

CYBEX INTERNATIONAL, INC.

Policy Regarding Confidentiality of Inside Information and Prohibition on Insider Trading (Revised October 2002)

Set forth below is the Company's Policy Regarding Confidentiality of Inside Information and Prohibition on Insider Trading. Questions regarding any aspect of this Policy should be directed to the Chief Executive Officer, the Chief Financial Officer or the Controller (each a "Designated Official").

I. Confidentiality of Inside Information

All directors, officers and employees must maintain inside information about the Company in strict confidence and refrain from communicating such information, even within the Company, to any person unless the person has a need to know the information for legitimate, Company-related reasons. A person who discloses material inside information to another person can be held liable under the anti-fraud provisions of the Securities Exchange Act of 1934 if that other person uses that information to trade in the securities. The concept of material inside (or non-public) information is discussed in greater detail below under "Prohibition on Insider Trading."

No person should discuss non-public information in public places where it is possible that the information can be overheard, such as in elevators, restaurants and public transportation. If anyone becomes aware of a leak of non-public information, whether inadvertent or otherwise, the person should report it immediately to the Designated Official. In addition, if you have any questions as to whether information constitutes material inside information, you should consult with the Designated Official.

II. Prohibition on Insider Trading

A. Insider Trading Policy

Prohibition. It is the Company's policy that no director, officer or employee, regardless of position within the Company, may purchase or sell the Company's securities while in the possession of material inside information concerning the Company. The Insider Trading and Securities Fraud Enforcement Act of 1988 and the anti-fraud and other provisions of the federal securities laws generally prohibit the misuse of material non-public information and impose civil and criminal liability against persons who engage in such activities. The federal securities laws prohibit persons from trading while in the possession of material non-public information and from passing on or "tipping" such information to others who may trade in, or recommend the purchase or sale of, securities to which such information relates. These prohibitions apply, and penalties may be imposed, whether or not the person derives any benefit from the trading. The same restrictions apply to the person's family members and other persons

sharing the person's home. It is the Company's policy that each director, officer and employee is responsible for the compliance of such persons. In connection with transactions pursuant to which material non-public information concerning the Company will be provided to a third party, it may be necessary to obtain the commitment of such party to refrain from trading in the Company's securities until such information has become public. When in doubt about whether to obtain such a commitment prior to disclosing such information, you should consult with the Designated Official.

Material Information. Information is considered material if a reasonable investor would consider it important in making an investment decision. As a practical matter, information is likely to be deemed material if its disclosure would affect the market price of the Company's securities. Examples of information which would likely be found to be material include annual or quarterly financial results; proposals, plans or agreements involving mergers, acquisitions or dispositions; significant changes in management; changes in debt ratings; significant changes in the Company's business plans; significant litigation; projected earnings or losses; defaults on outstanding indebtedness; potential purchases of Company securities; and unusual gains or losses in major operations. When in doubt about whether information is material, exercise caution and assume that such information is material unless advised to the contrary by the Designated Official.

There may often be material non-public information within the Company that is not yet ripe for public disclosure. For example, during the early stages of discussions regarding a significant acquisition or disposition, the information about the discussions may be too tentative or premature to require, or even permit, public announcement by the Company. On the other hand, the information may be highly material with the result that individuals with access to the information are themselves precluded from trading in the Company's securities. Whenever any doubt exists, the presumption should be against trading in the Company's securities by any director or employee with access to the information until public disclosure has been made.

Information about Third Parties. In addition to information concerning the Company, the foregoing principles and Company policy also apply to inside information you may obtain in the course of your service as a director, officer or employee of the Company about another public corporation, such as a customer or a corporation with which the Company is involved in a transaction. Thus, if any Company director or employee obtains material non-public information about another public company, that person should refrain from trading in the securities of such other company until such information has been publicly disseminated.

Waiting Period. Information is deemed non-public until it has been disseminated in a manner making it available to investors generally. In general, if the information is published by means of the wire services, The Wall Street Journal or The New York Times, it will satisfy the public dissemination requirement. Public dissemination usually contemplates some period of delay after release of the information in order for outside investors to evaluate the news. Generally, information regarding simple matters, such as earnings results, will be deemed to have been adequately disseminated and absorbed by the marketplace by the third business day after its release. When more complex matters, such as a prospective acquisition or disposition, are announced, it may be necessary to allow additional time for the information to be evaluated

by investors. In such cases, if you desire to trade the Company's securities, you should consult with the Designated Official regarding a suitable waiting period before trading.

Any person who has any questions about the Company's policy in this area should consult the Designated Official. However, the ultimate responsibility for compliance with the Company's policy, as well as with applicable law, and avoiding insider trading rests with you.

B. Permitted Trading Window

There are certain periods throughout the year, particularly prior to earnings announcements, in which it is inappropriate for management to buy or sell Company stock. Therefore, as a matter of policy, the Company has established a window period following earnings releases when buying and selling the Company's stock by directors, officers and management personnel will be permitted. No purchase or sale of the Company stock by directors, officers and management personnel is permitted during the period that the window is closed.

This window period will open on the third business day following the release and publication of the earnings release, to allow the public to absorb the information, and will end two weeks prior to the end of the next quarter. However, even during this window period, trading should not take place if the insider is in possession of material nonpublic information. When in doubt about whether information is material, exercise caution and assume that such information is material unless advised to the contrary by the Designated Official. In addition, under the Sarbanes-Oxley Act of 2002, directors and executive officers may not trade in Company stock during certain defined "black out periods" under the Company retirement plans; trades by such individuals are also subject to the pre-clearance procedures described below.

C. Pre-Clearance Procedures for Executive Officers and Directors

In addition to the above requirements, to ensure compliance with the accelerated reporting requirements of Section 16 of the Securities Exchange Act of 1934 imposed by the Sarbanes-Oxley Act of 2002, and to help prevent, in advance, any inadvertent violations of the federal securities laws, the Company also requires that any executive officer, director or other person subject to the reporting requirements of Section 16 (a "Section 16 filer"), and all other persons for whom a Section 16 filer is responsible (including all family members and others in the filer's household, and trusts and other entities in which the filer has a reportable pecuniary interest), first obtain pre-clearance from a Designated Official of any transaction involving the Company's securities (including a stock plan transaction such as an option exercise, a gift, a loan or pledge or hedge, a contribution to a trust or any other transfer), before engaging in the transaction. A request for pre-clearance must be submitted to a Designated Official at least two days in advance of any proposed transaction which would result in a change in beneficial ownership of the Company's securities. A Designated Official will then determine whether the transaction may proceed and, if so, assist in complying with the Section 16 reporting requirements.

In addition, the Company now requires that a Section 16 filer and its broker sign a Broker Instruction/Representation which imposes certain requirements on a broker which handles transactions in the Company's securities on behalf of a Section 16 filer.

While the above pre-clearance requirements are mandatory solely for executive officers, directors and other Section 16 filers, other employees may voluntarily seek pre-clearance of a transaction, and are encouraged to do so.

D. *Penalties and Sanctions*

Persons who violate the insider trading prohibitions contained in the federal securities laws are subject to potential civil damages and criminal penalties. The civil damages can consist of disgorgement of profits and a fine of up to three times the profit gained or loss avoided. The criminal penalties can be as much as \$1,000,000 for an individual and 10 years imprisonment for each violation. In addition, under the Insider Trading and Securities Fraud Enforcement Act of 1988, the Securities and Exchange Commission (the "SEC") can seek a civil penalty against a company and, possibly, directors and supervisory personnel as "controlling persons," who fails to take appropriate steps to prevent illegal trading. Although the act does not define controlling person, the legislative history suggests that directors, officers and certain managerial personnel could be deemed controlling persons who would be subject to liability if they knew of, or recklessly disregarded, a likely insider trading violation by a person under his control.

In addition to the imposition of civil damages and criminal penalties, any appearance of impropriety could damage the Company's reputation for integrity and ethical conduct and impair investor confidence in the Company.

If a person violates the Company's policy, Company-imposed sanctions, including dismissal for cause, could result. Even if the SEC does not prosecute a case, involvement in an investigation (by the SEC or the Company) can tarnish the person's reputation and damage the person's career.