



Point Blank Solutions, Inc

Ethics Line Policy

ETHICS LINE POLICY

1. PURPOSE

1.1 In order to strengthen its internal controls and to comply with Sarbanes-Oxley (SOX) requirements regarding whistleblower communication, Point Blank Solutions, Inc. (PBSI, or the Company) established a system through which employees and stakeholders (including, among others its agents, suppliers, vendors, customers, creditors and investors) of the Company can report activity that they reasonably consider to be illegal, dishonest, unethical, or in violation of PBSI's Code of Business Conduct, without fear of retaliation or retribution.

1.2 PBSI recognizes that an open line of communication for reporting illegal, dishonest, and unethical behavior is essential to the successful implementation of its compliance programs and can result in the reduction of potential fraud, waste and abuse.

1.3 PBSI has established an external hotline, the "Ethics Line" that encourages and enables employees and stakeholders to report concerns on a confidential basis. The Ethics Line does not replace any existing reporting mechanism for employees or communication mechanism for stakeholders, and instead provides an independent reporting path that cannot be diverted by supervisors or other personnel with the option of anonymity.

2. REPORTING

2.1 It is PBSI's policy to take all reports seriously and take appropriate action based on the severity level of the issue reported. Any violation of this policy will result in Administrative disciplinary action or immediate discharge. Any Company associate having knowledge of any violation of the policy shall promptly report such violation to the appropriate level of management.

2.2 Any "whistleblower" (defined as any PBSI employee or stakeholder who is reporting illegal, dishonest, or unethical behavior), who in good faith believes that acts or practices which are illegal, dishonest, unethical, or in violation of PBSI's Code of Business Conduct have occurred, should report such acts or practices through their supervisor (Senior Vice President level or higher) or through the Ethics Line.

2.3 Employees and stakeholders may also directly report an issue in person to PBSI's General Counsel (GC). In the absence of a GC, the Vice President, Human Resources will assume his or her role. The current Vice President, Human Resources is Lisa Taylor. Her e-mail is ltaylor@pbsinc.com and her phone number is 954-630-0900 ext. 224. Her office is located at 2102 SW 2nd Street, Pompano Beach, FL 33069.

3. ETHICS LINE

3.1 PBSI will maintain a telephone hotline, the Ethics Line, to assist whistleblowers to report on conduct or acts and practices, which are illegal, dishonest, unethical or violate PBSI's Code of Business Conduct.

3.2 The Ethics Line is operated 24 hours a day, 365 days a year. The number is toll free (866) 559-5628 when calling from the US and Canada. Callers outside of the US and Canada will have to dial their country-specific direct access code and then the hotline number to file a report. Reports can also be filed online at: <https://www.compliance-helpline.com/PBSI.jsp>

3.3 Employees and stakeholders will be advised of the Ethics Line phone number and the purpose of the reporting system periodically through a variety of communication channels such as paycheck inserts, newsletters, posters and posting of the Ethics Line Policy on the Company's website.

3.4 Reports received through the Ethics Line will be communicated by the service provider "Global Compliance" to the GC within 24 hours of their receipt, or, in the absence of the GC, his/her designee.

3.5 Reports involving immediate danger to life, property, or the environment, however, will be immediately (within an hour) communicated to the GC or, in that person's absence, his/her designee.

4. PROCEDURES

4.1 Calls to the Ethics Line will be obtained in a secure manner by Global Compliance. Calls are not traced through caller ID. The following information at a minimum will be obtained: name or location of the facility where the issue is occurring, date of the call, any relevant information concerning the allegations, name of caller (unless anonymous), contact phone number for caller (unless anonymous).

4.2 Callers will be provided a report number and pin number to reference and a call back date scheduled based on the call's priority level.

4.3 The GC will review the report and determine if additional information is necessary for investigation. If more information is required, efforts will be made to obtain such information. A whistleblower should call the Ethics Line on or after the scheduled 'call back' date to see if there is information on the case or additional questions from the company. Global Compliance can provide feedback to whistleblowers and anonymous callers should check back with the Ethics Line for potential additional questions or resolution details to reported concerns. Unless the necessary information is provided for an investigation, the case may be closed.

4.4 When an investigation is necessary, the GC should determine the appropriate course for the investigation, interview appropriate personnel, and review documents.

4.5 The investigative process and results of the review or investigation should be documented by the GC and Global Compliance through the case management system "IntegriLink" offered by Global Compliance. This documentation will be confidential and accessed only by the GC and designated Ethics Line program managers.

4.6 All records including initial reports and information tracked on IntegriLink can be downloaded and backed up to a secure PBSI storage facility, and should be done periodically. Global Compliance can and will keep all reports in the IntegriLink system, indefinitely, unless otherwise instructed by the Company.

4.7 Upon concluding the investigation the GC (solely or in collaboration with other departments, Company Executives, or outside counsel) will determine what disciplinary and/or corrective action should be taken, which can involve internal and external channels and can include reprimand, new policy creation, termination, prosecution, restitution, or other action as needed. Once this action is taken the case may be closed. As needed, the GC can monitor the implementation of disciplinary or corrective action.

5. INVESTIGATION AND FOLLOW UP

5.1 All reports received by or communicated to the GC shall be evaluated within a reasonable time and action taken will be documented and tracked.

5.2 The GC shall take action, commensurate with the gravity in nature of the allegations, to determine if the allegations are legitimate, require additional investigation, what other departments or individuals need to be involved with the investigation and resolution, what remedial action should be taken or recommended to the Chief Executive Officer and/or the Board of Directors, and what steps should be taken to prevent further similar acts, practices, or conduct.

5.3 The GC may refer reports received from the Ethics Line to relevant department heads, PBSI's outside legal counsel, or other parties as needed for evaluation and investigative management. The GC will not involve anyone named in the report in the investigation and review process.

5.4 In the event that the GC is named in the report, the Ethics Line service provider will send the report to the Chief Executive Officer of the company. If the GC and Chief Executive Officer are named in the report, the Ethics Line service provider will send the report to the Chairman of the Audit Committee of the Company's Board of Directors.

5.5 The GC will send periodic reports to the Audit Committee of the Board of Directors and the Chief Executive Officer on activities of the Ethics Line, including results of reports received through the Ethics Line.

6. GOOD FAITH REPORTING

6.1 Reports by employees and stakeholders should be made in good faith. "Good Faith" means that the reporting party reasonably believes or has reasonable cause to believe that acts or conduct have taken place that are illegal, unethical dishonest, or violate the Company's Code of Business Conduct.

6.2 There shall be no retaliation or retribution by the Company against any whistleblower whose reports are made in good faith. However, whistleblowers whose reports are not made in good faith may be subject to disciplinary action.

6.3 PBSI will not retaliate against any whistleblower acting in good faith. Any whistleblower who believes he or she is being retaliated against must contact the GC immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged, investigated and verified.

7. ANONYMITY AND CONFIDENTIALITY

7.1 All Ethics Line cases will be handled in a manner which safeguards the privacy of the whistleblower to the full extent of the law. Whistleblowers will have the option to remain anonymous when making a report and steps will be taken to protect their identity (see procedures section).

7.2 Insofar as possible, the confidentiality of the whistleblower will be maintained. However, a whistleblower's identity (if known) may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense.

7.3 Even if a whistleblower chooses to identify himself or herself, confidentiality with respect to the individual and the investigation will be kept. This means, that the investigation and the key facts (including identity, if known) will be kept in strict confidence and made aware to only those who need to know, due to their involvement in the investigation.

7.4 PBSI cannot guarantee total confidentiality. The identity of a reporting individual may become public due to circumstances beyond PBSI's control. For instance, there may be litigation and other legal demands that may require the GC or other PBSI personnel working on the matter to provide critical facts including the identity of the person (if known) reporting the issue. Further, despite controls and protections in place, mishaps can still occur and there is the potential speculation and gossip that can occur during an investigation, especially following interviews of individuals.

8. ADMINISTRATION AND INTERPRETATIONS

8.1 The hotline is publicized throughout the organization with information on the purpose of the hotline and how it operates.

8.2 Additional information or questions regarding this policy and the Ethics Line may be addressed to the GC.

8.3 All documents relating to reports and any actions, investigations and recommendations based on such reports, whether in hard copy or electronic format, in whatever medium, disks, tapes, etc. will be kept in a secure place and safeguarded from unauthorized access at all times by the Ethics Line service provider and the GC.