

**POINT BLANK SOLUTIONS, INC.**  
**RELATED PARTY TRANSACTIONS POLICY**

The Board of Directors of Point Blank Solutions, Inc. (the Company"), acting upon the recommendation of its Audit (the "Committee"), has adopted the following policy and procedures with regard to Related Party Transactions (as defined below) (the "Policy").

**Purpose.** Point Blank Solutions, Inc. prohibits all conflicts of interest unless they have been approved by the Committee. Specifically, all conflicts of interest must be submitted to the Audit Committee unless the transaction involves a member of the Audit Committee or the Audit Committee itself. In such a case, the transaction must be submitted to the Chairman of the Board. The Audit Committee or, in transactions involving the Audit Committee, the Chairperson of the Board, must report their recommendation for approval by the Board of Directors. This policy applies to all employees and directors of the Company, our subsidiaries and certain persons and/or entities, performing services for the Company. A conflict of interest arises when an individual's personal interests, or those of an immediate family member, improperly interfere, or appear to interfere, with the interests of the Company. In addition, pursuant to Item 404 of the U.S. Securities and Exchange Commission's Regulation S-K, we must disclose certain transactions between the Company and certain related persons in our filings with the SEC. Also, under Section 144 of the Delaware General Corporation Law, certain transactions between the Company and our directors and officers may need to be approved by the Committee. Further, the Company is obligated to put forth best efforts to become listed on a stock exchange. Certain stock exchange standards require the Committee to assess whether transactions or relationships exist that may impair the independence of our outside directors. This independence determination is made by the Committee taking into consideration all relevant factors. Finally, the rules of the SEC require disclosure of our policies concerning Related Party Transactions.

**Policy.** All Related Party Transactions are prohibited, unless approved or ratified by the Committee in accordance with this Policy. Executive officers and directors of the Company must seek approval in accordance with the procedures set forth below prior to entering into any transaction or establishing any relationship that they reasonably believe may possibly constitute a Related Party Transaction. In addition, in order to ensure that all Related Party Transactions are properly approved, all employees of the Company or any of its subsidiaries or affiliates must determine that approval has been obtained in accordance with the procedures discussed below, prior to entering into a transaction or establishing a relationship that they reasonably believe may possibly constitute a Related Party Transaction.

Any Related Party Transaction for which approval has not been obtained or for which approval has been denied shall be voided, terminated or amended, or such other actions shall be taken, in each case as determined by the Legal Department and the Committee, as applicable, so as to avoid or otherwise address any resulting conflict of interest.

**Identification of Potential Related Party Transactions.** Related Party Transactions may be brought to the attention of management, the Board or the Committee in a number of ways. As a general matter, pursuant to our Code of Business Conduct (the "Code"), any employee or director who is aware of a conflict of interest is instructed to disclose the matter promptly to a manager and the Legal Department. In addition, on an annual basis, each of our directors and executive officers complete a questionnaire that is designed to elicit information about any potential Related Party Transactions and are also instructed and periodically reminded of their obligation to inform our Legal Department of every proposed transaction or relationship that they reasonably believe may possibly constitute a Related Party Transaction. Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself and abstain from voting on the approval of the Related Party Transaction, but may, if so requested by the Chairperson of the Board or Chairperson of the Committee, participate in some or all of the Board or Committee discussions of the Related Party Transaction.

**Definition.** The definition of a "Related Party Transaction" includes the following:

Any transaction or relationship, directly or indirectly, involving any Related Party that would need to be disclosed under Item 404(a) of Regulation S-K. Under Item 404(a), the Company is required to disclose any transaction occurring since the beginning of the registrant's last fiscal year, or any currently proposed transaction, involving the company where the amount involved exceeds \$120,000, and in which any related person had or will have a direct or indirect material interest. "Related Party" means a director (which term includes any director nominee), an executive officer, a person known by the Company to be a beneficial owner of more than 5% of the Company's common stock (a "5% stockholder") or a person known by the Company to be an immediate family member of any of the foregoing.

Any transaction or relationship involving a director or a director's immediate family member that is not deemed to be immaterial under the independence requirements set forth in our Corporate Governance Principles and Policies as then in effect.

Any contract, plan or arrangement involving a director, executive officer or 5% stockholder that would need to be disclosed in a Form 8-K filing.

Any material amendment or modification to an existing Related Party Transaction.

Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions:

Indemnification payments made pursuant to the Company's Certificate of Incorporation or By-laws or pursuant to any agreement or instrument.

Any transaction that involves the providing of compensation to a director or executive officer for his or her services in that capacity.

Any transaction in which the aggregate amount involved is expected to be less than \$120,000.

Any transaction between the Company and any entity in which a Related Party has a relationship solely as an employee (other than an executive officer), director or beneficial owner of less than 5% of such entity's equity, if the aggregate amount involved does not exceed the greater of \$1 million or 2% of the other entity's total annual revenues.

Any transaction where the Related Party's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock receive the same benefit on a pro rata basis (e.g., dividends).

Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.

Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

**Review and Approval of Related Party Transactions.** Any potential Related Party Transactions that are brought to our attention are analyzed by the Legal Department, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

A Related Party Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, as long as the transaction is subsequently timely approved or ratified by the Committee. Approval or ratification of a Related Party Transaction in accordance with the procedures set forth in this Policy shall not constitute final approval of the Company's participation in the transaction in any case where, in accordance with the standard governance practices and procedures of the Company, the approval of the transaction by the Board of Directors, a Committee of the Board of Directors or an officer of the Company would be required; nor, in any such case, shall the prior approval by the Committee relieve the Related Party from providing to the Board of Directors, such Committee or such officer, as applicable, full disclosure of the material facts regarding the nature of the transaction and the related person's relationship to and interest in the transaction.

Any transactions or relationships that the Office of General Counsel deems to be Related Party Transactions shall be presented to the Committee for approval. Such presentation shall include the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the other party to the transaction did not involve a Related Party;

whether there are any compelling business reasons for the Company to enter into the Related Party Transaction;

whether the Related Party Transaction would impair the independence of an otherwise independent director; and

whether the Related Party Transaction would present an improper conflict of interest for any director or executive officer of the Company, taking into account the size of the transaction, the overall financial position of the director, executive officer or Related Party, the direct or indirect nature of the director's, executive officer's or Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

Any Related Party Transaction that is not reviewed in accordance with this Policy shall be voided, terminated or amended, or such other actions shall be taken, in each case as determined by the Committee, so as to avoid or otherwise address any resulting conflict of interest.

If the Committee or its Chairperson determines that a Related Party Transaction should be brought before the Board, or if the Board in any case otherwise elects to review any such matter, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.