CALIFORNIA HARVESTERS
AN EMPLOYEE BENEFIT COMPANY
<table>
<thead>
<tr>
<th>Company</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKASHA CONSULTING</td>
<td>Systems implementation and technical assistance</td>
</tr>
<tr>
<td>RENEWABLE RESOURCES GROUP</td>
<td>Agricultural investor and asset manager</td>
</tr>
<tr>
<td>TUTTLE LAW GROUP</td>
<td>Cooperative law</td>
</tr>
<tr>
<td>THE WORKING WORLD</td>
<td>Financial and technical assistance</td>
</tr>
<tr>
<td>FAIR FOOD STANDARDS COUNCIL</td>
<td>Worker engagement, education; Fair Labor certification</td>
</tr>
<tr>
<td>PARAPROFESSIONAL HEALTHCARE INSTITUTE</td>
<td>Cooperative communication and soft skills training</td>
</tr>
</tbody>
</table>
FUNDING PARTNERS - $1.8 MILLION RAISED IN 2018

- JM KAPLAN FUND
- RENEWABLE RESOURCES GROUP
- WOODCOCK FOUNDATION
- THE WORKING WORLD
- HERON FOUNDATION
- CATHOLIC CAMPAIGN FOR HUMAN DEVELOPMENT
Benny Parlan (CEO) has 4 years of farm labor contracting experience and oversees sales and operations of company.

Maira Rodriguez (Director of Safety & Training) conducts on-the-ground safety and training sessions with field workers.

Javier Felix (Field Crew Coordinating Manager) focuses on recruitment and crew deployment.

AP Bookeeping (Payroll and Accounting Manager) 30 years experience in Farm Labor Contracting accounting.

CHI also employs critical support staff for HR as well as two field supervisors for on-the-ground oversight and assistance.
Lack of stable, year-round employment. Given the nature of agricultural growing seasons, it is challenging to provide farmworkers with consistent work, especially if a grower is not diversified in crops that require year-round employment. CHI seeks to address that by acquiring clients that possess contra-seasonal crops or production needs within a localized region to optimize efficiency and provide a stable, reliable workforce to its grower clients.

Lack of job training. Workers in any industry need adequate training to enter the industry, succeed for themselves and their employers, and grow professionally. CHI invests its revenues in providing job training to perform highly skilled field and processing work, regular safety and health trainings, and incorporating coaching techniques to monitor and improve performance and create a supported and respectful work environment.

Low wages and few benefits. CHI invests its revenues in providing an higher hourly wage, increased incentive bonuses, and a robust health care plan, on top of the wages and health care reimbursements provided by growers. CHI is also partnering with existing government and community programs to provide transportation, childcare, and ESL/education opportunities, all of which translate into a more stable, productive and secure workforce.
Instead of keeping this premium as a contractor’s profit, CHI reinvests it back in the workforce through higher wages, training, and wrap services all delivered by an experienced management team.
WORKFORCE DELIVERY IS FAILING

- Not enough labor supply
- High-risk third-party system and joint liability
- Consumer and market pressure

- Inconsistent working conditions and income
- Limited training and opportunity to advance
- No access to benefits, housing, and financial tools

- Underinvestment in or inaccessibility to community infrastructure, childcare, housing, and financial institutions

This affects the long-term profitability and sustainability of the agricultural sector.
Recruitment advantage in tight labor market
Demonstrated quality increase and cost decrease
Codify and market fair labor commitment

Higher wages, benefits, training, respect, and dignity
Worker participation in profits and trust-model governance
Increased access to wraparound services

Affiliated 501(c)3 can guide partnerships and infrastructural investments
Replicate throughout the industry and raise industry standards
Leverage scale for deeper impact

CHI: A farm labor contracting company majority-owned by a trust whose sole purpose is to benefit workers.
CHI’S TRUST MODEL

Majority Worker Representation on the Board

Year 3 Y4 Y5 Y6

Board

California Harvesters, Inc.

*The trust is the sole shareholder of CHI.

Trust meets every quarter:
• Education and discussion
• Financials
• Participation and input on priorities
• Board representative training

EMPLOYEES

Farm Labor Trust*
(sole purpose and mission is to benefit farmworkers)

Workers are automatically vested in the trust after working x consecutive days for CHI

hires vested in
CHI’S SUCCESS
We paid our field workers $0.25/hr higher than minimum wage, along with increased production incentives.

We offer a health care plan for employees and a small weekly copay to add dependent coverage.

### Performance Metrics Since April 2018 Launch

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers recruited</td>
<td>875+</td>
</tr>
<tr>
<td>Workers new to Sun World</td>
<td>80%</td>
</tr>
<tr>
<td>Workers new to table grapes</td>
<td>40%</td>
</tr>
<tr>
<td>Retention rate</td>
<td>45%</td>
</tr>
<tr>
<td>Increase in productivity</td>
<td>52%</td>
</tr>
<tr>
<td>Reduction in cost over nine months</td>
<td>26%</td>
</tr>
<tr>
<td>Workers compensation claims resolved through modified field work</td>
<td>73%</td>
</tr>
<tr>
<td>Medi-Cal enrollment</td>
<td>70%</td>
</tr>
<tr>
<td>Eligible employees enrolled in CHI’s ancillary MEC health plan</td>
<td>54%</td>
</tr>
<tr>
<td>Grower clients</td>
<td>3</td>
</tr>
</tbody>
</table>

*Sun World served as anchor client and represented 95% of total sales.*
Workers’ compensation is one of the largest cost centers in agriculture as injuries often occur as a routine part of farm work. CHI has prioritized reducing the risk of injury and burden for the injured worker, the grower, and our company. CHI received a letter of recognition from the State Compensation Insurance Fund for its efforts in resolving workers’ comp claims efficiently.

<table>
<thead>
<tr>
<th>New State Fund Workers’ Comp Rates</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packhouse</td>
<td>8.9%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Citrus Packing</td>
<td>14.3%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Grapes</td>
<td>14.3%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Almonds</td>
<td>7.8%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

**Timely Reporting of Injuries:**
- 74% of claims were reported within 5 days.
- 17% of claims were reported within 10 days.
- Timely reporting reduces costs by avoiding additional care, time off work, disability, and litigation.

**Return to Work:**
“The best thing about California Harvesters is that they will take almost everyone back at modified work, which is remarkable for this type of employer. This is saving money not only in temporary disability benefits, but helping the injured workers heal faster.” —Kris Hartman-Brown, State Fund’s Regional Claims VP

**Litigation:**
CHI boasts an “incredibly low number of litigated claims.” CHI’s communication with the worker, doctor, and claims team has created an environment that discourages litigation in favor of a solution that works for all parties.
“Here I see a change. Women are respected, and they pay attention (to workers).”

“I like working here because workers are treated well. They treat you like a human. At other places, they’ll talk to you like you’re less than human, yell at you, and offend you.”

“This is the first company that cares about us.”

Quotes extracted from Fair Food Standards Council (FFSC) and Coalition of Immokalee Workers (CIW)’s audit of CHI, Oct. 2018
<table>
<thead>
<tr>
<th>TRAINING</th>
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| **APRIL 2018:** 2-day training for crew bosses, supervisors, CHI executive team, and board members  
Topics: Communication, leadership, and soft skills |
| **JUNE 2018:** 2-day retreat and training for crew bosses and supervisors  
Topics: Sexual harassment, safety, team building, and CHI’s trust model |
| **OCTOBER 2018:** Fair Food Standards Council audit and Coalition for Immokalee Workers training for field workers  
Topics: Sexual harassment, workers’ rights, and complaint procedures |
| **NOVEMBER 2018:** Interactive one-hour presentations for field workers  
Topics: Communication, harassment, and production best practices |
LAUNCH RESULTS
2018: A CHALLENGING YEAR FOR TABLE GRAPES

1. Climate Change: An unseasonably hot summer with a record number of high heat days led to shorter hours for our workforce. Sun World policy does not permit workers to continue work when temperatures rise above 100º, so crews were often sent home after 5 - 6 hours instead of completing a normal 8-hour day in the field.

2. Trade Tariffs: 20-25% of Sun World’s product is exported to Asia, but due to recent trade tariffs, export tax exceeded cost of production, and it became too expensive to continue hiring crews to pack fruit. Domestic markets were flooded with supply creating a downward pressure on price.

3. Coordination with other FLCs: In a short labor market, Sun World needed to maintain the loyalty of its key labor providers and avoid showing favoritism to any particular contractor.
RESULTS:
- $11.5 million in sales
- 800,000 billed hours vs. 1.2MM projected hours
- Reported loss in first year consistent with industry performance
2019 BUSINESS OBJECTIVES

- **Expand Client Base**: Diversify client base to protect against market impacts and provide year-round work.

- **CalVans**: Partnership and pilot program to provide safe, affordable transportation.

- **Employment Training Panel**: contract for $200,000 in reimbursable training dollars.

- **Worker engagement**: Formal monthly needs assessment survey and feedback process.

- **Childcare**: Partnership with county childcare providers to roll out a custom childcare service for CHI workers.

- **Fair Food Certification**: Development of plan for certification to receive a “penny per pound” premium from retailers.

- **Establish and Automate Processes**: Invest in software to automate timekeeping; establish foundational processes for greater growth.