

**NOTICE TO THE STOCKHOLDERS OF
ARGYLE SECURITY, INC.
PURSUANT TO SECTION 228 OF THE GENERAL CORPORATION LAW OF
THE STATE OF DELAWARE**

Notice is hereby given to all stockholders of Argyle Security, Inc., a Delaware corporation (the "Company"), pursuant to Section 228(e) of the Delaware General Corporation Law (the "DGCL") that:

(A) By a written consent, attached as Exhibit A hereto, the holders of a majority of the issued and outstanding shares of the Company's common stock, \$.0001 par value ("Common Stock") and the Company's Series B Convertible Preferred Stock, \$.0001 par value per share ("Class B Preferred Stock") as of a record date of July 15, 2014, voting together as a single class, on an as-converted basis, approved the following actions:

The appointment and election of Mr. Jason Morgan to fill one directorships on the Board of Directors with a term to expire at the Annual Meeting of Stockholder to be held in 2016.

(B) By a written consent, attached as Exhibit B hereto, the holders of a majority of the issued and outstanding shares of the Company's common stock, \$.0001 par value ("Common Stock") and the Company's Series B Convertible Preferred Stock, \$.0001 par value per share ("Class B Preferred Stock") as of a record date of July 1, 2014, voting together as a single class, on an as-converted basis, approved the following actions:

The appointment and election of the following persons to fill the two of six directorships on the Board of Directors:

<u>Name</u>	<u>Appointed to Class of Directors With Term to Expire at the Annual Meeting of Stockholders to be Held in:</u>
Budea (Buddy) Johns	2017
Simon Whitmey	2017

Following the election of Messrs. Morgan, Johns and Whitmey to the Board, and the resignation of Mr. Ray Gilley as a Director effective July 16, 2014, the name of each of the Directors constituting the entire Board are listed below and the Class of Directors are hereby indicated opposite such person's name:

<u>Name</u>	<u>Appointed to Class of Directors With Term to Expire at the Annual Meeting of Stockholders to be Held in:</u>
Jason Morgan	2016
Sam Youngblood	2016
Robert Davies (Chairman)	2015
James Read	2015
Budea (Buddy) Johns (President, CEO and COO)	2017
Simon Whitmey (Chairman of Audit Committee)	2017

(c) On July 16, 2014, the Board of Directors of the Company amended the Argyle Security, Inc. 2012 Stock Option Plan to (i) revise the definition of Change of Control, (ii) increase the number of shares available for issuance from 4,118,405 shares of Common Stock to 8,000,000 shares of Common Stock and (iii) delete the requirement that grantees enter into a shareholder agreement upon exercise of options. A copy of the Amendment to the Plan is attached as Exhibit C hereto. Further, the Board of Directors granted up to 3,513,883 options to Mr. Johns, such options vesting over a four year period and upon the achievement of Company financial performance milestones.

Dated as of July 31, 2014

ARGYLE SECURITY, INC.

By: /s/ Matthew A. Kepke
Matthew A. Kepke
Vice President, General Counsel and
Secretary

ARGYLE SECURITY, INC.

WRITTEN CONSENT OF STOCKHOLDERS

Pursuant to the authority contained in Section 228 of the General Corporation Law of the State of Delaware, as amended (the “DGCL”), and Section 2.7 of the bylaws (the “Bylaws”) of Argyle Security, Inc., a Delaware corporation (the “Company”), the undersigned, being the holders of record (the “Holders”) of a majority of the voting power of the issued and outstanding capital stock of the Company on July 15, 2014, hereby waive a meeting and notice of a meeting and hereby consent to the following recitals and resolutions, such consent to have the same force and effect as if adopted at a duly called and noticed meeting of stockholders of the Company:

RESOLVED, that the number of Directors constituting the entire Board of Directors (the “Board”) shall be increased to six (6) Directors.

RESOLVED, that Mr. Jason Morgan is hereby elected to the Board as follows:

Jason Morgan is hereby elected to the Board for a term expiring at the Annual Meeting of Stockholders of the Company to be held in the 2016 calendar year, effective immediately; it is further

RESOLVED, that following the election of Mr. Morgan to the Board, the name of each of the Directors constituting the entire Board are listed below and the Class of Directors are hereby indicated opposite such person’s name:

<u>Name</u>	<u>Appointed to Class of Directors With Term to Expire at the Annual Meeting of Stockholders to be Held in:</u>
Ray Gilley	2016
Jason Morgan	2016
Sam Youngblood	2016
James Read	2015
Robert Davies	2015
Simon Whitmey	2014

; and it is further

RESOLVED, that this Written Consent of Stockholders may be executed in any number of counterparts by means of original, facsimile or electronic (pdf) signatures.

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

MEZZANINE MANAGEMENT LIMITED

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Authorised Signatory
Date: 15th July 2014

MEZZANINE MANAGEMENT FUND IV A, L.P.

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Authorised Signatory
Date: 15th July 2014

MEZZANINE MANAGEMENT FUND IV COINVEST A, L.P.

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Authorised Signatory
Date: 15th July 2014

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WRITTEN CONSENT OF STOCKHOLDERS
ARGYLE SECURITY, INC.**

WRITTEN CONSENT OF STOCKHOLDERS

Pursuant to the authority contained in Section 228 of the General Corporation Law of the State of Delaware, as amended (the “DGCL”), and Section 2.7 of the bylaws (the “Bylaws”) of Argyle Security, Inc., a Delaware corporation (the “Company”), the undersigned, being the holders of record (the “Holders”) of a majority of the voting power of the issued and outstanding capital stock of the Company on July 1, 2014, hereby waive a meeting and notice of a meeting and hereby consent to the following recitals and resolutions, such consent to have the same force and effect as if adopted at a duly called and noticed meeting of stockholders of the Company:

WHEREAS, the number of Directors constituting the entire Board of Directors (the “Board”) is six (6) Directors, including the existing directorships held by Mr. Budea (Buddy) Johns and Mr. Simon Whitmey, with a term of office expiring at the Annual Meeting of Stockholders to be held in 2014.

WHEREAS, the Board has nominated and recommended each of Mr. Budea (Buddy) Johns and Mr. Simon Whitmey for election as a Director.

NOW THEREFORE BE IT RESOLVED, that Mr. Budea (Buddy) Johns is hereby elected to the Board as follows:

Budea (Buddy) Johns is hereby elected to the Board for a term expiring at the Annual Meeting of Stockholders of the Company to be held in the 2017 calendar year, effective immediately; it is further

RESOLVED, that Mr. Simon Whitmey is hereby elected to the Board as follows:

Simon Whitmey is hereby elected to the Board for a term expiring at the Annual Meeting of Stockholders of the Company to be held in the 2017 calendar year, effective immediately; it is further

RESOLVED, that following the election of Messrs. Johns and Whitmey to the Board, the name of each of the Directors constituting the entire Board are listed below and the Class of Directors are hereby indicated opposite such person’s name:

<u>Name</u>	<u>Appointed to Class of Directors With Term to Expire at the Annual Meeting of Stockholders to be Held in:</u>
Jason Morgan	2016
Sam Youngblood	2016
James Read	2015
Robert Davies	2015
Budea (Buddy) Johns	2017
Simon Whitmey	2017

; and it is further

RESOLVED, that this Written Consent of Stockholders may be executed in any number of counterparts by means of original, facsimile or electronic (pdf) signatures.

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

MEZZANINE MANAGEMENT LIMITED

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Authorised Signatory
Date: 28 July 2014

MEZZANINE MANAGEMENT FUND IV A, L.P.

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Authorised Signatory
Date: 28 July 2014

MEZZANINE MANAGEMENT FUND IV COINVEST A, L.P.

By: /s/ Christopher C. Morris
Name: Christopher C. Morris
Title: Authorised Signatory
Date: 28 July 2014

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

WILLIAM BLAIR MEZZANINE CAPITAL FUND III, L.P.

By: William Blair Mezzanine Capital Partners III, L.L.C., its General Partner

By: /s/ David Jones

Name: David Jones

Title: Managing Director

Date: 7/23/14

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

/s/ Sam Youngblood
Sam Youngblood
Date: 7/22/2014

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

/s/ Don Carr
Don Carr
Date: 7/23/2014

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

/s/ Mark McDonald

Mark McDonald

Date: 7/23/2014

IN WITNESS WHEREOF, the undersigned stockholders of record of the Company have executed this Written Consent of Stockholders as of the date set forth under their respective signatures.

/s/ Matthew A. Kepke

Matthew A. Kepke

Date: 7/21/2014

**AMENDMENT NO. 1 TO THE
ARGYLE SECURITY, INC.
2012 STOCK OPTION PLAN**

WHEREAS, Argyle Security, Inc., a corporation organized under the laws of Delaware (the “Company”), originally adopted the Argyle Security, Inc. 2012 Stock Option Plan on October 1, 2012, (the “Plan”).

WHEREAS, the Board of Directors of the Company (the “Board”), at any time, amend the Plan provided that such amendment does not adversely affect the rights of the Optionees with respect to Options previously granted under the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 2.1(f)(i) of the Plan shall be deleted and replaced in its entirety with the following:
 - (i) any Person (other than (A) the Company, (B) an Affiliate or Person where the controlling entity (for the avoidance of doubt includes a general partner) of such Person, prior to the occurrence, does not change; regardless of a change in the ownership of the voting securities of such Person, (C) any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or (D) any company or owned, directly or indirectly, by the stockholders of the Company immediately prior to the occurrence with respect to which the evaluation is being made in substantially the same proportions as their ownership of the common stock of the Company) acquires securities of the Company and immediately thereafter is the beneficial owner (except that a Person shall be deemed to be the beneficial owner of all shares that any such Person has the right to acquire pursuant to any agreement or arrangement or upon exercise of conversion rights, warrants or options or otherwise, without regard to the sixty (60)-day period referred to in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities;
2. Section 4.1 of the Plan shall be deleted and replaced in its entirety with the following:

“4.1 Maximum Number of Shares Issuable

Subject to adjustment as provided in Section **Error! Reference source not found.**, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be 8,000,000 and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof. Shares of Stock of an outstanding Award that for any reason expire or are terminated, forfeited or canceled or withheld for tax withholding or settled in a manner that all or some of the shares of Stock covered by an Award are not issued to a Participant (including, without limitation, shares withheld for the purchase price of or for taxes related to an Award) shall not again be available for issuance under the Plan.”
3. Section 23 of the Plan shall be deleted in its entirety.

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect. Capitalized terms used and not defined herein shall have the meanings set forth in the Plan.

This Amendment has been adopted by the Board of Directors of the Company as of July 16, 2014.