



**1933 INDUSTRIES INC.**

**STATEMENT OF EXECUTIVE COMPENSATION  
FOR THE YEAR ENDED JULY 31, 2024**

## STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this statement of executive compensation:

“Named Executive Officers or NEOs” means in respect of the Company and its subsidiaries as at the year ended July 31, 2024:

- (a) the CEO of the Company;
- (b) the CFO of the Company;
- (c) the most highly compensated executive officer other than the CEO and CFO whose total compensation was, individually, more than \$150,000;
- (d) each individual for whom disclosure would have been provided above except that the individual was not serving as an executive officer of the Company, nor in a similar capacity, as at the end of the most recently completed financial year end.

As of July 31, 2024, the Company had three “Named Executive Officers”, namely Paul Rosen, CEO, Brian Farrell, CFO and Ester Vigil, President. See “*Director and Named Executive Officer-Compensation*” table notes.

### Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company’s two most recently completed financial years ended July 31, 2024 and 2023.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul Rosen <sup>(2)</sup> CEO and Director	2024	432,000 <sup>(11)</sup>	Nil	Nil	n/a	12,000 <sup>(10)</sup>	444,000
	2023	412,000	Nil	Nil	n/a	6,000 <sup>(10)</sup>	418,000
Brian Farrell <sup>(3)</sup> , CFO and Director	2024	50,000 <sup>(12)</sup>	Nil	Nil	n/a	12,000 <sup>(10)</sup>	62,000
	2023	26,000 <sup>(12)</sup>	Nil	Nil	n/a	6,000 <sup>(10)</sup>	32,000
Ester Vigil <sup>(4)</sup> , President	2024	376,950	Nil	Nil	n/a	Nil	376,950
	2023	306,250	Nil	Nil	n/a	Nil	306,250
Caleb Zobrist <sup>(5)</sup> , Executive VP	2024	232,378	Nil	Nil	n/a	Nil	232,378
	2023	240,210	Nil	Nil	n/a	Nil	240,210
D. Richard Skeith <sup>(6)</sup> , Director	2024	Nil	Nil	Nil	n/a	12,000 <sup>(10)</sup>	12,000
	2023	13,000	Nil	Nil	n/a	6,000 <sup>(10)</sup>	19,000
Lisa Capparelli <sup>(7)</sup> , Former Director	2024	9,379	Nil	Nil	n/a	Nil	9,379
	2023	21,510	Nil	Nil	n/a	Nil	21,510
Curtis Floyd <sup>(8)</sup> , Director	2024	Nil	Nil	Nil	n/a	12,000 <sup>(10)</sup>	12,000
	2023	Nil	Nil	Nil	n/a	1,000 <sup>(10)</sup>	1,000
Ranson Shepherd <sup>(9)</sup> , Former Director	2024	n/a	n/a	n/a	n/a	n/a	n/a
	2023	Nil	Nil	Nil	n/a	Nil	Nil

**Notes:**

1. The value of perquisites and benefits, if any, for each Named Executive Officer was less than the lesser of \$50,000 and 10% of the total annual salary and bonus.
2. Paul Rosen was appointed Chief Executive Officer on June 15, 2020, and Director on September 1, 2020. Subsequent to July 31, 2020, Mr. Rosen was also appointed Chairman of the Company.
3. Brian Farrell was appointed Director on March 15, 2018, and Chief Financial Officer on October 1, 2021.

4. Ester Vigil was appointed the President of the Company on April 3, 2023.
5. Caleb Zobrist was appointed Executive Vice president of the Company on June 5, 2019 and ceased on June 5, 2024.
6. D. Richard Skeith was appointed Director on November 23, 2015. Mr. Skeith resigned as Director subsequent to the fiscal year end.
7. Lisa Capparelli was appointed Director on January 23, 2020. Ms. Capparelli tendered her resignation as Director on March 31, 2024.
8. Curtis Floyd was appointed Director on June 21, 2023.
9. Ranson Shepherd was appointed Director on February 15, 2022, and ceased on June 7, 2023.
10. These annual director fees to date have all been accrued.
11. Of the \$432,000 earned by Mr. Rosen in fiscal 2024, \$324,000 was paid and the remaining \$108,000 was accrued.
12. These fees earned by Mr. Farrell have been accrued.

### External Management Companies.

Except as described under the heading “Employment, Consulting and Management Agreements” below, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Issuer to provide executive management services to the Issuer, directly or indirectly.

### Stock Options and Other Compensation Securities

The table below sets out all compensation granted or issued to each NEO or director by the Issuer or its subsidiaries in the year ended July 31, 2024, for services provided or to be provided, directly or indirectly to the Issuer or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (Y/M/D)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (Y/M/D)
Curtis Floyd	Stock Options	1,000,000	23/10/27	\$0.05	\$0.02	\$0.01	28/10/27

**Notes:**

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Company’s financial year ended July 31, 2024.

Name and Position	Number of Options	Vesting Provisions
Paul Rosen CEO and Director	10,000,000 3,000,000	n/a 1/2 of the Optioned shares on August 24, 2022, 1/4 of the Optioned shares on August 24, 2023, and 1/4 of the Optioned shares on August 24, 2024.
Brian Farrell, CFO and Director	250,000 1,500,000	1/3 of the Optioned Shares on November 9, 2020, 2021 and 2022. 1/2 of the Optioned shares on August 24, 2022, 1/4 of the Optioned shares on August 24, 2023, and 1/4 of the Optioned shares on August 24, 2024.
Caleb Zobrist, <sup>(1)</sup> Executive VP	1,000,000	1/2 of the Optioned shares on August 24, 2022, 1/4 of the Optioned shares on August 24, 2023, and 1/4 of the Optioned shares on August 24, 2024.
D. Richard Skeith, Director	250,000 500,000	1/3 of the Optioned Shares on November 9, 2020, 2021 and 2022. 1/2 of the Optioned shares on August 24, 2022, 1/4 of the Optioned shares on August 24, 2023, and 1/4 of the Optioned shares on August 24, 2024.

Ester Vigil President	1,000,000	1/2 of the Optioned shares on August 24, 2022, 1/4 of the Optioned shares on August 24, 2023, and 1/4 of the Optioned shares on August 24, 2024.
Curtis Floyd, Director	1,000,000	1/3 of the Optioned Shares on October 27, 2023, 2024 and 2025.

**Notes:**

1. Mr. Zobrist ceased to be Executive Vice President on June 5, 2024 and as a result his stock options were cancelled subsequent to the Company's year ended July 31, 2024.

No compensation securities were exercised by the NEO's or directors for the year ended July 31, 2024.

### **Stock Option Plans and Other Incentive Plans**

The only incentive plan maintained by the Company is the Stock Option Plan.

The Stock Option Plan was approved by the Shareholders at the Company's annual general meeting held on February 1, 2018.

### **Employment, Consulting and Management Agreements**

Other than as described below, as of the date of this Circular, the Company does not have any employment contracts, agreements or arrangements with the NEO's and directors to compensate them in the event of their resignation, retirement, termination or in the event of a change of control of the Company.

#### *Paul Rosen, Chairman, Chief Executive Officer and Director*

The Company entered into an executive employment agreement with Mr. Rosen, as Chief Executive Officer of the Company (the "CEO Agreement") on June 15, 2020, as amended on June 1, 2021, and amended again on October 1, 2022. Under the current CEO Agreement, Mr. Rosen is entitled to (i) an annual salary of CAD\$432,000,000 per year, as may be adjusted by the Board from time to time (the "**Base Salary**"), (ii) standard benefits made available by the Company to its executives, (iii) reimbursement for all reasonable travelling and other expenses incurred in connection with the executive's duties, (iv) three (3) weeks paid annual vacation in accordance with the Company's vacation policy, as may be adjusted by the Company from time to time and (v) participation in the Stock Option Plan, along with an initial option grant to the executive for the right to purchase an aggregate of ten million (10,000,000) Common Shares of the Company at the market price on the date of approval by the Board of Directors, such shares to vest immediately. The Company may at any time with "Just Cause" as that term is defined in the CEO Agreement, terminate the CEO Agreement by paying to Mr. Rosen the amount of the unpaid annual salary owing up to and including the date of termination and all outstanding vacation pay and expense reimbursement (less in each, applicable tax withholdings and deductions). If the Company terminates the CEO employment without "Just Cause", then the Company will pay to Mr. Rosen the amount of the unpaid annual salary owing up to and including the date of termination and all outstanding vacation pay and expense reimbursement (less in each, applicable tax withholdings and deductions), as well as a severance payment representing 18 months of the Executives current salary, less applicable withholdings and deductions. In the event of a "Change of Control" as that term is defined in the CEO Agreement, the Company will have the option to terminate the CEO Agreement with Mr. Rosen, within 60 days of such change of control, by providing Mr. Rosen with 30 days' notice, and paying Mr. Rosen the amount of the unpaid annual salary owing up to and including the date of termination and all outstanding vacation pay and expense reimbursement (less in each, applicable tax withholdings and deductions), as well as a severance payment representing 18 months of the Executives current salary, less applicable withholdings and deductions. In addition, upon a "Change of Control", where the Executive has "Good Reason" as that term is defined in the CEO Agreement, the Executive will have the option within 60 days of both a "Change of Control", and the first occurrence of an event that constitutes "Good Reason" to terminate his employment with the Corporation upon providing 30 days' notice at any time during the 60 day period, and the Company will pay the Executive the amount of the unpaid annual salary owing up to and including the date of termination and all outstanding vacation pay and expense reimbursement (less in each, applicable tax withholdings and deductions), as well as a severance payment representing 18 months of the Executives current salary, less applicable withholdings and deductions.

### *Ester Vigil, President*

The Company, through its wholly-owned subsidiary, 1933 Management Services Inc., a Nevada corporation, entered into an Executive Employment Agreement with Ester Vigil on March 1<sup>st</sup>, 2023, to provide those services that are normally expected of an President in consideration of a base annual salary of US\$140,000 per year (payable in 12 month equal installments), as well as commission to be paid based on the collection of accounts receivables. Prior to assuming the role of President Ms. Vigil had served as the Companies Director of Sales since July, 2021. Ms. Vigil has been awarded a total of 1,000,000 incentive stock options since taking employment with the Company in July, 2021.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Board of Directors considers and determines all compensation matters for the NEO's and directors. The objective of the Company's compensation arrangements is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development. The Company has not engaged any external independent consultants with respect to executive compensation nor does the Company assess its compensation through benchmarks or peer groups at this time.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

At this time, the Company does not have a formal compensation program with specific performance goals or similar conditions.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The stock option plan will continue to be used to provide share-purchase options to executives. The share-purchase options are granted in consideration of the level of responsibility of the executive as well as his or her impact to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Canadian Securities Exchange, and closely align the interests of the executive officers with the interests of the Company's shareholders.

### **Pension Disclosure**

The Issuer does not have any pension or retirement plan which is applicable to the NEOs or directors. The Issuer has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Issuer, in connection with or related to the retirement, termination or resignation of such person, and the Issuer has provided no compensation to any such person as a result of a change of control of the Issuer.