

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (“Meeting”) of the Shareholders of 4C Security Solutions Limited (ABN 89 000 029 265) (“the Company”) will be held at Level 1, 82 Waterloo Road, North Ryde, NSW 2113, at 9.00am (Sydney time) on 25 March 2010 for the purposes outlined in this Notice.

The Explanatory Memorandum accompanies and forms part of this Notice of Extraordinary General Meeting and provides additional information on matters to be considered at the Meeting, and should be read in its entirety. Certain terms used in this Notice have defined meanings. A glossary of defined terms is set out in Section 8 of the Explanatory Memorandum. The Explanatory Memorandum and proxy form for the Meeting accompanying this Notice form part of this Notice.

SPECIAL BUSINESS

Resolution 1: Ratification of previous issue of Options to Pandon Holdings Pte Limited

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to the previous issue and allotment of 10 million Options in the Company issued on 15 January 2010 and 11 February 2010 for nil consideration, exercisable at any time prior to 31 December 2015 at a price of 2 cents per option to Pandon Holdings Pte Limited, with the result of excluding those shares from the calculation of the number of securities that can be issued by the Company in a 12 month period within the 15% limit set out in ASX Listing Rule 7.1 as detailed in the Explanatory Memorandum.”

Note: A voting exclusion statement applies to this resolution. Please refer to section 2 of this Notice titled “Voting Exclusion Statement”.

Resolution 2: Proposed issue of Shares to Pierce Security Pte Limited and/or its nominees under the Convertible Loan Agreement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue and allotment to Pierce Security Pte Limited and/or its nominees, of up to 18.8125 million fully paid ordinary Shares in the Company at an issue price of 2 cents each on the terms and conditions detailed in the Explanatory Memorandum.”

Note: A voting exclusion statement applies to this resolution. Please refer to section 2 of this Notice titled “Voting Exclusion Statement”.

Resolution 3: Proposed issue of Shares to ekoGlobal Pty Ltd as trustee for ekoInvestments Trust and/or its nominees under the Convertible Loan Agreement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue and allotment to ekoGlobal Pty Ltd as trustee for ekoInvestments Trust and/or its nominees, of up to 18.8125 million fully paid ordinary Shares in the Company at an issue price of 2 cents each on the terms and conditions detailed in the Explanatory Memorandum.”

Note: A voting exclusion statement applies to this resolution. Please refer to section 2 of this Notice titled “Voting Exclusion Statement”.

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

Resolution 4: Proposed issue of shares under Private Placement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT, for the purpose of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue and allotment via a private placement of up to 17.5 million fully paid ordinary Shares in the Company at an issue price of at least 2 cents each.”

By order of the Board

A handwritten signature in black ink, appearing to read 'S. Danielson', with a long horizontal line extending to the right.

Steven John Danielson
Company Secretary
19 February 2010 at Sydney, New South Wales

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

1. Persons entitled to vote

Under regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Extraordinary General Meeting will be as it appears in the share register at Close of Business on 23 March 2010. Accordingly, security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

2. Voting Exclusion Statements

The Company will disregard votes as follows: Resolution	Description of Resolution	Disregard votes cast by
1	Ratification of previous option issue to Pandon Holdings Pte Limited	Pandon Holdings Pte Limited and any of its associates
2	Proposed issue of shares to Pierce Security Pte Limited	Pierce Security Pte Limited and any of its associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any of their associates
3	Proposed issue of shares to ekoGlobal Pty Ltd as trustee for ekoInvestments Trust	ekoGlobal Pty Ltd as trustee for ekoInvestments Trust and any of its associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any of their associates
4	Proposed issue of shares under Private Placement	Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any of their associates

unless the vote is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- by the person chairing the meeting as proxy (or its corporate representative), for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purposes of the voting exclusion statements, an associate is defined by sections 11 and 13-17 of the Corporations Act 2001 (Cth).

3. Majority Required

All of the Resolutions are ordinary resolutions and will be passed if more than 50% of votes cast by shareholders entitled to vote on the Resolution are cast in favour of the Resolution.

4. Appointment of proxy

A proxy form is enclosed for your use if required. Please note the following in relation to the appointment of a proxy:

- A member who is entitled to attend and vote at this meeting may appoint any person as his or her proxy to attend and vote for the member at the meeting.
- If a member is entitled to cast two or more votes at the meeting, the member may appoint two proxies to attend on the same occasion. If two proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the member's votes.
- The appointment of the proxy may specify the proportion or number of votes that the proxy may exercise.

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

- A proxy need not be a member of the Company.
- If a proxy is given by a corporation, a form of proxy must be executed in writing under the common seal of the corporation or otherwise in accordance with Section 127 of the Corporations Act 2001(Cth) or signed by an attorney.
- If a proxy is given by a natural person, a form of proxy must be executed under the hand of that person or that person's attorney.
- For a proxy appointment to be effective, the Company must receive the following documents no later than 9.00am on 23 March 2010:
 - The proxy's appointment.
 - If the appointment is signed by the appointer's attorney – the authority under which the appointment was signed or a certified copy of the authority.
- Please send your completed Proxy Form to Company by:

Post or Hand to: Level 1, 82 Waterloo Road, North Ryde NSW 2113; and/or
Fax to: +612 8817 2811.

Post: Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Fax to: (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

5. Undirected Proxies

The Chairman of the Meeting intends to vote all undirected proxies in favour of all of the resolutions proposed at the Meeting

6. Corporate Representatives

A body corporate, which is a member, may appoint an individual (by certificate executed in accordance with Section 127 of the Corporations Act 2001 (Cth) or in another manner satisfactory to the chair) as a representative to exercise all or any of the powers the body corporate may exercise at the meeting. The appointment may be a standing one.

7. Necessary information

Information relevant to each resolution is set out in the attached Explanatory Memorandum which forms part of this Notice.

8. Custodian Voting

For Intermediary Online subscribers only (Custodians), please visit www.intermediaryonline.com to submit your voting intentions.

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

Explanatory Memorandum to Shareholders

This Explanatory Memorandum is intended to provide Shareholders of the Company with sufficient information to assess the merits of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 contained in the Notice of Extraordinary General Meeting of the Company for the Extraordinary General Meeting to be held at 9:00 am on 25 March 2010.

The Directors recommend that Shareholders read this Explanatory Memorandum in its entirety before making any decision in relation to voting on the Resolutions contained in the Notice of Meeting. The information contained in this Explanatory Memorandum has been prepared by the Company and its Directors and is the responsibility of the Company.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary in Section 8.

1. Summary of the Proposal(s)

The Proposal(s) comprises of a series of transactions including:

1) Resolution 1: Ratification of previous issue of Options to Pandon:

On 15 January 2010 the Company issued 5 million Options to Pandon pursuant to the terms of a consulting agreement. On 11 February 2010, the Company issued a further 5 million Options to Pandon pursuant to the terms of a consulting agreement. The terms of the Options are detailed below in Section 2.2.

2) Resolution 2: Proposed issue of Shares to Pierce Security and/or its nominees under the Convertible Loan Agreement:

On 4 February 2010 the Company entered into the CLA with Pierce Security. Under the terms of the CLA Pierce Security can elect (subject to any required approvals) to receive repayment of the amounts owing by the Company under the CLA in Shares.

The Company has agreed with Pierce Security that it will seek all necessary approvals by no later than 26 March 2010. Accordingly, the Company is seeking approval to issue new Shares under the terms of the Convertible Loan Agreement to repay up to \$350,000 in Company debt should Pierce Security elect to convert the repayment amount under the CLA into Shares. These Shares will be issued at an effective price of 2 cents per Share. If the full amount of the loan balance is converted this will result in the issue of 17.5 million new Shares in the Company being issued to Pierce Security.

In addition, the Company proposes to elect to pay the establishment fee of \$26,250 by issuing 1,312,500 Shares to Pierce Security at an issue price of 2 cents each.

FCS currently has 84,075,988 Shares on issue and proposes to issue, pursuant to Resolution 2, Resolution 3 and Resolution 4, up to 55.125 million new shares:

18.8125 million	Fully paid ordinary shares (Resolution 2)
18.8125 million	Fully paid ordinary shares (Resolution 3)
17.5 million	Fully paid ordinary shares (Resolution 4)

In addition, FCS is planning a 1 for 1 non-renounceable Rights Issue that may result in the issue of between 84,075,988 and 139,200,988 new shares.

Based on the current share capital on issue, and assuming NO further share issue (take up) under the: Private Placement (Resolution 4), the Rights Issue and no conversion by ekoGlobal (Resolution 3), if Pierce Security was to convert the repayment amount into 17.5 million Shares and receive 1.3125 million Shares for payment of the establishment fee, they would hold 20.49% of the issued share capital, and voting rights, of the Company.

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

Based on the current share capital on issue, and assuming NO further share issue (take up) under the: Private Placement (Resolution 4) and the Rights Issue but WITH conversion by ekoGlobal (Resolution 3), if Pierce Security was to convert the repayment amount into 17.5 million Shares and receive 1.3125 million Shares for payment of the establishment fee, they would hold 17.32% of the issued share capital, and voting rights, of the Company.

Pierce Security's holding may also be diluted or increased dependant on the level of participation by it and other share holders in the Rights Issue.

3) Resolution 3: Proposed issue of Shares to ekoGlobal and/or its nominees under the Convertible Loan Agreement:

On 4 February 2010 the Company entered into the CLA with ekoGlobal. Under the terms of the CLA ekoGlobal can elect (subject to any required approvals) to receive repayment of the amounts owing by the Company under the CLA in Shares.

The Company has agreed with ekoGlobal that it will seek all necessary approvals by no later than 26 March 2010. Accordingly, the Company is seeking approval to issue new Shares under the terms of the Convertible Loan Agreement to repay up to \$350,000 in Company debt should ekoGlobal elect to convert the repayment amount under the CLA into Shares. These Shares will be issued at an effective price of 2 cents per Share. If the full amount of the loan balance is converted this will result in the issue of 17.5 million new Shares in the Company being issued to ekoGlobal.

In addition, the Company proposes to elect to pay the establishment fee of \$26,250 by issuing 1,312,500 Shares to ekoGlobal at an issue price of 2 cents each.

FCS currently has 84,075,988 Shares on issue and proposes to issue, pursuant to Resolution 2, Resolution 3 and Resolution 4, up to 55.125 million new shares:

18.8125 million	Fully paid ordinary shares (Resolution 2)
18.8125 million	Fully paid ordinary shares (Resolution 3)
17.5 million	Fully paid ordinary shares (Resolution 4)

In addition, FCS is planning a 1 for 1 non-renounceable Rights Issue that may result in the issue of between 84,075,988 and 139,200,988 new shares.

Based on the current share capital on issue, and assuming NO further share issue (take up) under the: Private Placement (Resolution 4), the Rights Issue and no conversion by Pierce Security (Resolution 2), if ekoGlobal was to convert the repayment amount into 17.5 million Shares and receive 1.3125 million Shares for payment of the establishment fee, they would hold 18.28% of the issued share capital, and voting rights, of the Company.

Based on the current share capital on issue, and assuming NO further share issue (take up) under the: Private Placement (Resolution 4), the Rights Issue but WITH conversion by Pierce Security (Resolution 2), if ekoGlobal was to convert the repayment amount into 17.5 million Shares and receive 1.3125 million Shares for payment of the establishment fee, they would hold 15.46% of the issued share capital, and voting rights, of the Company.

ekoGlobal's holding may also be diluted or increased dependant on the level of participation by it and other share holders in the Rights Issue.

4) Resolution 4: Proposed issue of Shares under Private Placement

Within three months of the Meeting, the Company proposes to issue up to 17.5 million new Shares at an issue price of no less than 2 cents per Share to raise at least \$0.350 million. These funds will be used to provide operational funds for the business and working capital.

2. Background to the Proposal's

2.1 Issue of Options:

ASX Announcement: 15 January 2010 and 11 February 2010
Appendix 3B (issue of new securities)

On 15 January 2010 the Company issued 5 million options pursuant to the terms of a consulting agreement. On 11 February 2010 the Company issued a further 5 million options pursuant to the terms of a consulting agreement.

The consulting services were required to assist the company with its corporate development activities.

2.2 Terms of Options:

Pursuant to the terms of a consulting agreement, the Company issued to Pandon 10 million Options, representing part of the fee due under the agreement. The issue of the options were disclosed to the ASX on 15 January 2010 and 11 February 2010 and the terms are detailed below:

- a) Each option has an issue price of NIL.
- b) Each option will be exercisable at any time up to 31 December 2015.
- c) The exercise price of each option is \$0.02.
- d) The options are fully vested and transferable.
- e) Options may be exercised at any time by writing to the Company Secretary requesting that the options be exercised.
- f) The Company must within 7 business days after receiving notice of exercise of any options, and the relevant exercise price monies, allot the relevant number of Shares to the option holder.
- g) Shares allotted on the exercise of options will rank equally in all respects with the issued fully paid shares in the Company and will be quoted on the ASX.
- h) The options do not confer rights to participate in new issues of securities prior to exercise.
- i) Subject to clause (h), if there is any reconstruction of the issued capital, including any bonus issues or rights issues, of the Company:
 - a. the number of options or the option exercise price or both will be reconstructed in a manner in accordance with the formula specified in the ASX Listing Rules and in any event, which will not give any benefit to the option holder which is not conferred on shareholders; and
 - b. subject to the provisions in respect of rounding of entitlements as sanctioned by the meeting of shareholders approving a reconstruction of capital, in all other respects the terms of the exercise of options will not change.
- j) Any option not exercised by 31 December 2015 will lapse.

2.3 Convertible Loan Agreements

ASX Announcement: 8 February 2010
CLA and Rights Issue

On 8 February 2010, the Company announced that it had entered into two Convertible Loan Agreements to provide \$700,000 of funding to the company. The funds will be used to sustain and grow the business and will cover short term working capital requirements to fund current sales activities and orders.

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

3. Summary terms of the CLA

3.1 Convertible Loan Agreement:

The material terms of the CLA entered into between both Pierce Security, and ekoGlobal, and the Company are set out as follows:

Amount:	\$350,000 (each CLA)
Commencement:	4 February 2010
Termination Date:	1 February 2011 (subject to Conversion Approvals) If Shareholders DO NOT approve and pass Resolution 2 or Resolution 3 (as the case may be), by 26 March 2010, the Repayment Date will then be 30 April 2010 and the facility will be in default.
Conversion Approval:	The Company must seek shareholder and other approvals by no later than 26 March 2010
Repayment:	The Company will repay the loan in cash, or Shares, or both, depending upon an election made by Pierce Security and ekoGlobal to convert all, or part, of the obligations of the Company into Shares in the Company
Conversion:	At the option of Pierce Security and ekoGlobal, and subject to any required Conversion Approval, all or part of the obligations into Shares at an issue price of 2 cents each
Interest Rate:	8.5% per annum
Fees:	7.5% payable in cash or FCS shares at the election of FCS
Security:	Full recourse, secured (fixed and floating charge by request) with preference
Default Payment:	Twice the Repayment Amount
Events of Default:	FCS does not obtain all required Shareholder Approvals by 26 March 2010; failure to pay on time; failure to comply with agreement provisions or statutory requirements; untrue warranty given by FCS; insolvency, cessation of business, cessation or suspension of ASX listing or investigation of FCS under the Corporations Act by ASIC; change in control or reduction in capital of FCS without prior written consent of lender.

All other terms and conditions are standard for a facility of this nature.

4. Parties to the Transaction's

4.1 Issue of Options

Pandon Holdings Pte Limited

Pandon is a privately held investment and consulting company.

4.2 Convertible Loan Agreement(s)

Pierce Security Pte Limited

Pierce Security is a privately held investment and operating company.

ekoGlobal Pty Ltd (as trustee for ekoInvestments Trust)

ekoGlobal is a privately held investment company.

5. Rationale of the Proposal(s)

As at the end of December 2009 the Company held cash reserves of approximately \$223,000.

In order to meet its immediate and short term funding needs, on 8 February 2010, the Company announced that it had entered into two Convertible Loan Agreements for a total of \$700,000.

Whilst the Company has taken significant steps to strengthen the organisation, reducing costs and increasing revenues, and whilst it is currently forecasting a breakeven cashflow position within the next three months, it has continued to experience a material delay in its customers paying their invoices within terms and as a result had historical creditor debts that required urgent payment. Further, the Company had insufficient funds to provide a meaningful operating or working capital buffer. The Company also had no funds to finance further growth of its existing and growing customer base. To this end, the funds raised under the CLA have been used to provide short term operational and working capital assistance to the Company, strengthening the financial position of FCS's current operating business.

The proposed issue of shares under Private Placement will give the Company additional capital flexibility to grow its existing base and meet operational expenditure requirements in the medium term. Should the Shareholders not approve Resolution 2 and Resolution 3, or should Pierce Security or ekoGlobal not elect to take repayment in Shares, the Company may need to use the funds from the Private Placement to assist with the repayment of the CLA's.

1) Options issued to Pandon

These Options were issued as part of a consulting agreement with Pandon in which the Company sort to reduce the potential cash outflow by offering options in lieu of what would have been much higher cash fees. The exercise price was set at the 2 cents at a time when the shares were trading at 1.8 cents. The Option issue represents, in the opinion of the Directors, a commercially acceptable fee for services of this nature.

2) Issue of Shares under the CLA

Under the terms of the CLA, it is proposed to issue new Shares at a price of 2 cents each (should Pierce Security or ekoGlobal elect to convert the loan amounts into Shares). During the negotiation of the terms of this facility, FCS's shares were trading at between 1.8 and 2.0 cents per share. It is important to note that the Company had been unsuccessful in raising enough urgently required funds on any better terms. The Company also took into account the other terms and conditions attached to the CLA, and the general environment for funding, including:

- The lack of availability of other alternative sources of short term funding;
- Current interest rates for credit cards, cash advances and overdrafts;
- The speed in which the funds were provided to the Company in order to meet the Company's immediate cashflow requirements;
- The interest rate;
- The establishment fees; and
- The total cost of the CLA with conversion approval and without.

It is the opinion of the Directors that the terms of the CLA's are commercially reasonable and are consistent with a facility of this nature.

3) Private Placement

Under the terms of the proposed Private Placement, the Company proposes to issue up to 17.5 million new Shares (within 3 months of the EGM) at an issue price of not less than 2 cents each to raise not less than \$0.35 million in short term funding.

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

Against this background, and taking into account the contents of this Explanatory Memorandum, each of the Directors consider that the Proposals are in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of all the Resolutions set out in the Notice of Meeting forming part of this Explanatory Memorandum. In making their recommendations, the Directors advise Shareholders to read this Explanatory Memorandum in its entirety.

6. Special Business

6.1 Resolution 1: Ratification of previous issue of Options to Pandon

On 15 January 2010 the Company issued 5 million options pursuant to the terms of a consulting agreement. On 11 February 2010 the Company issued a further 5 million options pursuant to the terms of a consulting agreement. The full terms of the Options are detailed in Section 2.2 of this Explanatory Memorandum.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue securities without obtaining prior shareholder approval if the result is that the amount of capital issued within the previous 12 months is greater than 15% of the total issued securities of the Company. Under ASX Listing Rule 7.4, an issue of securities will be treated as having been made with prior shareholder approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. exceed the 15% limit referred to in ASX Listing Rule 7.1) and holders of ordinary securities subsequently approve it.

Resolution 1 of the Notice of Meeting seeks Shareholder approval under the provisions of ASX Listing Rule 7.4 to ratify the issue and allotment of the Options.

To enable Shareholders to ratify the previous issue and allotment of Options within the prior 12 month period, the Directors provide the following information in accordance with ASX Listing Rule 7.5:

The number of securities allotted:	10 million Options
The price at which the securities were issued:	\$nil
The terms of the securities:	As detailed in Section 2.2 of this Explanatory Memorandum
The name of the allottee:	Pandon Holdings Pte Limited
The use of the funds raised:	No direct funds were raised upon the issue of the Options.
Voting exclusion statement:	See Section 2 of the Notice of Meeting

Upon exercise of the Options the funds will be used for working capital requirements.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution so as to enable the Company at any time during the next 12 months to issue up to the full 15% limit referred to under ASX Listing Rule 7.1 without further reference to Shareholders and without the Shares described above counting towards the calculation.

The Directors do not believe that there are any disadvantages to the Shareholders which arise from a ratification of this issue of Options and recommend that Resolution 1 be approved.

6.2 Resolution 2: Proposed issue of Shares to Pierce Security and/or its nominees, under the Convertible Loan Agreement

On 4 February 2010, the Company entered into the CLA with Pierce Security to provide urgently required funds. The material terms of the CLA are detailed in Section 3.1 of this Explanatory Memorandum. Should Pierce Security elect to be repaid in Shares (for all or part of the loan amount), the Company will be required (subject to any necessary approvals) to issue new Shares to Pierce Security, or its nominee.

In addition, the Company proposes to elect to pay the establishment fee of \$26,250 by issuing 1,312,500 Shares to Pierce Security at an issue price of 2 cents each.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue.

Resolution 2 of the Notice of Meeting includes provision for Shareholders to approve the issue of up to 18.8125 million Shares to Pierce Security and/or its nominees, under the terms of the CLA, pursuant to Listing Rule 7.1.

For the purposes of the requirement for approval under ASX Listing Rule 7.1, the following additional information is provided:

- (a) the maximum number of securities to be issued is 18.8125 million Shares;
- (b) the Shares the subject of Resolution 2 will be issued within 3 months of the EGM;
- (c) the Shares will be issued for 2 cents each;
- (d) the Shares will be issued to Pierce Security and/or its nominees as directed by Pierce Security, taking into account the provisions of the ASX Listing Rules and the Corporations Act;
- (e) the Shares will be fully paid ordinary shares and will rank pari passu with existing ordinary shares and have identical rights;
- (f) the Company will apply for the Shares to be quoted on ASX;
- (g) no additional net funds will be raised by the issue, however the issue will satisfy the repayment of Company debt (or part thereof) under the CLA;
- (h) the Shares will be issued and allotted, subject to the terms of the CLA, no later than 3 months after the date of the EGM and may be issued and allotted progressively with the 3 month period after the EGM; and
- (i) a voting exclusion statement is included in Section 2 of the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 of the Notice of Meeting. In making their recommendation, the Directors advise Shareholders to read this Explanatory Memorandum in its entirety.

Resolution 3: Proposed issue of Shares to ekoGlobal and/or its nominees, under the Convertible Loan Agreement

On 4 February 2010, the Company entered into the CLA with ekoGlobal to provide urgently required funds. The material terms of the CLA are detailed in Section 3.1 of this Explanatory Memorandum. Should ekoGlobal elect to be repaid in Shares (for all or part of the loan amount), the Company will be required (subject to any necessary approvals) to issue new Shares to eko Global, or its nominee.

In addition, the Company proposes to elect to pay the establishment fee of \$26,250 by issuing 1,312,500 Shares to ekoGlobal at an issue price of 2 cents each.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue.

Resolution 3 of the Notice of Meeting includes provision for Shareholders to approve the issue of up to 18.8125 million Shares to ekoGlobal and/or its nominees, under the terms of the CLA, pursuant to Listing Rule 7.1.

For the purposes of the requirement for approval under ASX Listing Rule 7.1, the following additional information is provided:

- (a) the maximum number of securities to be issued is 18.8125 million Shares;
- (b) the Shares the subject of Resolution 3 will be issued within 3 months of the EGM;
- (c) the Shares will be issued for 2 cents each;
- (d) the Shares will be issued to ekoGlobal and/or its nominees as directed by eko Global, taking into account the provisions of the ASX Listing Rules and the Corporations Act;
- (e) the Shares will be fully paid ordinary shares and will rank pari passu with existing ordinary shares and have identical rights;
- (f) the Company will apply for the Shares to be quoted on ASX;
- (g) no additional net funds will be raised by the issue, however the issue will satisfy the repayment of Company debt (or part thereof) under the CLA;
- (h) the Shares will be issued and allotted, subject to the terms of the CLA, no later than 3 months after the date of the EGM and may be issued and allotted progressively with the 3 month period after the EGM; and
- (i) a voting exclusion statement is included in Section 2 of the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 of the Notice of Meeting. In making their recommendation, the Directors advise Shareholders to read this Explanatory Memorandum in its entirety.

6.4 Resolution 4: Proposed issue of shares under Private Placement

The Company is seeking Shareholder approval under ASX Listing Rule 7.1. to issue and allot up to a further 17.5 million Shares at an issue price of not less than 2 cents per Share within 3 months of the EGM under the Private Placement.

Approval under the ASX Listing Rules

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary securities on issue 12 months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue.

Resolution 4 of the Notice of Meeting includes provision for Shareholders to approve the issue of Shares under the terms of the Private Placement, pursuant to ASX Listing Rule 7.1.

For the purposes of requirement for approval under ASX Listing Rule 7.1 the following additional information is provided:

- (a) the maximum number of securities to be issued is 17.5 million Shares;
- (b) the Shares the subject of Resolution 4 will be issued and allotted within 3 months of the EGM;

4C SECURITY SOLUTIONS LIMITED
ACN 000 029 265

- (c) the Shares will be issued for no less than 2 cents each;
- (d) the Shares issued under the Private Placement will be allotted at the discretion of the Company, taking into account the provisions of the ASX Listing Rules and the Corporations Act;
- (e) the Shares will be fully paid ordinary shares and will rank pari passu with existing ordinary shares and have identical rights;
- (f) the Company will apply for the Shares to be quoted on ASX;
- (g) the funds raised under the Private Placement will be used to provide short term working capital assistance to strengthen the financial position of FCS's current operating business and to give the Company additional capital flexibility, including for the potential repayment of Company debt; and
- (h) a voting exclusion statement is included in Section 2 of the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4 of the Notice of Meeting. In making their recommendation, the Directors advise Shareholders to read this Explanatory Memorandum in its entirety.

7. Rights Issue

Subject to any required consents, approvals or waivers, the Company presently intends to undertake a Rights Issue. Whilst the Rights Issue does not require shareholder approval, the Directors have determined that providing information on the potential Rights Issue within this Explanatory Memorandum is an appropriate method of informing shareholders and providing them additional information to make an informed decision on Resolution 2,3 and 4.

FCS intends to provide further information to FCS shareholders by no later than 15 April 2010.

The proposed Rights Issue will be a non-renounceable pro-rata offer to all eligible shareholders to acquire 1 new share for each FCS share held as at the record date. The record date will not be earlier than 15 business days after the EGM.

The Rights Issue will be non-renounceable. This means that shareholders who do not take up their entitlements by the closing date (approximately 20 days after the record date) will not receive any payment or value for those entitlements, and their proportionate equity interest in FCS may be diluted.

New shares issued pursuant to the Rights Issue will be fully paid and rank equally with existing FCS shares.

Based on the current share capital of the Company, and the potential share issues the subject to Resolutions 2, 3 and 4, the rights issue may result in the issue of the following new shares:

Scenario	Shares Issued	New shares offered under the Rights Issue
Current share capital	NA	84,075,988
Full conversion (Resolution 2)*	+18,812,500	102,888,488
Full conversion (Resolution 3)*	+18,812,500	121,700,988
Full issue (Resolution 4)*	+17,500,000	139,200,988

*assumes conversion or issue occur on or prior to the record date and that the party that is the registered holder of the shares is eligible to participate in the rights issue.

8. GLOSSARY

ASX means the ASX Limited ACN 008 624 691.

ASX Listing Rules means Listing Rules of ASX.

Board means the Board of Directors of the Company.

CLA means the Convertible Loan Agreement(s)

Company and FCS means 4C Security Solutions Limited ACN 000 029 265.

Convertible Loan Agreement means the convertible loan agreements between both of Pierce Security and ekoGlobal, and the Company dated 4 February 2010. The material terms of this agreement are contained in Section 3.2 of this Explanatory Memorandum.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

EGM means the extraordinary general meeting of the Company to consider the Resolutions scheduled to be held on 25 March 2010.

EkoGlobal means ekoGlobal Pty Ltd as trustee for ekoInvestments Trust.

Explanatory Memorandum means this Explanatory Memorandum and the attached Notice of Meeting, which should be read together.

Notice of Meeting means the notice of meeting for the extraordinary general meeting of Shareholders to be held on 25 March 2010 in relation to the Resolutions set out in this Explanatory Memorandum which is attached to this Explanatory Memorandum and should be read with it.

Options means unlisted options to acquire Shares issued under the terms set out in Section 3.2 of this Explanatory Memorandum.

Pandon means Pandon Holdings Pte Limited.

Pierce Security means Pierce Security Pte Limited.

Private Placement means the placement of up to 30 million Shares at a price of at least 4 cents per Share, as described in Resolution 3.

Proposal means the transactions contemplated in Resolutions 1 to 3 set out in the Notice of Meeting and further described in the Explanatory Memorandum.

Resolutions means Resolutions 1 to 4 set out in the Notice of Meeting and further explained in this Explanatory Memorandum.

Rights Issue means a 1 for 1 non-renounceable rights issue as detailed in the Explanatory Memorandum.

Shareholder means a holder of Shares in the Company.

Shares means fully paid ordinary shares in the Company which rank equally and have identical rights to all other existing ordinary shares in the Company on issue.

000001 000 FCS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 9:00am (Sydney time) Tuesday 23 March 2010**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of 4C Security Solutions Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of 4C Security Solutions Limited to be held at Level 1, 82 Waterloo Road, North Ryde, NSW, 2113 on Thursday March 25 2010 at 9:00am (Sydney time) and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

SPECIAL BUSINESS

	For	Against	Abstain
1 Ratification of previous issue of Options to Pandon Holdings Pte Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Proposed issue of Shares to Pierce Security Pte Limited and/or its nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Proposed issue of Shares to ekoGlobal Pty Ltd as trustee for ekoInvestments Trust and/or its nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Proposed issue of Shares under the Private Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____