

29 January, 2016

Dear Shareholder

Non-Renounceable Rights Issue – Letter to Ineligible Shareholders

MaxSec Group Limited (**Company**) has announced an underwritten 1 for 2 non-renounceable rights issue at \$0.03 per share to be issued by the Company (**Rights Issue**) raising approximately \$4.105 million in new capital before the costs of this Rights Issue.

The maximum number of shares to be issued under the Rights Issue (**New Shares**) is 136,836,822, which would raise up to approximately \$4.1 million. At the conclusion of the Rights Issue, the total number of issued Shares in the Company will be a maximum of 410,510,465. The Rights Issue is non-renounceable and is underwritten.

The Rights Issue is being undertaken pursuant to an Offer Document that was lodged with Australian Securities Exchange (**ASX**) on 8 February 2016. The Offer Document is available on the ASX website www.asx.com.au.

The offer is only being made to shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (Sydney time) on 5 February 2016, whose registered address is in Australia or New Zealand. This letter is to inform you that you are not eligible to participate in the Rights Issue. This letter is not an offer to issue New Shares in the Company, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Rights Issue are those persons who:

are registered as a Shareholder of the Company as at 5.00pm (Sydney time) on 5 February 2016; and

have a registered address in Australia or New Zealand.

In accordance with the listing rule 7.7.1 of the ASX Listing Rules, the Company has considered that it would be unreasonable given the number of Shareholders with registered addresses outside of Australia and New Zealand and the size of the shareholdings held by those Shareholders to offer them New Shares under the Rights Issue. Taking this into consideration, as well as taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities of those relevant jurisdictions outside of Australia and New Zealand, the Company believes it to be unreasonable to extend the Rights Issue to all Shareholders.

According to our records, you do not satisfy the eligibility criteria to participate in the Rights Issue as stated above and accordingly, the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1, the Rights Issue will not be extended to you, you will not be able to subscribe for New Shares through the Rights Issue and you will not be sent the Offer Document.

On behalf of the Board of MaxSec Group Limited and management, we regret that you are not eligible to participate in the Rights Issue and thank you for your continued support.

Yours sincerely,

Geoffrey Cleaves
Director
MaxSec Group Limited