



MEMO TO TEAM MEMBERS

11 04 2005

14 01 2006

18 06 2007

As Falkirk is taking a definite position in both the sheep and beef industries within New Zealand, Australia and South Africa it is timely to outline the model of operation and function albeit brief.

Falkirk is designed to be skill and dividend rich and is not an asset building or equity share system. Knowledge gained is contra to extra input above deserved remuneration. To grow the client base that in turn generates greater rewards which are proportioned through individual work patterns. As an irrevocable policy Falkirk will not attract debt and will function on the gross revenue generated.

Governance

Falkirk Index New Zealand Ltd (FINZ) is the home page for operation. The vehicle where all prototype systems are developed and vetted dating back to 1984. Systems and technology development and the science that was functioned to create the formulation that is the oil to drive the Index's. Private funding was invested diligently as part of the protection for the intellectual property. Equipment, education and standard setting development have been a continual process and are assessed on a weekly basis.

Business policy and strategy were first formally set in 1996 by Directors Ian Walsh and Phil Verry who have tested these criteria within the Meat, Wool and Forestry Industries. To the credit of this particular stance Falkirk's visionary plan stands firm through challenging times. Refer to the demise of Wrightson June 2004 and High Court NZ decision re NZWB December 2005 both unprecedented in NZ agriculture. Preparation is taking place to cover the next twelve months to activate a refined corporate structure with robust governance to position Falkirk Systems in a leader role within agriculture.

Falkirk Scientific Foundation is a select 'brains trust' that is unique in its formation of membership with diverse individual networks. This resource is directly available to FINZ for advice on specific and special projects. Some directors assume multi roles and are astute enough to provide transparency of function. Lionel de la Harpe of South Africa has accepted the invitation to become a Director of FSF. Pam Dutton of Uralla has accepted a position on a special task force to target Merino and derivative breeds the Dohne and SAMM. Pam is a Wool Specialist who is highly qualified in both tertiary and practical applications.

At the present time Directors are progressing work on;

Refining future structure, governance and strategy.
Technology development.
D.N.A. systems extension.
Commencement of yield grading/payment system.
Expansion of workforce within the Tri-Nations
Completion of the recording system DeerLink and the extension to include SheepLink
Beeflink and Sheeplink to be crafted to become Database System for Falkirk
Strategies that will open agriculture to new age systems
Up skilling a team of data retrieval operators within the tri-nations.

Operations

FINZ is both the test and policy bed for overall operations inclusive of the daily commercial function in NZ. FINZ is responsible for strategy, systems and the manager of risk so that the Falkirk brand is not vulnerable to covert tactics within agriculture. This role preempts any business move within operations to provide security of function. National impact has been achieved as illustrated in governance.

Falkirk Index Australia (FIA) is a module of FINZ and is responsible for the commercial application of the Falkirk System within Australia. Director Ian Walsh

Falkirk Index South Africa (FISA) is a module of FINZ and is responsible for the commercial application of the Falkirk System within South Africa. Director Lionel de la Harpe.

Data Retrieval Operators

A franchisement type agreement inclusive of a non circumvention and confidentiality agreement is central for operators to function their own businesses under Falkirk criteria. Professionalism and integrity are fundamental requirements inclusive of high standard setting objectives.

Team members upskilling requirements, Falkirk and industry education and within Falkirk welfare is under the direct care of the Principal Director and other nominated personnel.

Tools of trade for operators are considered; vehicle, ultra sound machine and probes to Falkirk standard and all complimentary accessories; Phone, fax and email to facilitate efficient communications. People and social skills are essential as the field team is the coalface for the Brand and operations.

A simple explanation handbook will be provided with additional personal education requirements to be covered person to nominated mentor.

Ian Walsh
Principal Director
Falkirk