

**NOTICE OF SETTLEMENT AND APPROVAL IN
PROTECTIVE PRODUCTS OF AMERICA INC. SECURITIES LITIGATION**

This notice is to all individuals and entities, wherever they may reside or be domiciled (other than Excluded Persons and the Opt-out Parties as defined below), who sold shares of Protective Products of America Inc. (“PPA”) between October 8, 2009 and January 13, 2010 (the “Class Period”) or who held shares of PPA at the end of the Class Period.

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS. YOU
MAY NEED TO TAKE PROMPT ACTION**

Please note: This is a summary notice, produced for publication purposes, announcing the settlement reached in this litigation and the date of the hearing for court approval of the settlement. A long-form notice, containing additional detail, and copies of the Global Settlement Agreement and Collateral Settlement Agreement, defined below, are available on Class Counsel’s website: <http://www.rochongenova.com>.

THE CLASS ACTION AND PROPOSED SETTLEMENT

In December 2010, the Plaintiffs commenced a proposed class proceeding against certain of PPA’s officers and directors (the “Defendants”) in the Ontario Superior Court of Justice (the “Court”), Court File No. CV-10-415821-CP00 (the “Action”). The Plaintiffs allege that, as a result of PPA’s non-disclosure of allegedly material information relating to a contract with the U.S. Army (the “IOTV Contract”), PPA’s shares traded at artificially deflated prices that did not reflect the positive value of material information from October 8, 2009 through January 13, 2010, the date of PPA’s bankruptcy filing (the “Class Period”). Therefore, the Plaintiffs and other Class Members sustained damages on any PPA shares they purchased on or before October 7, 2009 and which they later sold at artificially deflated prices during the Class Period, either through a voluntarily sale or, as alleged in the Action, through an involuntary “forced sale” which occurred upon PPA’s bankruptcy filing. The Defendants have denied the Plaintiffs’ allegations.

On April 24, 2013, with the consent of the Plaintiffs and the Defendants, the Court certified this proceeding as a class action. Pursuant to the Court’s certification order, class members who wished to opt-out of the Action were required to do so by September 1, 2013 (the “Opt-out Parties”).

On January 14, 2014 the parties to the Action and the parties to an action commenced in the U.S. Bankruptcy Court, Southern District of Florida also based, in part, on PPA’s non-disclosure of the IOTV Contract, executed a global settlement agreement (the “Global Settlement Agreement”). This settlement represents a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them. The parties to the Action also entered into an agreement for purposes of implementing the settlement provided under the Global Settlement Agreement (the “Collateral Settlement Agreement”). The Global Settlement Agreement and the Collateral Settlement Agreement (hereinafter, collectively the “Settlement”) are subject to the approval of the Court.

In consideration for full and final settlement of the claims of Class Members, the Global Settlement Agreement provides for the payment of USD\$3,500,000 (the “Initial Settlement Payment”) plus 25% of any potential savings on an estimated USD\$1.6 million reserve amount for an unrelated claim (the “Reserve”) which has been established by PPA’s insurer XL Specialty Insurance (the “Insurer”) against a Directors & Officers Liability Policy (the “Policy”) held in the name of PPA (the “Total Settlement Amount”).

The Total Settlement Amount includes all legal fees, disbursements, taxes and administration expenses. In return for Initial Settlement Payment, the Defendants receive releases and a dismissal of the Class Action. Despite the releases, and in conjunction with the Global Settlement Agreement, the Insurer will remain obligated to pay the Class 25% of any savings on the Reserve.

HEARING FOR APPROVAL OF THE SETTLEMENT

On March 6, 2014, at 10:00 a.m., the Court will hold a public hearing at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, to determine whether the Settlement should be approved. The Court also will consider Class Counsel's application for an award of legal fees and disbursements. If you wish to object to the Settlement, you must deliver to counsel for the Plaintiffs and Defendants and file with the Court a written objection by February 20, 2014, as described further in the long-form notice. If you want to be heard orally in opposition to the Settlement, either personally or through your own separate counsel, you must state in your written objection your intention to appear at the Approval Hearing.

If the Settlement is approved by the Court, it will result in a release by the Plaintiffs and all Class Members, including all their heirs, successors in interest, assigns, transferees and grantees of all their claims against the Defendants and any other insured under the Policy arising out of or in any way relating to PPA's non-disclosures of allegedly material information about the IOTV Contract or any other claims that could have been asserted in the Action.

ADMINISTRATION OF THE SETTLEMENT AGREEMENT

Crawford Class Action Services is the Administrator of this Settlement. The Administrator will oversee the claims processes (described below) and will manage and distribute the Total Settlement Amount including any Reserve Savings.

Those Class Members who wish to receive compensation from the Net Settlement Amount must mail or otherwise submit a completed Claim Form and any supporting documents to the Administrator, no later than April 5, 2014, (the "Claims Bar Deadline") at the following address:

Crawford Class Action Services
180 King Street South, Suite 610
Waterloo, Ontario
N2J 1P8
Tel: 1-855-823-0652

The Class Members who file a valid claim will be paid a *pro rata* share of the balance of the settlement funds after payment of fees, expenses, and taxes (the "Net Settlement Amount"). The long-form notice contains the complete details of the process for filing a Claim Form and how the Net Settlement Amount will be distributed.

For further information regarding the terms of the Settlement or filing a proof of claim or to obtain a Claim Form, please contact the Administrator by calling 1-855-823-0652. The law firm of Rochon Genova LLP is appointed by the Court as Counsel to the Class in the class proceeding, and can be reached by telephone, toll free, at 416-363-1867 by email at tmohan@rochongenova.com, or on the internet at www.rochongenova.com.

PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Rochon Genova LLP.

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED BY
THE ONTARIO SUPERIOR COURT OF JUSTICE