 2002.

At December 31, 2001, accounts receivable of \$65.0 million were owned by MSF. The company held a subordinated interest in these receivables of \$39.3 million, of which \$38.3 million is classified as other receivables. Net proceeds to the company from the securitization arrangement were \$25.0 million at December 31, 2001. The company incurred net costs associated with the securitization facility of \$2.3 million in 2001, representing the discount loss on the sale of the receivables, partially offset by related servicing income and dividends received from MSF. The net cost includes \$598,000 in bad debt expense borne by MSF during 2001.

The key economic assumptions used to measure the retained interest at December 31, 2002 were a discount rate of 3.7% and an estimated life of 2.5 months. At December 31, 2002, an adverse change in the discount rate or estimated life of 10% and 20% would reduce the fair value of the retained interest by \$51,000 and \$102,000, 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.

Note 11 - Inventories

	(In thousands)	
	2002	2001
Finished products .....	\$28,964	\$30,375
Work in process .....	14,936	12,099
Raw materials and supplies .....	32,848	35,400
Total inventories .....	76,748	77,874
Excess of FIFO costs over LIFO costs ....	39,431	38,059

Inventories stated on the LIFO basis represent 38%, 52%, and 45% of the total inventories at December 31, 2002, 2001, and 2000, respectively.

Reductions in certain inventory quantities during 2002 and 2000 resulted in liquidations of LIFO inventory quantities carried at lower costs prevailing in prior years. The effect of these liquidations reduced cost of sales by \$387,000 in 2002 and \$1,920,000 in 2000, and increased net income by \$235,000 (\$.02 per share) and \$1,171,000 (\$.10 per share), respectively.

Note 12 - Long-Term Debt

	(In thousands)	
	2002	2001
U.S.		
Industrial development debt issues payable through 2022, 1.6% .....	\$10,750	\$10,750
Series B Senior Notes payable through 2006, 7.69% .....	16,000	20,000
Senior Notes payable through 2012, 8.39% .....	40,000	40,000
Other .....	200	38
International		
Various notes payable through 2007,		

4.9% to 9.5% .....	2,364	868
	-----	-----
Total .....	69,314	71,656
Amounts due within one year .....	4,964	4,275
	-----	-----
Long-term debt .....	64,350	67,381
	-----	-----

Approximate maturities of these obligations over the next five years are \$4,964,000 in 2003, \$4,679,000 in 2004, \$4,557,000 in 2005, \$8,140,000 in 2006, and \$87,000, in 2007. Some debt agreements require the company to maintain certain financial ratios and minimum net worth and contain restrictions on the total amount of debt.

Note 13 - Research and Development Expense

Research and development expense was \$20,372,000 in 2002, \$16,740,000 in 2001, and \$15,988,000 in 2000.

Note 14 - Other Income

	(In thousands)		
	2002	2001	2000
	-----	-----	-----
Interest .....	\$ 953	\$1,183	\$1,243
Rent .....	710	739	957
Dividends .....	725	625	555
Dispositions of assets ...	(864)	(136)	(528)
Other, net .....	747	365	217
	-----	-----	-----
Total .....	2,271	2,776	2,444
	-----	-----	-----

Note 15 - Goodwill and Intangible Assets

During 2002, the company adopted FAS No. 142, Goodwill and Other Intangible Assets. Under this standard, goodwill and other intangible assets with indefinite lives are not amortized, but are subject to impairment tests that must be performed at least annually. Transitional impairment tests performed as of January 1, 2002 indicated that no goodwill impairment existed and as a result the company did not recognize a transitional impairment loss. Annual goodwill impairment tests performed during the fourth quarter also indicated that no goodwill impairment existed and as a result the company has not recognized an impairment loss.

The effects of adopting the non-amortization provisions of FAS 142 on net income from continuing operations and basic earnings per share were as follows:

	(In thousands, except per share amounts)		
	2002	2001	2000
Reported net income from continuing operations ..	\$31,213	\$25,851	\$18,888
Goodwill amortization, net of tax .....		1,365	964
Adjusted net income from continuing operations ..	31,213	27,216	19,852
Basic earnings per share:			
Reported net income from continuing operations ..	\$ 2.56	\$ 2.17	\$ 1.54
Goodwill amortization, net of tax .....		.11	.07
Adjusted net income from continuing operations ..	2.56	2.28	1.61

Intangible assets include non-compete agreements that will be fully amortized in 2003 and patents that will be fully amortized in 2005. These items are included in other noncurrent assets. At December 31, 2002, intangible assets totaled \$171,000, net of accumulated amortization of \$1.0 million. Intangible asset amortization expense is expected to be \$115,000 in 2003, \$52,000 in 2004, and \$4,000 in 2005.

Changes in goodwill and intangible assets, net of accumulated amortization during the year ended December 31, 2002 were as follows:

	(In thousands)	
	Goodwill	Intangibles
Net balances at January 1, 2002	\$33,722	\$ 526
Goodwill acquired	7,863	
Amortization expense		(355)
Currency translation and other	1,378	
Net balances at December 31, 2002	42,963	171

There are no goodwill or intangible assets related to discontinued operations.

Note 16 - Acquisitions

On April 30, 2002, the company acquired CGF Gallet of Lyon, France. Gallet is 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's results of operations have been included in the company's consolidated financial statements from the acquisition date.

The aggregate purchase price was \$16.6 million of cash and includes amounts paid to the previous owners and other direct external costs associated with the acquisition. The acquisition was recorded using the purchase method of accounting and, accordingly, the purchase price was allocated to assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The following table summarizes the estimated fair values of the Gallet assets acquired and the liabilities assumed at the date of acquisition:

(In thousands)	April 30 2002
Current assets .....	\$17,427
Property .....	5,800
Goodwill .....	7,863
Total assets acquired .....	31,090
Current liabilities .....	11,093
Long term debt .....	3,016
Other liabilities .....	349

Total liabilities assumed ..	----- 14,458 -----
Net assets acquired .....	----- 16,632 -----

Goodwill related to the Gallet acquisition, which is primarily included in the European operating segment, is not expected to be deductible for tax purposes.

On February 1, 2001, the company acquired Surety Manufacturing and Testing, Ltd. (Surety), a leading provider of fall protection equipment and rescue systems. The acquisition was recorded using the purchase method of accounting. The purchase price of \$7.1 million was allocated to assets acquired and liabilities assumed based on estimated fair values and included \$5.6 million in goodwill, which is included in the North American operating segment.

During 2000, the company acquired ISI Group, Inc. (ISIG) and CairnsHELMETS (Cairns). The acquisitions were recorded using the purchase method of accounting. The aggregate purchase price of \$29.7 million was allocated to assets acquired and liabilities assumed based on estimated fair values and included \$24.9 million in goodwill, which is included in the North American operating segment.

The results of operations of Surety, ISIG, and Cairns are included in the financial statements from their respective acquisition dates. Goodwill associated with acquisitions completed after June 30, 2001 has not been amortized.

The following unaudited pro forma summary presents the company's consolidated results as if the acquisitions had occurred at the beginning of 2000. 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.

(In thousands, except earnings per share)

	----- 2002 -----	2001 -----	2000 -----
Net sales .....	\$578,252	\$535,317	\$511,941
Net income from continuing operations ..	32,189	26,559	18,588
Basic earnings per share .....	2.64	2.23	1.51

## Notes to Consolidated Financial Statements

## Note 17 - Discontinued Operations

In November 2002, the company announced its decision to explore strategic options, including the sale, of the Callery Chemical Division. 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. Current discussions with potential purchasers could result in the division being sold for a gain during 2003.

The results of the Callery Chemical Division, as summarized below, have been classified as discontinued operations for all periods presented. The results for 2002 include \$42,000 of expenses directly related to disposal activities.

	(In thousands)		
	2002	2001	2000
Net sales .....	\$29,473	\$33,120	\$32,060
Income before income taxes .....	6,147	9,282	6,631
Provision for income taxes .....	2,283	3,502	2,280
Net income from discontinued operations ..	3,864	5,780	4,351

At December 31, 2002, net assets of Callery Chemical Division classified as held for sale consisted of the following:

(In thousands)	
Accounts receivable and other current assets ..	\$ 7,983
Inventory .....	7,705
Property, net .....	29,374
Net assets held for sale .....	45,062

## Note 18 - Contingencies

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.

## Note 19 - Quarterly Financial Information (Unaudited)

(In thousands, except earnings per share)	2002				
	Quarters				
	1st	2nd	3rd	4th	Year
Net sales .....	\$128,058	\$141,862	\$143,398	\$151,108	\$564,426
Gross profit .....	50,271	51,896	53,000	57,222	212,839
Net income from continuing operations ....	7,724	7,897	5,323	10,269	31,213
Net income from discontinued operations ..	260	1,587	470	1,547	3,864
Net income .....	7,984	9,484	5,793	11,816	35,077
Basic earnings per share:					
Continuing operations .....	.64	.65	.44	.84	2.56
Discontinued operations .....	.02	.13	.03	.13	.32
Total .....	.66	.78	.47	.97	2.88
Diluted earnings per share:					
Continuing operations .....	.63	.64	.43	.83	2.54
Discontinued operations .....	.02	.13	.04	.13	.31
Total .....	.65	.77	.47	.96	2.85

(In thousands, except earnings per share)	2001				
	Quarters				
	1st	2nd	3rd	4th	Year
Net sales .....	\$124,839	\$126,179	\$131,101	\$127,617	\$509,736
Gross profit .....	48,809	47,922	50,746	52,579	200,056
Net income from continuing operations ....	6,195	5,577	7,303	6,776	25,851
Net income from discontinued operations ..	1,652	1,397	490	2,241	5,780

Net income .....	7,847	6,974	7,793	9,017	31,631
Basic earnings per share:					
Continuing operations .....	.52	.47	.61	.56	2.17
Discontinued operations .....	.14	.12	.04	.19	.48
	-----	-----	-----	-----	-----
Total .....	.66	.59	.65	.75	2.65
Diluted earnings per share:					
Continuing operations .....	.52	.46	.60	.55	2.13
Discontinued operations .....	.14	.12	.04	.18	.48
	-----	-----	-----	-----	-----
Total .....	.66	.58	.64	.73	2.61

Summary of Selected Financial Data

(In thousands, except as noted)

	2002	2001	2000	1999	1998
<b>Summary of Operations</b>					
Net sales	\$564,426	\$509,736	\$468,307	\$462,166	\$460,973
Other income	2,271	2,776	2,444	3,619	6,354
Cost of products sold (see note a below)	351,587	309,680	293,960	297,922	291,347
Selling, general and administrative (see note a below)	140,924	130,092	124,840	131,281	135,627
Depreciation and amortization	21,525	22,590	20,936	20,550	19,912
Interest expense	4,769	5,349	4,040	3,916	3,017
Currency exchange (gains) losses	(191)	1,197	(444)	(694)	315
Provision for income taxes	16,870	17,753	8,531	3,098	5,885
Net income from continuing operations	31,213	25,851	18,888	9,712	11,224
Net income from discontinued operations	3,864	5,780	4,351	6,614	7,051
Change in reporting period, net of tax (see note b below)				(1,192)	
Net Income	35,077	31,631	23,239	15,134	18,275
Basic per common share continuing operations (in dollars)	2.56	2.17	1.54	.65	.84
Diluted per common share continuing operations (in dollars)	2.54	2.13	1.53	.65	.84
Dividends paid per common share (in dollars)	.65	.54	.47	.44	.44
Weighted average number of common shares outstanding--basic	12,171	11,910	12,301	12,972	13,290
<b>Year-End Position</b>					
Working capital (see note c below)	\$138,182	\$135,186	\$114,175	\$123,085	\$119,203
Working capital ratio (see note c below)	2.4	2.6	2.3	2.5	2.1
Net property	125,605	151,661	159,586	163,509	164,561
Total assets	579,765	520,698	489,683	451,741	457,721
Long-term debt	64,350	67,381	71,806	36,550	11,919
Common shareholders' equity	288,009	252,451	225,382	241,374	241,743
Equity per common share (in dollars)	23.59	20.86	19.06	18.75	18.40
Market capitalization	393,677	485,844	297,169	274,624	310,904
	\$ 13,125	\$ 14,962	\$ 14,900	\$ 10,175	\$ 10,344

Notes:

a. Noncash pension income, pre-tax

Cost of products sold and selling, general and administrative expenses include noncash pension income.

b. In 1999, the fiscal year end for certain international affiliates was changed from November 30th to December 31st. The after-tax effect of the change in reporting period is included in the 1999 income statement as a change in accounting principle.

c. Working capital at December 31, 2002 excludes assets held for sale.

## MINE SAFETY APPLIANCES COMPANY

The registrant's present affiliates include the following:

Name	State or Other Jurisdiction of Incorporation
Compania MSA de Argentina S.A.	Argentina
MSA (Aust.) Pty. Limited	Australia
MSA-Auer Sicherheitstechnik Vertriebs GmbH	Austria
MSA Export Limited	Barbados
MSA Belgium NV	Belgium
MSA do Brasil Ltda.	Brazil
MSA Canada	Canada
MSA de Chile Ltda.	Chile
Wuxi-MSA Safety Equipment Co. Ltd.	China
Rose Manufacturing Company	Colorado
MSA International, Inc.	Delaware
MSA de France	France
MSA Gallet	France
MSA Auer	Germany
MSA Europe	Germany
MSA-Auer Hungaria Safety Technology	Hungary
MSA Italiana S.p.A.	Italy
MSA Japan Ltd.	Japan
MSA de Mexico, S.A. de C.V.	Mexico
MSA Nederland, B.V.	Netherlands
MSA del Peru S.A.C.	Peru
MSA-Auer Polska Sp. z o.o.	Poland
MSA (Britain) Limited	Scotland
MSA S.E. Asia Pte. Ltd.	Singapore
MSA Africa (Pty.) Ltd.	South Africa
MSA Espanola S.A.	Spain
MSA Nordic	Sweden
Aritron Instrument A.G.	Switzerland
MSA Zimbabwe (Pvt.) Limited	Zimbabwe

The above-mentioned affiliated companies are included in the consolidated financial statements of the registrant filed as part of this annual report. The names of certain other affiliates, which considered in the aggregate as a single affiliate would not constitute a significant affiliate, have been omitted.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-22284), the Registration Statement of Form S-8 (No. 33-43696) and the Registration Statement on Form S-8 (No. 333-51983) of Mine Safety Appliances Company of our report dated February 21, 2003 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 21, 2003 relating to the Financial Statement Schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania  
March 28, 2003

Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Mine Safety Appliances Company (the "Company"), hereby certifies, to the best of his knowledge, that the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (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: March 28, 2003

/s/ John T. Ryan III  
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Name: John T. Ryan III  
Title: Chief Executive Officer

This certification is furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. A signed original of this written statement required by 18 U.S.C. (S) 1350 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.

Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Mine Safety Appliances Company (the "Company"), hereby certifies, to the best of his knowledge, that the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (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: March 28, 2003

/s/ Dennis L. Zeitler  
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Name: Dennis L. Zeitler  
Title: Chief Financial Officer

This certification is furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. A signed original of this written statement required by 18 U.S.C. (S) 1350 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.