

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 15, 2023**

**Safeguard Scientifics, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Pennsylvania**  
(State or other Jurisdiction of  
Incorporation)

**001-05620**  
(Commission File Number)

**23-1609753**  
(IRS Employer ID No.)

**150 N. Radnor Chester Rd., STE F-200**  
**Radnor, PA**  
(Address of Principal Executive Offices)

**19087**  
(Zip Code)

Registrant's telephone number, including area code: **610-293-0600**

**Not applicable**

(Former Name or Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (\$.10 par value)	SFE	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

## **Item 8.01      Other Events.**

### *Stock Splits and Overall Transaction*

On December 15, 2023, Safeguard Scientifics, Inc. (the “Company”) held a Special Meeting of Shareholders (the “Special Meeting”). At the Special Meeting, shareholders of the Company adopted amendments (the “Amendments”) to the Company’s Second Amended and Restated Articles of Incorporation, as amended (the “Articles of Incorporation”), to effect a reverse stock split of the Company’s common stock (the “Reverse Stock Split”), followed immediately by a forward stock split of the Company’s common stock (the “Forward Stock Split,” and together with the Reverse Stock Split, the “Stock Splits”), at a ratio of (i) not less than 1-for-50 and not greater than 1-for-100, in the case of the Reverse Stock Split, and (ii) not less than 50-for-1 and not greater than 100-for-1, in the case of the Forward Stock Split.

Upon the adoption of the Amendments to the Articles of Incorporation at the Special Meeting, on December 15, 2023, the Company’s Board of Directors (the “Board”) determined the reverse stock split ratio to be 1-for-100 and the forward stock split ratio to be 100-for-1 (collectively, “Stock Split Ratios”), which are within the ranges approved by the Company’s shareholders at the Special Meeting. The Board directed the Company’s management to file the Amendments to the Articles of Incorporation with the Pennsylvania Department of State to effectuate the Stock Splits with such Stock Split Ratios.

At this time, the Board believes that the Stock Splits to be effected at the Stock Split Ratios would reduce the number of record holders of the Company’s common stock below 300 (i.e., the level at or above which the Company is required to file reports with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), and the Board determined to give effect to the Transaction (as defined below). The actions the Company would take to suspend, and events that occur as a result of such actions that would have the effect of suspending, the Company’s reporting obligations under the Exchange Act, including effectuating the Stock Splits, delisting the Company’s common stock from trading on The Nasdaq Stock Market LLC (“Nasdaq”), as described below, terminating the registration of the Company’s common stock under Sections 12(b) and 12(g) of the Exchange Act and suspending the Company’s reporting obligations under Section 15(d) of the Exchange Act, are collectively referred to as the “Transaction.”

### *Voluntary Delisting from Nasdaq*

On December 15, 2023, the Board approved the Company voluntarily delisting its common stock from trading on Nasdaq and deregistering its common stock under Section 12(b) of the Exchange Act by filing Form 25 (Notification of Removal From Listing and/or Registration under Section 12(b) of the Exchange Act) with the SEC. The Company expects that the delisting will occur ten days after the filing of Form 25, at which point, the Company intends to file a Form 15 with the SEC certifying that it has less than 300 shareholders of record, which will terminate the registration of the Company’s common stock under Section 12(g) of the Exchange Act. Following the delisting of the Company’s common stock from trading on Nasdaq, any trading in the Company’s common stock would only occur in privately negotiated sales and potentially on an over-the-counter market. The Company has applied for its common stock to be quoted on a market operated by OTC Markets Group Inc. (the “OTC”) so that a trading market may continue to exist for its common stock. There is no guarantee, however, that a broker will continue to make a market in the common stock and that trading of the common stock will continue on an OTC market or otherwise.

### *Special Cash Dividend*

The Company has previously announced that the Board declared a special cash dividend of \$0.35 per share, contingent on the adoption of the Amendments to the Articles of Incorporation at the Special Meeting and the Board thereafter giving effect to the Transaction. On December 15, 2023, the Board approved such special cash dividend without any contingencies, and it is payable on December 28, 2023 to shareholders of record as of the close of business on December 19, 2023. The ex-dividend date will be December 29, 2023.

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### *Planned Management Structure Adjustments*

The Company has previously announced that, in connection with the Transaction, the Company was planning to reorganize its management structure to primarily use an external service provider, with the Company's current executive officers and employees expected to provide limited services to the Company.

In connection with the Board determining to proceed with the overall Transaction, on December 15, 2023, the Board approved and the Company entered into a letter agreement (the "Services Agreement") with Rock Creek Advisors, LLC ("Rock Creek") and two letter agreements with each of Eric C. Salzman, the Company's Chief Executive Officer, and Mark Herndon, the Company's Senior Vice President and Chief Financial Officer related to Messrs. Salzman's and Herndon's (i) termination as full-time employees of the Company ("Termination Letter Agreements") and (ii) temporary employment arrangements ("Employment Letter Agreements").

Pursuant to the terms of his employment agreement, dated January 1, 2023, Mr. Salzman will serve as the Company's Chief Executive Officer for a term ending on December 31, 2023. The employment agreement with Mr. Herndon, dated September 17, 2018, will be terminated, and Mr. Herndon will no longer serve as the Company's Senior Vice President and Chief Financial Officer, effective December 31, 2023. The Termination Letter Agreements will be effective as of December 31, 2023. The Services Agreement and Employment Letter Agreements will be effective as of January 1, 2024.

Pursuant to the Services Agreement, Rock Creek will perform certain consulting and advisory services (the "Services") related to the outsourcing of the Company's financial and operational functions. The Services include: (i) performing weekly accounting operations (for example, accounts payable and cash disbursements), as well as general ledger updating and reconciliation; (ii) generating quarterly and annual financial reports in accordance with GAAP; (iii) working with the Company's tax advisor on completing annual tax returns; (iv) distributing proceeds from the sale of investments to shareholders, as applicable; (v) serve as executive officers of the Company; and (vi) other Services set forth in Exhibit A to the Services Agreement. In connection with the Services, the Company will pay Rock Creek a monthly fee of \$25,000 for the first twelve months of the engagement. The fee will be reduced to \$20,000 per month thereafter. In addition, the Company will reimburse Rock Creek for all reasonable out of pocket expenses and costs incurred in connection with the performance of the Services, provided that reimbursement of expenses in excess of \$2,500, for any given expense, or in excess of \$5,000, in the aggregate, during any monthly period will require the Company's prior approval. Either the Company or Rock Creek may terminate the Letter Agreement upon 30 days' advance written notice.

Pursuant to the Termination Letter Agreements, each of Messrs. Salzman and Herndon will receive COBRA coverage under the Company's medical insurance program for up to six months starting from January 1, 2024, provided, however, that such coverage will terminate immediately upon commencement of full-time employment with any other employer during such six months. The Termination Letter Agreements also provide for customary confidentiality and mutual non-disparagement obligations, as well as a release of claims, subject to certain exclusions, and other customary provisions.

In addition, under the Termination Letter Agreement with Mr. Salzman, 125,000 performance based restricted stock units previously granted to Mr. Salzman will vest in full effective as of December 15, 2023, and pursuant to the Termination Letter Agreement with Mr. Herndon, he will receive a cash payment of: (i) \$142,500, which is equal to six months of his base annual salary and (ii) \$171,000 as his incentive plan compensation under the Company's Management Incentive Plan.

Under the terms of the Employment Letter Agreements, effective January 1, 2024, each of Messrs. Salzman and Herndon will be a temporary at-will employee of the Company providing services to the Company from time to time on as-needed basis, at a rate of \$400 per hour. Mr. Salzman will be serving as Senior Advisor to the Company, and Mr. Herndon will be serving as Executive Advisor to the Company. In addition, in 2024, Mr. Salzman will be serving as a director or observer, as applicable, of certain of the Company's portfolio companies, and the Company will pay Mr. Salzman up to \$200,000 for such board related services, subject to adjustment if the number of boards, for which the Company has the right to nominate a director or observer, is three or less as of June 30, 2024.

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The foregoing description of the Services Agreement, Termination Letter Agreements and Employment Letter Agreements does not purport to be complete and is subject to, and qualified in its entirety by, the full text of these agreements, attached hereto as Exhibits 10.1 – 10.5 and incorporated herein by reference.

**Item 1.01 Entry into a Material Definitive Agreement.**

The description of the Services Agreement included under Item 8.01 of this Current Report on Form 8-K is incorporated into this Item 1.01 by reference.

**Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

The description of the Board's approval of the Company voluntarily delisting its common stock from trading on Nasdaq and deregistering its common stock under Section 12(b) of the Exchange Act included under Item 8.01 of this Current Report on Form 8-K is incorporated into this Item 3.01 by reference.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

The description of the Company's management structure adjustments included under Item 8.01 of this Current Report on Form 8-K is incorporated into this Item 5.02 by reference.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

On December 15, 2023, the Company held the Special Meeting. At the Special Meeting, the shareholders voted on the proposals to adopt the Amendments to the Company's Articles of Incorporation to effect the Reverse Stock Split and the Forward Stock Split. As of October 24, 2023, the record date for the Special Meeting, there were 16,575,618 shares of common stock outstanding and entitled to vote at the Special Meeting. At the Special Meeting, 13,716,003 shares of common stock were virtually present or represented by proxy and, therefore, a quorum was present.

The proposal to adopt the Articles of Amendment to the Articles of Incorporation to effect the Reverse Stock Split received the following votes:

<b>For</b>	<b>Against</b>	<b>Abstain</b>
13,035,123	633,278	47,602

The proposal to adopt the Articles of Amendment to the Articles of Incorporation to effect the Forward Stock Split received the following votes:

<b>For</b>	<b>Against</b>	<b>Abstain</b>
12,201,621	1,466,752	47,630

Based on the votes set forth above, the shareholders adopted the Amendments to the Articles of Incorporation to effect the Reverse Stock Split and the Forward Stock Split.

The proposal to adjourn the Special Meeting to solicit additional proxies if there were insufficient votes to adopt the Amendments to the Articles of Incorporation to effect the Reverse Stock Split or the Forward Stock Split at the time of the Special Meeting was rendered moot in light of the adoption of the Amendments to the Articles of Incorporation to effect the Stock Splits.

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**Item 7.01 Regulation FD Disclosure.**

On December 18, 2023, the Company issued a press release, which is attached hereto as [Exhibit 99.1](#) and incorporated by reference herein.

The exhibit is being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall such exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

The following exhibits are filed herewith:

<b>Number</b>	<b>Exhibit</b>
<a href="#"><u>10.1</u></a>	<a href="#"><u>Letter Agreement by and between the Company and Rock Creek Advisors, LLC, dated December 15, 2023</u></a>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Termination Letter Agreement by and between the Company and Eric C. Salzman, dated December 15, 2023</u></a>
<a href="#"><u>10.3</u></a>	<a href="#"><u>Employment Letter Agreement by and between the Company and Eric C. Salzman, dated December 15, 2023</u></a>
<a href="#"><u>10.4</u></a>	<a href="#"><u>Termination Letter Agreement by and between the Company and Mark A. Herndon, dated December 15, 2023</u></a>
<a href="#"><u>10.5</u></a>	<a href="#"><u>Employment Letter Agreement by and between the Company and Mark A. Herndon, dated December 15, 2023</u></a>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press Release, dated December 18, 2023</u></a>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **Safeguard Scientifics, Inc.**

Date: December 18, 2023

By: /s/ G. Matthew Barnard

Name: G. Matthew Barnard

Title: General Counsel

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December 15, 2023

Eric C. Salzman  
CEO  
Safeguard Scientifics, Inc.  
150 N. Radnor Chester Road  
Suite F-200  
Radnor, PA 19087

Re: Engagement of Rock Creek Advisors, LLC

On behalf of Rock Creek Advisors, LLC ("Rock Creek"), I am writing to thank you for the opportunity to serve Safeguard Scientifics, Inc. ("Company", "Client", or "you") in the matter described below.

This letter agreement ("Agreement"), effective as of January 1, 2024, will outline the scope and nature of the services you have asked Rock Creek to provide (including any limitations in that regard) and the terms under which Rock Creek will provide those services.

Scope of Services

You are engaging Rock Creek to perform the services ("Services") as outlined in Exhibit A. We may agree with you to expand the scope of the Services, provided that any such change is confirmed with a written amendment to Exhibit A. To the extent we do expand the scope, our services will be subject to the terms and conditions established in this Agreement. The Services shall be performed or overseen primarily by Mark Dow as Rock Creek's agent or employee.

Fees

The fees for Rock Creek Services that you are agreeing to pay are outlined on Exhibit B of this Agreement ("Fees").

Expenses

Rock Creek shall be reimbursed within 30 days for all reasonable out of pocket expenses, including but not limited to, travel (including airfare, lodging, meals, rental cars, mileage, etc.), and any other reasonable costs incurred by Rock Creek in the course of activities or actions required or permitted by this Agreement; provided that reimbursement of expenses in excess of \$2,500 (for any given expense) or in excess of \$5,000 in the aggregate during any monthly period will require prior approval thereof by you together with submittal of substantiating documentation for each such expense acceptable to the you, acting reasonably. Rock Creek shall be reimbursed by you within 30 days upon receipt of Rock Creek's invoice.

Terms of Payment

Rock Creek will deliver invoices for fees and expenses according to this Agreement. Invoices are due within 30 days of receipt.

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In the event any invoice is not paid as required by this Agreement, Client agrees that Rock Creek will have the unconditional right at any time to discontinue further services in this matter. If such Services are terminated for any reason, Rock Creek will submit a final invoice for services performed through the termination date, and the balance of all outstanding invoices, including the final invoice, shall be due and payable within 30 days of receipt.

Our engagement is not an audit, review, or compilation in accordance with Generally Accepted Accounting Principles. We will rely on the documentation and information provided by Client without audit or other verification. We wish to emphasize that our engagement is not designed for, and cannot be relied upon, to disclose errors, irregularities, or illegal acts, including fraud or defalcations that may exist. However, we will inform you of such matters that come to our attention. Notwithstanding the foregoing, the Services shall be performed in a professional and competent manner consistent with generally accepted industry standards, without the advice, control or supervision of the Company.

#### File Retention

All files, records, documents, and other materials relating to the business of the Company, its partner companies, target partner companies or any of their acquisition candidates, clients or business partners, whether prepared by Rock Creek or otherwise coming into its possession, shall remain the property of the Company during the term of this Agreement and thereafter. During Rock Creek's representation, any otherwise nonpublic information you supply to us will be kept confidential in accordance with Rock Creek's retention policy, applicable law, and the terms of this engagement Agreement. If requested, Rock Creek will return the files to you; we may do so in electronic form. Depending on the volume of material, we may charge you shipping costs for the return of paper files. If we cannot locate you to notify you at the end of the retention period, or if we notify you and you so instruct us, we will securely dispose of all materials in the file at the end of the retention period.

#### Client Responsibilities

By agreeing to and accepting our representation as described in this Agreement, you agree to cooperate fully with us and to provide promptly all information known or available to you that is relevant to our representation. You (including any of your representatives) agree to be available to attend meetings, conferences, and other proceedings on reasonable notice, and you agree to stay fully informed on all developments relating to all matters for which we have been engaged. You also agree to pay our statements for services rendered and charges in accordance with the terms of this Agreement. We reserve the right to withdraw from this matter if you fail to meet your obligations under this Agreement, including payment of Fees when due.

During our representation, we will be asking you for information and/or instructions from time to time. It is important that we receive your response in a timely manner. We may need to withdraw from representation if untimely responses to our requests persist.

It is important that we always maintain a current address for you. Please notify us promptly of any address change or any changes in your representation during or following the completion of the requested services as there may be a need to contact you to help maintain your rights. In any event, we will use the last address we have on record for you.



Protected Health Information

During our representation, you anticipate that we will not receive Protected Health Information, as defined in 45 C.F.R. § 160.103 of the regulations promulgated under the Health Insurance Portability and Affordability Act of 1996, as amended ("**PHI**"). By signing below, you agree that you will use commercially reasonable means to provide Rock Creek with advance written notice of any future disclosure of PHI so that the parties may enter into a business associate agreement as required by law.

Conflict of Interest

We have conducted an internal check of our records to determine whether representing you in this engagement would raise a conflict of interest as to one or more of our existing clients. It appears that currently no conflict exists. However, Rock Creek represents many other entities and individuals. It is possible that while we are representing you, some of our present or future clients will have disputes or transactions with the Company. If, as a result of a future dispute or transaction, a conflict with the interests of other clients arises we will address the conflict with you and the affected clients, and this may include the seeking of a waiver by you and the other affected parties, the provision of which will be at your discretion.

Indemnification

By agreeing to the terms of this Agreement, each party shall indemnify and hold harmless the other party and its personnel from and against all claims by third parties and resulting damages, liabilities or losses (including costs and legal fees) arising out of or related to the Services described here that Rock Creek will perform. The preceding sentence shall not apply to the extent that the loss was caused by the bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct of the party seeking such indemnification.

Identification Number

Rock Creek's tax identification number is 82-3649705. Please indicate your acceptance of the terms of this Agreement by signing and returning a copy of this Agreement. Delivery of this Agreement by facsimile or readable .pdf file shall be as effective as delivery of a manually executed counterpart of this Agreement.

Governing Law

This Agreement shall be governed by, interpreted under, and enforced in accordance with the laws of the State of Delaware (regardless of laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including, without limitation, matters of validity, construction, effect, performance and remedies.

Termination

This Agreement may be terminated by either party upon providing 30 days' advance written notice of such termination to the other party.

Assignment

Rock Creek shall not assign this Agreement or subcontract any of the work, labor or services to be performed by Rock Creek hereunder without the Company's prior written consent.

Independent Contractor/Representations

The parties agree that Rock Creek is an independent contractor for all purposes. As such, Rock Creek acknowledges and agrees that Rock Creek is not entitled to participate in any of the benefit, welfare, bonus or incentive plans maintained by the Company for its employees. Rock Creek shall not be an employee or agent of the Company for any purpose, and, except as expressly provided for in connection with the performance of the Services, Rock Creek shall have no power to bind the Company or assume any obligations or liabilities on behalf of the Company, nor shall Rock Creek represent to any person that Rock Creek has such authority or that Rock Creek is a partner, officer, director, employee or agent of the Company. Rock Creek shall comply with all applicable laws and regulations in connection with the Services on behalf of the Company. Rock Creek will be responsible for the payment of all Federal and state income, withholding, FICA and other taxes arising from all amounts paid to Rock Creek for the Services. If the Company is required to pay any amount by any competent authority, whether due to (i) the assessment of an employer obligation against the Company with respect to Rock Creek, or (ii) the failure of Rock Creek to file documents with respect to or pay any tax or similar fee or assessment, Rock Creek agrees to indemnify the Company for any amount so paid, including interest, penalties and fines.

SEC Regulation FD

As the Company is currently subject to regulation under the Securities and Exchange Act of 1934 (as amended), Rock Creek (i) acknowledges that Rock Creek is aware that United States securities laws prohibit any person who has received from an issuer material, non-public information concerning such issuer from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell securities, and (ii) acknowledges that it is familiar with the Securities and Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder, and (iii) agrees not to use, cause or permit any other party to use any Confidential Information in contravention thereof.

Integration and Amendment

This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior communications and agreements. This Agreement and the provisions hereof may not be changed, waived or extended orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, or extension is sought.

Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

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1738 Belmar Blvd.

Belmar, NJ

07719

Based on our discussions, we will commence work on this matter in contemplation of receiving your written acceptance, and we will assume you agree with these terms, even if you have not returned a signed copy of this Agreement. If we do not receive the counter-signed Agreement within a reasonable time, we reserve the right to withdraw from further representation of you in this matter.

Please call me if you have any questions regarding anything in the foregoing Agreement.

Agreed and accepted,

/s/ James Gansman

James Gansman  
Managing Member  
Rock Creek Advisors, LLC

/s/ Eric C. Salzman

Eric C. Salzman  
CEO  
Safeguard Scientifics, Inc.

**Exhibit A****Scope of Services:**

Rock Creek will perform certain consulting and advisory services related to Safeguard's desire to outsource its financial and operational functions. The services are based on the expectation Safeguard will have made the filings necessary to delist from Nasdaq and terminate registration of its common stock with the SEC at the time of Rock Creek's engagement on or around January 1, 2024. Fee structure is provided in Exhibit B.

Activities include:

- Week to week accounting operations including accounts payable and cash disbursements;
- Periodic review, negotiation and renewal of service contracts and insurance policies;
- Monthly bank reconciliation
- General ledger updating and reconciliation;
- Generating quarterly financial reports in accordance with GAAP and OTCQX continued listing requirements, including investment updates for dissemination to shareholders;
- Facilitate notification and filing of federal and state tax returns/business licenses as needed;
- Process and distribute annual forms 1099;
- Ancillary government reporting as required;
- Work with company's tax advisor on completing annual tax returns;
- Periodic review and recommendation of cash funds investment;
- Work with external auditors on quarterly and annual matters;
- Interact with investment organizations regarding receipt of updated reporting and M & A activity;
- Confer with outside legal counsel as needed;
- Distribute proceeds from sale of investments to shareholders as applicable;
- Wind-down and dissolve company upon completion of sale or disposition of investments;
- Interaction with Safeguards board representatives at portfolio companies;
- Ad hoc requests from the board of directors;
- Serve as administrator on the Company's 401(k) plan;
- Serve as executive officers of the Company; and
- Serve as officers and directors of the Company's subsidiaries.

**Exhibit B****Fees:**

In connection with this engagement to perform the Scope of Services, Rock Creek shall be paid a Fixed Fee.

**Fixed Fee**

Rock Creek shall be paid a monthly fee of twenty five thousand dollars (\$25,000.00) for the first twelve months of the engagement. The fee will be reduced to twenty thousand dollars (\$20,000) per month thereafter until the company completes dissolution. If a representative of Rock Creek Advisors becomes a board member at Safeguard or any portfolio company, there would be an additional fee.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SAFEGUARD SCIENTIFICS, INC.  
150 N. Radnor Chester Rd.  
STE F-200  
Radnor, PA 19087

This letter (hereinafter the “**Agreement**”) is made and entered into as of December 15, 2023, by and between Safeguard Scientifics, Inc. (“**Safeguard**”) and Eric Salzman (“**Employee**”).

1. Background and Consideration.

- (a) As used in this Agreement, any reference to Safeguard shall include its predecessors and successors and, in their capacities as such, all of its present, past, and future directors, officers, employees, attorneys, insurers, agents and assigns; and any reference to Employee shall include, in their capacities as such, his attorneys, heirs, administrators, representatives, agents and assigns.
  - (b) Employee and Safeguard agree that Employee’s employment with Safeguard shall terminate on December 31, 2023 (“**Termination Date**”) and Employee hereby resigns from all positions with Safeguard and its subsidiaries and other companies in which Safeguard holds an interest effective as of the Termination Date. This Agreement will set forth the terms and conditions of the termination of Employee’s employment with Safeguard.
  - (c) If Employee signs this Agreement, agreeing to be bound by the general release in Paragraph 2 below, including the other terms and conditions of this Agreement described below, Employee will be entitled, as applicable, to receive the separation amounts from Safeguard and benefits described below *following* the execution and non-revocation of this Agreement (the “**Consideration**”), subject to Safeguard’s standard payroll practices, including applicable deductions and withholdings:
    - i. 125,000 of the 125,000 performance-based restricted stock units granted to you, each representing a right to receive one share shares of Safeguard’s common stock, will vest and become payable based in accordance with the criteria outlined in that certain Restricted Stock Unit Grant Agreement between you and Safeguard, dated March 15, 2023.
    - ii. Any continuation of insurance coverages upon a separation of employment shall be available to Employee at Employee’s cost as currently provided for under such plans.
    - iii. Your medical and dental insurance and other health and welfare plan benefits will terminate on the date of termination of your employment. Your COBRA notice will be given and benefit conversion privileges will begin the first day after termination of your employment. You will receive up to six months’ continued coverage under Safeguard’s medical and health plans (not including dental coverage), which coverage will run concurrent with the coverage provided under Section 4980B of the Internal Revenue Code of 1986, as amended from time to time.
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- iv. A lump sum payment equal to the cost that would be incurred by Safeguard, as reasonably determined by Safeguard, to waive the applicable premium otherwise payable for COBRA continuation coverage for you (and, to the extent covered immediately prior to the date of your termination, your spouse and dependents) with respect to dental insurance for a period of six months following the date of your termination, which such total amount shall be \$1,000.
  - v. Any continuation of other insurance coverages upon a separation of employment shall be available to Employee at Employee's cost as currently provided for under such plans.
  - vi. All such medical and dental benefits described above shall terminate immediately upon your commencement of full-time employment with any other employer during the period through June 30, 2024, and you agree to provide us notice no less than 10 days prior to such commencement of employment.
  - vii. Employee may retain the laptop computer issued to him by Safeguard, subject to Safeguard removing such information from such laptop as Safeguard may determine in its sole discretion.
- (d) Employee will not be eligible for the Consideration described in this Paragraph 1 unless: (i) Safeguard has received an executed copy of this Agreement; and (ii) Employee complies with the terms of this Agreement.
- (e) Whether or not Employee signs this Agreement, (a) Employee will be paid for all time worked, including any benefits accrued, up to and including the Termination Date; (b) Employee's last day of employment with Safeguard is the Termination Date; and (c) Employee's eligibility to participate in all Company-sponsored plans that are governed by Employee Retirement Income Security Act or 1974, as amended ("ERISA") will end effective on the Termination Date or such date as may otherwise be set forth in such plans. For the avoidance of doubt, Employee shall remain eligible for any matching contributions under the Company's 401(k) plan that may be required pursuant to such plan terms through the Termination Date.

## 2. General Release.

- (a) Employee, for and in consideration of the special benefits offered to him by Safeguard specified herein and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE Safeguard, of and from any and all waivable causes of actions, suits, debts, claims and demands whatsoever in law or in equity, which Employee ever had, now has, or hereafter may have or which Employee's heirs, executors or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Employee's employment with Safeguard to the date of this Agreement, and particularly, but without limitation, any claims arising from or relating in any way to Employee's employment or the termination of Employee's employment relationship with Safeguard, including, but not limited to, any claims arising under any federal, state, or local laws, including Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., ("**Title VII**"), the Age Discrimination in Employment Act, 29 U.S.C. § 621 et seq. (the "**ADEA**") as amended by the Older Worker Benefit Protection Act, the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. ("**ADA**"), ERISA, Sarbanes-Oxley Act of 2002, the Equal Pay Act, the Family and Medical Leave Act ("**FMLA**"), the Worker Adjustment and Retraining Notification Act, the Pennsylvania Whistleblower Law, if applicable, the Pennsylvania Wage Payment and Collection Law, Pa. Stat. Ann. tit. 43 §§ 260.1-260.11a ("**WPCL**"), the Pennsylvania Human Relations Act, 43 P.S. § 951 et seq. (the "**PHRA**"), the Pennsylvania pregnancy, Childbirth and Childrearing Law, if applicable, and any and all other federal, state or local laws, regulations, ordinances or public policies and any common law claims now or hereafter recognized, including claims for wrongful discharge, slander and defamation, as well as all claims for counsel fees and costs; provided, however, that the Employee does not release or discharge Safeguard from any of its continuing obligations to him expressly set forth in this Agreement, claims for benefits (not including severance benefits) under Safeguard's employee welfare benefit plans and employee pension benefit plans, subject to the terms and conditions of those plans or the Employee's rights as a shareholder of Safeguard or to indemnification as an officer and director of Safeguard (including any D&O insurance coverage).
- (b) By signing this Agreement, Employee represents that Employee has not commenced any proceeding against Safeguard in any forum (administrative or judicial) concerning Employee's employment or the termination thereof. Employee further promises not to initiate a lawsuit or to bring any other claim against the other arising out of or in any way related to Employee's employment by the Company or the termination of that employment. This Agreement will not prevent Employee from filing a charge with the Equal Employment Opportunity Commission (or similar state agency) or participating in any investigation conducted by the Equal Employment Opportunity Commission (or similar state agency); *provided, however*, that any claims by Employee for personal relief in connection with such a charge or investigation (such as reinstatement or monetary damages) would be barred. If Employee's employment with Safeguard has been terminated on or before the date of this Agreement, Employee further acknowledges that Employee was given sufficient notice under the Worker Adjustment and Retraining Notification Act (the "**WARN Act**") and that the termination of Employee's employment does not give rise to any claim or right to notice, or pay or benefits in lieu of notice under the WARN Act. In the event any WARN Act issue does exist or arises in the future, Employee agrees and acknowledges that the payments and benefits set forth in this Agreement shall be applied to any compensation or benefits in lieu of notice required by the WARN Act, provided that any such offset shall not impair or affect the validity of any provision of this Agreement.



- (c) Employee agrees that in the event of a breach of any of the terms of this Agreement, Safeguard shall be entitled to recover attorneys' fees and costs in an action to prosecute such breach, in addition to compensatory damages, and may cease to make any payments then due under this Agreement.
- (d) Notwithstanding the terms of any other agreements entered into by Safeguard and Employee prior to the date hereof, but subject to any written agreement entered into by Safeguard and Employee after the date hereof, Employee acknowledges that Safeguard's obligations under this Agreement are the only obligations of Safeguard or its affiliates in connection with the matters described herein and therein.
- (e) Employee agrees and acknowledges that this Agreement is not and shall not be construed to be an admission by Safeguard of any violation of any federal, state or local statute, ordinance or regulation or of any duty owed by Safeguard to Employee.

3. Confidentiality; Non-Disparagement.

- (a) Except to the extent required by law, including SEC disclosure requirements, and as set forth in subsection (e) below, Safeguard and Employee agree that the terms of this Agreement will be kept confidential by both parties, except that Employee may advise his family and confidential advisors, and Safeguard may advise those people needing to know to implement the above terms. However, Employee and Safeguard agree that nothing in this Agreement prevents or prohibits Employee from (i) making any disclosure of relevant and necessary information or documents in connection with any charge, action, investigation, or proceeding relating to this Agreement, or as required by law or legal process; (ii) participating, cooperating, or testifying in any charge, action, investigation, or proceeding with, or providing information to, any self-regulatory organization, governmental agency or legislative body, and/or pursuant to the Sarbanes-Oxley Act, or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization. To the extent permitted by law, upon receipt of any subpoena, court order or other legal process compelling the disclosure of any such information or documents, Employee agrees to give prompt written notice to Safeguard so as to permit it to protect its interests in confidentiality to the fullest extent possible.
- (b) Employee acknowledges and agrees that he is bound by the confidentiality provisions and intellectual property provisions of the prior employment agreements entered into by Safeguard and Employee or referenced in such agreements, and that such terms remain in full force and effect.

- (c) Employee represents that Employee has not taken, used or knowingly permitted to be used any confidential or proprietary notes, memorandum, reports, list, records, drawings, sketches, specifications, software programs, data, documentation or other materials of any nature relating to any matter within the scope of the business of Safeguard or its affiliated or parent companies or concerning any of its dealings or affairs otherwise than for the benefit of Safeguard. Employee shall not, after the termination of Employee's employment, use or knowingly permit to be used any such notes, memoranda, reports, lists, records, drawings, sketches, specifications, software programs, data, documentation or other materials, it being agreed that all of the foregoing shall be and remain the sole and exclusive property of Safeguard and that immediately upon the termination of Employee's employment, Employee shall deliver all of the foregoing, and all copies thereof, to Safeguard, at its main office. The provisions of this Section 3(c) shall not restrict Employee from performing services for Safeguard after the date hereof pursuant to a written agreement between Safeguard and Employee.
- (d) In accordance with normal ethical and professional standards, Safeguard and Employee agree that they shall not in any way engage in any conduct or make any statement that would defame or disparage the other, or make to, or solicit for, the media or others, any comments, statements (whether written or oral), and the like that may be considered to be derogatory or detrimental to the good name or business reputation of either party. It is understood and agreed that Safeguard's obligation under this paragraph extends only to the conduct of Safeguard's executive officers and directors. The only exception to the foregoing shall be in those circumstances in which Employee or Safeguard is obligated to provide information in response to an investigation by a duly authorized governmental entity or in connection with legal proceedings.
- (e) Nothing in this Agreement restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "**Regulators**"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to the maximum extent permitted by law, Employee is waiving his right to receive any individual monetary relief from Safeguard or any others covered by the Released Claims resulting from such claims or conduct, regardless of whether Employee or another party has filed them, and in the event Employee obtains such monetary relief Safeguard will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit Employee's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. Employee does not need the prior authorization of Safeguard to engage in conduct protected by this paragraph, and Employee does not need to notify Safeguard that he has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. Pursuant to the Defend Trade Secrets Act of 2016, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of the trade secrets of Safeguard or any of its affiliates that is made by Employee (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4. Indemnity and Assistance.

- (a) This Agreement shall not release Safeguard, or any of its insurance carriers, from any obligation it or they might otherwise have to defend and/or indemnify Employee and hold harmless any other director or officer and Safeguard hereby affirms its obligation to provide indemnification to Employee as a director, officer, observer or former director, officer or observer of Safeguard or any of its affiliates or portfolio companies, as the case may be, as set forth in Safeguard's bylaws and charter documents or in any indemnification agreement between Employee and Safeguard.
- (b) Employee agrees that Employee will personally provide reasonable assistance and cooperation to Safeguard, in the manner and for the compensation reasonably agreed to by Safeguard and Employee, in activities related to the prosecution or defense of any pending or future lawsuits or claims involving Safeguard.

5. General.

- (a) Employee acknowledges and agrees that Employee has 21 days to consider this Agreement, and that Employee has been advised by Safeguard, in writing, to consult with Employee's attorney before signing this Agreement, and that Employee had discussed this matter with Employee's attorney before signing it. Employee further acknowledges that Safeguard has advised Employee that he or she may revoke this Agreement for a period of 7 calendar days after it has been executed, with the understanding that Safeguard has no obligations under this Agreement until the seven-day period has passed. If the seventh day is a weekend or national holiday, Employee will have until the next business day to revoke. Any revocation must be in writing and sent via email to Safeguard's Chairman of the Board of Directors at [jmanko@thehortonfund.com](mailto:jmanko@thehortonfund.com).
- (b) Employee has carefully read and fully understands all of the provisions of this Agreement which set forth the entire agreement between him and Safeguard with respect to the subject matter hereto, and he acknowledges that he has not relied upon any representation or statement, written or oral, not set forth in this document.

- (c) This Agreement is made in the Commonwealth of Pennsylvania and shall be interpreted under the laws thereof. Its language shall be construed as a whole, to give effect to its fair meaning and to preserve its enforceability.
- (d) Employee agrees that any breach of this Agreement by Employee will cause irreparable damage to Safeguard and that in the event of such breach Safeguard shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of Employee's obligations hereunder.
- (e) No term or condition set forth in this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and an officer of Safeguard.
- (f) Any waiver by Safeguard of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof.
- (g) Each covenant, paragraph and division of this Agreement is intended to be severable and distinct, and if any paragraph, subparagraph, provision or term of this Agreement is deemed to be unlawful or unenforceable, such a determination will not impair the legitimacy or enforceability of any other aspect of the Agreement.
- (h) This Agreement is intended to be for the benefit of, and shall be enforceable by, Safeguard. Except as provided in the prior sentence, this Agreement is not intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person or entity other than the parties hereto and their respective heirs, representatives, successors and permitted assigns.
- (i) This Agreement is not to be construed as an admission of any violation of any federal, state or local statute, ordinance or regulation or of any duty owed by Safeguard to Employee. There have been no such violations, and Safeguard specifically denies any such violations.
- (j) This Agreement may be executed, including execution by facsimile signature, in multiple counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

/s/ Eric Salzman

Eric Salzman

SAFEGUARD SCIENTIFICS, INC.

By: /s/ Joseph M. Manko, Jr.

Joseph M. Manko, Jr.

Chairman of the Board of Directors

December 15, 2023

Dear Eric:

This letter agreement will confirm that effective January 1, 2024 you shall be a temporary at-will employee of Safeguard Scientifics, Inc. ("**Safeguard**") on the terms and subject to the conditions set forth in this letter agreement.

Your title shall be Senior Advisor.

Except for such position as a temporary at-will employee of Safeguard and as otherwise set forth in this letter with respect to the services you will perform hereunder, you shall not hold any other positions at Safeguard, its subsidiaries or its portfolio companies.

During your service as a temporary at-will employee of Safeguard, you will perform the services as mutually agreed to by you and Safeguard from time to time (the "**Hourly Services**").

During the term of this letter agreement, you will be paid at a rate of \$400.00 per hour for your performance of the Hourly Services. Hourly Services will be paid upon presentation of supporting detail no later than the 20 days after submission.

In addition to the Hourly Services, you also agree to perform the following services (the "**Board Services**") through December 31, 2024: (i) serving on the board of directors (each a "**Board**" and collectively, the "**Boards**") as a director or observer, as applicable, of each of the following portfolio companies: Clutch, InfoBionic, meQuilibrium, Moxe and Prognos (the "**Portfolio Companies**"); (ii) attending all regular and special meetings of the Boards and any committees of the Boards on which you serve in such capacity; and (iii) providing regular updates to Safeguard regarding the performance and prospects of the Portfolio Companies and Safeguard's interests in the Portfolio Companies (subject to your fiduciary duties as a director thereof).

You shall be paid an annual amount equal to \$200,000 to perform the Board Services, which shall be paid monthly in arrears; provided that you agree that if this letter agreement has not been terminated prior to June 30, 2024 and the number of Boards for which Safeguard has a right to nominate a director or observer is three (3) or fewer as of June 30, 2024 (a "**Reduced Board Scenario**"), you and Safeguard shall negotiate in good faith a modification to your compensation for the Board Services. If a modification is not agreed to in writing by you and Safeguard by July 31, 2024 in a Reduced Board Scenario, notwithstanding anything to the contrary herein, either party may terminate this letter agreement as of July 31, 2024 and Safeguard shall pay you for all Hourly Services and all Board Services through only July 31, 2024.

For the avoidance of doubt, the Hourly Services and the Board Services are separate services and compensation for the Hourly Services shall not offset the compensation for the Board Services, and vice versa.

Safeguard will reimburse you for reasonable expenses incurred by you in the performance of your service hereunder provided that such expenses are subject to Safeguard's then applicable expense reimbursement policies.

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Safeguard shall pay your compensation in accordance with Safeguard's applicable payroll and payment schedules, subject to the Board Services being paid monthly in arrears, and such amounts will be subject to all applicable withholding requirements.

Your eligibility to participate in all Company-sponsored plans that are governed by Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), will be as set forth in such plans.

Safeguard shall defend and/or indemnify you and hold you harmless, and Safeguard hereby affirms its obligation to provide indemnification to you as a director, officer, employee, observer or former director, officer, employee or observer of Safeguard or any of its affiliates or portfolio companies, as the case may be, to the same extent as required by Safeguard's bylaws as of the date hereof. You will not be eligible for any other compensation or employee benefits except as provided for in this letter agreement and that certain separation letter agreement entered into by you and Safeguard on December 15, 2023.

As an at-will employee, either party may terminate your at-will employment and this letter agreement at any time upon notice to the other party; provided, however, (i) if you terminate your employment and this letter agreement at any time, you shall be paid for the Hourly Services and the Board Services only through the date of termination; (ii) if Safeguard terminates your employment and this letter agreement prior to June 30, 2024, you shall be paid for the Hourly Services only through the date of termination and Safeguard will pay you, within five days of such termination, an amount equal to \$100,000 less the cumulative fees for Board Services paid to you prior to such termination; and (iii) if Safeguard terminates your employment and this letter agreement after June 30, 2024, you shall be paid for the Hourly Services only through the date of termination and the Board Services through December 31, 2024 (subject to a termination in connection with a Reduced Board Scenario as described above).

You will be a temporary employee-at-will, subject to the arrangements described in Safeguard's employee handbook as modified from time to time. You shall not be required to devote all of your professional time and attention to performing services on behalf of Safeguard and you shall be permitted to engage in activities outside of your temporary employment by Safeguard at your discretion, provided that you hereby acknowledge and reaffirm your agreement to comply with the covenants designed to protect Safeguard's confidential information and employee and customer relationships and other employee agreements by which you were bound as a full-time employee, including, without limitation, Safeguard's Statement of Company Policy on Insider Trading and Disclosure and Safeguard's Code of Business Conduct and Ethics.

If these terms are agreeable, please signify your acceptance below and return one copy to me.

*[Signature Page Follows]*

Sincerely,

/s/ Joseph M. Manko, Jr.

Joseph M. Manko, Jr.

Chairman of the Board of Directors

Agreed and accepted: /s/ Eric Salzman

Eric Salzman



SAFEGUARD SCIENTIFICS, INC.  
150 N. Radnor Chester Rd.  
STE F-200  
Radnor, PA 19087

This letter (hereinafter the “**Agreement**”) is made and entered into as of December 15, 2023, by and between Safeguard Scientifics, Inc. (“**Safeguard**”) and Mark Herndon (“**Employee**”).

1. Background and Consideration.

- (a) As used in this Agreement, any reference to Safeguard shall include its predecessors and successors and, in their capacities as such, all of its present, past, and future directors, officers, employees, attorneys, insurers, agents and assigns; and any reference to Employee shall include, in their capacities as such, his attorneys, heirs, administrators, representatives, agents and assigns.
  - (b) Employee and Safeguard agree that Employee’s employment with Safeguard, and, other than as specifically provided for herein, Employee’s prior employment agreements entered into with Safeguard, shall terminate on December 31, 2023 (“**Termination Date**”) and Employee hereby resigns from all positions with Safeguard and its subsidiaries and other companies in which Safeguard holds an interest effective as of the Termination Date. This Agreement will set forth the terms and conditions of the termination of Employee’s employment with Safeguard.
  - (c) If Employee signs this Agreement, agreeing to be bound by the general release in Paragraph 2 below, including the other terms and conditions of this Agreement described below, Employee will be entitled, as applicable, to receive the separation amounts from Safeguard and benefits described below *following* the execution and non-revocation of this Agreement (the “**Consideration**”), subject to Safeguard’s standard payroll practices, including applicable deductions and withholdings:
    - i. A lump sum payment of \$142,500, which is the equivalent of 100% of Employee’s base salary for a 6-month period.
    - ii. A payment in respect of Employee’s 2023 annual incentive bonus (“**MIP**”) equal to Employee’s MIP target, prorated through the Termination Date, at 100% achievement, which amount is equal to \$171,000. Such payment shall be made in cash.
    - iii. Employee’s current equity interests under Safeguard’s various long-term incentive plans, that would have vested through June 30, 2024, will continue to vest pursuant to the terms of such awards. For the avoidance of doubt, Employee shall remain eligible for dividend equivalents on any outstanding restricted stock unit or performance stock unit awards, in accordance with the terms of the Dividend Equivalent Grant Agreement.
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- iv. Your medical and dental insurance and other health and welfare plan benefits will terminate on the date of termination of your employment. Your COBRA notice will be given and benefit conversion privileges will begin the first day after termination of your employment. You will receive up to six months' continued coverage under Safeguard's medical and health plans (not including dental coverage), which coverage will run concurrent with the coverage provided under Section 4980B of the Internal Revenue Code of 1986, as amended from time to time.
  - v. A lump sum payment equal to the cost that would be incurred by Safeguard, as reasonably determined by Safeguard, to waive the applicable premium otherwise payable for COBRA continuation coverage for you (and, to the extent covered immediately prior to the date of your termination, your spouse and dependents) with respect to dental insurance for a period of six months following the date of your termination, which such total amount shall be \$650.
  - vi. Any continuation of other insurance coverages upon a separation of employment shall be available to Employee at Employee's cost as currently provided for under such plans.
  - vii. All such medical and dental benefits described above shall terminate immediately upon your commencement of full-time employment with any other employer during the period through June 30, 2024, and you agree to provide us notice no less than 10 days prior to such commencement of employment.
  - viii. Employee shall remain eligible for all transaction bonus grants made to Employee as of the date hereof under the terms of the Company's Transaction Bonus Plan.
  - ix. Employee may retain the laptop computer issued to him by Safeguard, subject to Safeguard removing such information from such laptop as Safeguard may determine in its sole discretion.
- (d) Employee will not be eligible for the Consideration described in this Paragraph 1 unless: (i) Safeguard has received an executed copy of this Agreement; and (ii) Employee complies with the terms of this Agreement.
- (e) Whether or not Employee signs this Agreement, (a) Employee will be paid for all time worked, including any benefits accrued, up to and including the Termination Date; (b) Employee's last day of employment with Safeguard is the Termination Date; and (c) Employee's eligibility to participate in all Company-sponsored plans that are governed by Employee Retirement Income Security Act or 1974, as amended ("ERISA") will end effective on the Termination Date or such date as may otherwise be set forth in such plans. For the avoidance of doubt, Employee shall remain eligible for any matching contributions under the Company's 401(k) plan that may be required pursuant to such plan terms through the Termination Date.

## 2. General Release.

- (a) Employee, for and in consideration of the special benefits offered to him by Safeguard specified herein and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE Safeguard, of and from any and all waivable causes of actions, suits, debts, claims and demands whatsoever in law or in equity, which Employee ever had, now has, or hereafter may have or which Employee's heirs, executors or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Employee's employment with Safeguard to the date of this Agreement, and particularly, but without limitation, any claims arising from or relating in any way to Employee's employment or the termination of Employee's employment relationship with Safeguard, including, but not limited to, any claims arising under any federal, state, or local laws, including Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., ("**Title VII**"), the Age Discrimination in Employment Act, 29 U.S.C. § 621 et seq. (the "**ADEA**") as amended by the Older Worker Benefit Protection Act, the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. ("**ADA**"), ERISA, Sarbanes-Oxley Act of 2002, the Equal Pay Act, the Family and Medical Leave Act ("**FMLA**"), the Worker Adjustment and Retraining Notification Act, the Pennsylvania Whistleblower Law, if applicable, the Pennsylvania Wage Payment and Collection Law, Pa. Stat. Ann. tit. 43 §§ 260.1-260.11a ("**WPCL**"), the Pennsylvania Human Relations Act, 43 P.S. § 951 et seq. (the "**PHRA**"), the Pennsylvania pregnancy, Childbirth and Childrearing Law, if applicable, and any and all other federal, state or local laws, regulations, ordinances or public policies and any common law claims now or hereafter recognized, including claims for wrongful discharge, slander and defamation, as well as all claims for counsel fees and costs; provided, however, that the Employee does not release or discharge Safeguard from any of its continuing obligations to him expressly set forth in this Agreement, claims for benefits (not including severance benefits) under Safeguard's employee welfare benefit plans and employee pension benefit plans, subject to the terms and conditions of those plans or the Employee's rights as a shareholder of Safeguard or to indemnification as an officer and director of Safeguard (including any D&O insurance coverage).
- (b) By signing this Agreement, Employee represents that Employee has not commenced any proceeding against Safeguard in any forum (administrative or judicial) concerning Employee's employment or the termination thereof. Employee further promises not to initiate a lawsuit or to bring any other claim against the other arising out of or in any way related to Employee's employment by the Company or the termination of that employment. This Agreement will not prevent Employee from filing a charge with the Equal Employment Opportunity Commission (or similar state agency) or participating in any investigation conducted by the Equal Employment Opportunity Commission (or similar state agency); *provided, however*, that any claims by Employee for personal relief in connection with such a charge or investigation (such as reinstatement or monetary damages) would be barred. If Employee's employment with Safeguard has been terminated on or before the date of this Agreement, Employee further acknowledges that Employee was given sufficient notice under the Worker Adjustment and Retraining Notification Act (the "**WARN Act**") and that the termination of Employee's employment does not give rise to any claim or right to notice, or pay or benefits in lieu of notice under the WARN Act. In the event any WARN Act issue does exist or arises in the future, Employee agrees and acknowledges that the payments and benefits set forth in this Agreement shall be applied to any compensation or benefits in lieu of notice required by the WARN Act, provided that any such offset shall not impair or affect the validity of any provision of this Agreement.

- (c) Employee agrees that in the event of a breach of any of the terms of this Agreement, Safeguard shall be entitled to recover attorneys' fees and costs in an action to prosecute such breach, in addition to compensatory damages, and may cease to make any payments then due under this Agreement.
- (d) Notwithstanding the terms of any other agreements entered into by Safeguard and Employee prior to the date hereof, but subject to any written agreement entered into by Safeguard and Employee after the date hereof, Employee acknowledges that Safeguard's obligations under this Agreement are the only obligations of Safeguard or its affiliates in connection with the matters described herein and therein.
- (e) Employee agrees and acknowledges that this Agreement is not and shall not be construed to be an admission by Safeguard of any violation of any federal, state or local statute, ordinance or regulation or of any duty owed by Safeguard to Employee.

3. Confidentiality; Non-Disparagement.

- (a) Except to the extent required by law, including SEC disclosure requirements, and as set forth in subsection (e) below, Safeguard and Employee agree that the terms of this Agreement will be kept confidential by both parties, except that Employee may advise his family and confidential advisors, and Safeguard may advise those people needing to know to implement the above terms. However, Employee and Safeguard agree that nothing in this Agreement prevents or prohibits Employee from (i) making any disclosure of relevant and necessary information or documents in connection with any charge, action, investigation, or proceeding relating to this Agreement, or as required by law or legal process; (ii) participating, cooperating, or testifying in any charge, action, investigation, or proceeding with, or providing information to, any self-regulatory organization, governmental agency or legislative body, and/or pursuant to the Sarbanes-Oxley Act, or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization. To the extent permitted by law, upon receipt of any subpoena, court order or other legal process compelling the disclosure of any such information or documents, Employee agrees to give prompt written notice to Safeguard so as to permit it to protect its interests in confidentiality to the fullest extent possible.

- (b) Employee acknowledges and agrees that he is bound by the confidentiality provisions and intellectual property provisions of the prior employment agreements entered into by Safeguard and Employee or referenced in such agreements, and that such terms remain in full force and effect.
- (c) Employee represents that Employee has not taken, used or knowingly permitted to be used any confidential or proprietary notes, memorandum, reports, list, records, drawings, sketches, specifications, software programs, data, documentation or other materials of any nature relating to any matter within the scope of the business of Safeguard or its affiliated or parent companies or concerning any of its dealings or affairs otherwise than for the benefit of Safeguard. Employee shall not, after the termination of Employee's employment, use or knowingly permit to be used any such notes, memoranda, reports, lists, records, drawings, sketches, specifications, software programs, data, documentation or other materials, it being agreed that all of the foregoing shall be and remain the sole and exclusive property of Safeguard and that immediately upon the termination of Employee's employment, Employee shall deliver all of the foregoing, and all copies thereof, to Safeguard, at its main office. The provisions of this Section 3(c) shall not restrict Employee from performing services for Safeguard after the date hereof pursuant to a written agreement between Safeguard and Employee.
- (d) In accordance with normal ethical and professional standards, Safeguard and Employee agree that they shall not in any way engage in any conduct or make any statement that would defame or disparage the other, or make to, or solicit for, the media or others, any comments, statements (whether written or oral), and the like that may be considered to be derogatory or detrimental to the good name or business reputation of either party. It is understood and agreed that Safeguard's obligation under this paragraph extends only to the conduct of Safeguard's executive officers and directors. The only exception to the foregoing shall be in those circumstances in which Employee or Safeguard is obligated to provide information in response to an investigation by a duly authorized governmental entity or in connection with legal proceedings.
- (e) Nothing in this Agreement restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "**Regulators**"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to the maximum extent permitted by law, Employee is waiving his right to receive any individual monetary relief from Safeguard or any others covered by the Released Claims resulting from such claims or conduct, regardless of whether Employee or another party has filed them, and in the event Employee obtains such monetary relief Safeguard will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit Employee's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. Employee does not need the prior authorization of Safeguard to engage in conduct protected by this paragraph, and Employee does not need to notify Safeguard that he has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. Pursuant to the Defend Trade Secrets Act of 2016, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of the trade secrets of Safeguard or any of its affiliates that is made by Employee (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4. Indemnity and Assistance.

- (a) This Agreement shall not release Safeguard, or any of its insurance carriers, from any obligation it or they might otherwise have to defend and/or indemnify Employee and hold harmless any other director or officer and Safeguard hereby affirms its obligation to provide indemnification to Employee as a director, officer, observer or former director, officer or observer of Safeguard or any of its affiliates or portfolio companies, as the case may be, as set forth in Safeguard's bylaws and charter documents or in any indemnification agreement between Employee and Safeguard.
- (b) Employee agrees that Employee will personally provide reasonable assistance and cooperation to Safeguard, in the manner and for the compensation reasonably agreed to by Safeguard and Employee, in activities related to the prosecution or defense of any pending or future lawsuits or claims involving Safeguard.

5. General.

- (a) Employee acknowledges and agrees that Employee has 21 days to consider this Agreement, and that Employee has been advised by Safeguard, in writing, to consult with Employee's attorney before signing this Agreement, and that Employee had discussed this matter with Employee's attorney before signing it. Employee further acknowledges that Safeguard has advised Employee that he or she may revoke this Agreement for a period of 7 calendar days after it has been executed, with the understanding that Safeguard has no obligations under this Agreement until the seven-day period has passed. If the seventh day is a weekend or national holiday, Employee will have until the next business day to revoke. Any revocation must be in writing and sent via email to Safeguard's Chairman of the Board of Directors at [jmanko@thehortonfund.com](mailto:jmanko@thehortonfund.com).

- (b) Employee has carefully read and fully understands all of the provisions of this Agreement which set forth the entire agreement between him and Safeguard with respect to the subject matter hereto, and he acknowledges that he has not relied upon any representation or statement, written or oral, not set forth in this document.
- (c) This Agreement is made in the Commonwealth of Pennsylvania and shall be interpreted under the laws thereof. Its language shall be construed as a whole, to give effect to its fair meaning and to preserve its enforceability.
- (d) Employee agrees that any breach of this Agreement by Employee will cause irreparable damage to Safeguard and that in the event of such breach Safeguard shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violation of Employee's obligations hereunder.
- (e) No term or condition set forth in this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and an officer of Safeguard.
- (f) Any waiver by Safeguard of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof.
- (g) Each covenant, paragraph and division of this Agreement is intended to be severable and distinct, and if any paragraph, subparagraph, provision or term of this Agreement is deemed to be unlawful or unenforceable, such a determination will not impair the legitimacy or enforceability of any other aspect of the Agreement.
- (h) This Agreement is intended to be for the benefit of, and shall be enforceable by, Safeguard. Except as provided in the prior sentence, this Agreement is not intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person or entity other than the parties hereto and their respective heirs, representatives, successors and permitted assigns.
- (i) This Agreement is not to be construed as an admission of any violation of any federal, state or local statute, ordinance or regulation or of any duty owed by Safeguard to Employee. There have been no such violations, and Safeguard specifically denies any such violations.
- (j) This Agreement may be executed, including execution by facsimile signature, in multiple counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

/s/ Mark Herndon

Mark Herndon

SAFEGUARD SCIENTIFICS, INC.

By: /s/ Eric Salzman

Eric Salzman

Chief Executive Officer



December 15, 2023

Dear Mark:

This letter agreement will confirm that effective January 1, 2024 you shall be a temporary at-will employee of Safeguard Scientifics, Inc. (“**Safeguard**”) on the terms and subject to the conditions set forth in this letter agreement.

Your title shall be Executive Advisor.

Except for such position as a temporary at-will employee of Safeguard and as otherwise set forth in this letter with respect to the services you will perform hereunder, you shall not hold any other positions at Safeguard, its subsidiaries or its portfolio companies.

During your service as a temporary at-will employee of Safeguard, you will perform the services as mutually agreed to by you and Safeguard from time to time.

During the term of this letter agreement, you will be paid at a rate of \$400.00 per hour.

Safeguard will reimburse you for reasonable expenses incurred by you in the performance of your service hereunder provided that such expenses are subject to Safeguard’s then applicable expense reimbursement policies.

Safeguard shall pay your compensation in accordance with Safeguard’s applicable payroll and payment schedules and such amounts will be subject to all applicable withholding requirements.

Your eligibility to participate in all Company-sponsored plans that are governed by Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), will be as set forth in such plans.

Safeguard shall defend and/or indemnify you and hold you harmless, and Safeguard hereby affirms its obligation to provide indemnification to you as a director, officer, employee, observer or former director, officer, employee or observer of Safeguard or any of its affiliates or portfolio companies, as the case may be, to the same extent as required by Safeguard’s bylaws as of the date hereof.

You will not be eligible for any other compensation or employee benefits except as provided for in this letter agreement and that certain separation letter agreement entered into by you and Safeguard on December 15, 2023.

As an at-will employee, Safeguard may terminate your at-will employment and this letter agreement at any time upon notice to you.

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You will be a temporary employee-at-will, subject to the arrangements described in Safeguard's employee handbook as modified from time to time. You shall not be required to devote all of your professional time and attention to performing services on behalf of Safeguard and you shall be permitted to engage in activities outside of your temporary employment by Safeguard at your discretion, provided that you hereby acknowledge and reaffirm your agreement to comply with the covenants designed to protect Safeguard's confidential information and employee and customer relationships and other employee agreements by which you were bound as a full-time employee, including, without limitation, Safeguard's Statement of Company Policy on Insider Trading and Disclosure and Safeguard's Code of Business Conduct and Ethics.

If these terms are agreeable, please signify your acceptance below and return one copy to me.

*[Signature Page Follows]*

Sincerely,

/s/ Eric Salzman

Eric Salzman

Chief Executive Officer

Agreed and accepted: /s/ Mark Herndon

Mark Herndon

**Safeguard Scientifics Announces Stock Split Ratios to Effectuate the Going Dark Transaction**

**Radnor, PA, December 18, 2023** - Safeguard Scientifics, Inc. (Nasdaq:SFE) (“Safeguard” or the “Company”) today announced that, after the Company’s shareholders adopted amendments to the articles of incorporation at the Special Meeting of Shareholders held on December 15, 2023 (the “Special Meeting”) to effect a reverse stock split, to be followed immediately by a forward stock split, at a ratio of (i) not less than 1-for-50 and not greater than 1-for-100, in the case of the reverse stock split, and (ii) not less than 50-for-1 and not greater than 100-for-1, in the case of the forward stock split (collectively referred to as “stock splits”), the Company’s Board of Directors (the “Board”) determined the reverse stock split ratio to be 1-for-100 and the forward stock split ratio to be 100-for-1 (collectively, “stock split ratios”) and directed the Company’s management to file the amendments to the articles of incorporation with the Pennsylvania Department of State to effectuate the stock splits with such stock split ratios.

At this time, the Board believes that the stock splits to be effected at the stock split ratios would reduce the number of record holders of the Company’s common stock below 300, which is the level at or above which the Company is required to file reports with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Board determined to give effect to Company’s previously announced plan to cease the registration of the Company’s common stock under the Exchange Act and to delist the Company’s common stock from trading on The Nasdaq Stock Market LLC (referred to as the “Transaction”).

Based on the stock split ratio chosen by the Board, a shareholder of record owning immediately prior to the effective time of the reverse stock split fewer than 100 shares (the “Minimum Number”), would be entitled to a fraction of a share of common stock upon the reverse stock split and will be paid cash in lieu of such fraction of a share of common stock, on the basis of \$1.65, without interest (the “Cash Payment”), for each share of common stock held by such holder (the “Cashed Out Shareholders”) immediately prior to effective time and the Cashed Out Shareholders would no longer be shareholders of the Company. Shareholders of record owning at least the Minimum Number of shares immediately prior to the effective time (the “Continuing Shareholders”) would not be paid cash in lieu of any fraction of a share of common stock such Continuing Shareholders may be entitled to receive upon the reverse stock split. Upon the forward stock split, the shares of common stock (including any fraction of a share of common stock) held by such Continuing Shareholders after the reverse stock split will be reclassified into the same number of shares of common stock as such Continuing Shareholders held immediately prior to the effective time. As a result of the forward stock split, the total number of shares of common stock held by a Continuing Shareholder would not change due to the stock splits.

The Company intends to voluntarily delist its common stock and to withdraw the registration of its common stock with the SEC in connection with amending its articles of incorporation to effect the stock splits. As part of the delisting process, the Company intends to file a Form 25 (Notification of Removal From Listing and/or Registration under Section 12(b) of the Exchange Act) with the SEC. The Company expects that the delisting will occur ten days after the filing of Form 25, at which point, the Company intends to file a Form 15 with the SEC certifying that it has less than 300 shareholders of record, which will terminate the registration of the Company’s common stock under Section 12(g) of the Exchange Act. Following the delisting of the Company’s common stock from trading on Nasdaq, any trading in the Company’s common stock would only occur in privately negotiated sales and potentially on an over-the-counter market. The Company has applied for its common stock to be quoted on a market operated by OTC Markets Group Inc. (the “OTC”) so that a trading market may continue to exist for its common stock. There is no guarantee, however, that a broker will continue to make a market in the common stock and that trading of the common stock will continue on an OTC market or otherwise.

The Company has previously announced that the Board declared a special cash dividend of \$0.35 per share, contingent on the adoption of the amendments to the articles of incorporation at the Special Meeting and the Board thereafter giving effect to the Transaction. On December 15, 2023, the Board approved such special cash dividend without any contingencies, and it is payable on December 28, 2023 to shareholders of record as of the close of business on December 19, 2023. The ex-dividend date will be December 29, 2023. For more information regarding the dividend, please refer to the Company’s press release issued on December 8, 2023.

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The Company has also previously announced that, in connection with the Transaction, the Company was planning to reorganize its management structure to primarily use an external service provider, with the Company's current executive officers and employees expected to provide limited services to the Company. In connection with the Board determining to proceed with the overall Transaction, the Company entered into a letter agreement (the "Services Agreement") with Rock Creek Advisors, LLC ("Rock Creek") and letter agreements ("Letter Agreements") with each of Eric C. Salzman, the Company's Chief Executive Officer, and Mark Herndon, the Company's Senior Vice President and Chief Financial Officer. Pursuant to the Services Agreement, Rock Creek will perform certain consulting and advisory services related to the outsourcing of the Company's financial and operational functions effective as of January 1, 2024. Pursuant to the Letter Agreements, Messrs. Salzman and Herndon will no longer serve as the Company's executive officers as of December 31, 2023, and Messrs. Salzman and Herndon will be temporary at-will employees of the Company providing services to the Company from time to time on as-needed basis effective as of January 1, 2024. In addition, in 2024, Mr. Salzman will be serving as a director or observer, as applicable, of certain of the Company's portfolio companies.

### **About Safeguard Scientifics**

Historically, Safeguard Scientifics has provided capital and relevant expertise to fuel the growth of technology-driven businesses. Safeguard has a distinguished track record of fostering innovation and building market leaders that spans more than six decades. Safeguard is currently pursuing a focused strategy to value-maximize and monetize its ownership interests over a multi-year time frame to drive shareholder value. For more information, please visit [www.safeguard.com](http://www.safeguard.com).

### **Forward-Looking Statements**

This press release may contain forward-looking statements that are being made pursuant to the Private Securities Litigation Reform Act of 1995, which provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information so long as those statements are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statement. Such forward-looking statements include statements about the perceived benefits and costs of the Transaction, trading of the Company's common stock following the voluntary delisting from trading on Nasdaq, and the number of holders of record of the Company's common stock that the Company expects to have after the stock splits. Such forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those described or implied in such forward-looking statements. Accordingly, actual results may differ materially from such forward-looking statements. The forward-looking statements relating to the Transaction are based on the Company's current expectations, assumptions, estimates and projections about the Company and involve significant risks and uncertainties, including the many variables that may impact the Company's projected cost savings, variables and risks related to consummation of the stock splits and the Transaction, and SEC regulatory review of the Company's filings related to the Transaction. The Company assumes no obligation for updating any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

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**SAFEGUARD CONTACT:**

Mark Herndon  
Chief Financial Officer  
[mherndon@safeguard.com](mailto:mherndon@safeguard.com)

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