

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): April 20, 2020

Safeguard Scientifics, Inc.

(Exact Name of registrant as Specified in Charter)

Pennsylvania
(State or other Jurisdiction of Incorporation)

1-5620
(Commission File Number)

23-1609753
(IRS Employer ID No.)

One Radnor Corp. Ctr., Suite 110
100 Matsonford Rd.
Radnor, Pennsylvania
(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	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously reported by Safeguard Scientifics, Inc. (the "Company"), Brian J. Sisko stepped down as President and Chief Executive Officer of the Company, effective March 31, 2020 (the "Separation Date"). On April 20, 2020, Mr. Sisko and the Company entered into a general release and agreement (the "Agreement") in connection with Mr. Sisko's departure from the Company.

Consistent with the terms of Mr. Sisko's employment agreement, pursuant to the Agreement and subject to the terms and conditions set forth therein, Mr. Sisko is entitled to (i) a lump sum payment equal to \$375,000, which is equal to the annual base salary Mr. Sisko would have received from the Separation Date through December 31, 2020, (ii) a lump sum payment equal to \$600,000, which is equal to Mr. Sisko's annual incentive bonus, paid at target, under the Company's Management Incentive Plan for the calendar year 2020 and (iii) a lump sum payment equal to \$750,000, which is equal to 1.5 times Mr. Sisko's annual base salary.

Mr. Sisko's current equity interests under the Company's long-term incentive plans that would have vested through December 31, 2020 will continue to vest pursuant to the terms of such awards through December 31, 2020. In addition, Mr. Sisko will be entitled to exercise (i) any vested outstanding time-based stock options (vested at the Separation Date or vesting through December 31, 2020) within the thirty-six month period following the Separation Date and (ii) any vested outstanding performance-based options (vested at the Separation Date or vesting through December 31, 2020) within the twelve month period following the Separation Date, unless, in either case, such options would by their terms expire sooner, in which case Mr. Sisko may exercise such options at any time before their expiration.

Mr. Sisko will remain eligible for any and all transaction bonus payments, if any become payable, under the terms of the Company's Transaction Bonus Plan. In addition, Mr. Sisko will be entitled to certain medical and insurance benefits, including the payment of Mr. Sisko's cost of COBRA continuation coverage through December 31, 2021 as well as the reimbursement of certain insurance and other expenses through December 31, 2021.

The Agreement contains a general release of claims by Mr. Sisko against the Company as well as confidentiality and other covenants.

The summary description of the Agreement contained in this Current Report on Form 8-K is not complete and is qualified in its entirety by, and should be read in conjunction with, the complete text of the Agreement, which is filed as Exhibit 10.1 and is incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 [General Release and Agreement, dated April 20, 2020, by and between the Company and Brian J. Sisko.](#)

104 Cover Page Interactive Data File (formatted as Inline XBRL).

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: April 21, 2020

By: /s/ G. Matthew Barnard

Name: G. Matthew Barnard

Title: General Counsel

GENERAL RELEASE AND AGREEMENT

This GENERAL RELEASE AND AGREEMENT (hereinafter the "Agreement") is made and entered into as of this 20th day of April, 2020, by and between Safeguard Scientifics, Inc. ("Safeguard") and Brian J. Sisko ("Employee").

1. Background and Consideration.

(a) The parties hereto acknowledge that this Agreement is being entered into pursuant to the terms of the employment letter agreement, dated April 6, 2018 between Safeguard and Employee (the "Employment Agreement"). 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 position as President and Chief Executive Officer of Safeguard terminated effective as of March 31, 2020 ("Termination Date") and Employee did, on that date, resign from all positions with Safeguard. 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"):

- i. A lump sum payment of the base salary Employee would have received from the Termination Date through December 31, 2020, which Safeguard and Employee agree is equal to \$375,000.00.
 - ii. A lump sum payment in respect of Employee's annual incentive bonus, paid at target, under the Management Incentive Plan for calendar year 2020, which Safeguard and Employee agree is equal to \$600,000.00.
 - iii. A lump sum payment equal to 1.5 times Employee's annual base salary in effect on the Termination Date, which Safeguard and Employee agree is equal to \$750,000.00.
 - iv. A lump sum payment equal to Employee's cost of COBRA continuation coverage with respect to medical insurance, less such co-payment amount payable by Employee under the terms of Safeguard's medical insurance program, as may be amended from time to time, through December 31, 2021, which Safeguard and Employee agree is equal to \$20,934.48.
 - v. Reimbursement payments by Safeguard of any medical, vision or dental expenses incurred by Employee, his spouse or his dependents (if his spouse and dependents were covered under the Safeguard medical insurance program prior to the Termination Date) that are not otherwise covered by Safeguard's medical insurance program through December 31, 2021, with a \$5,000 cap for each of the periods of (i) the Termination Date through December 31, 2020 and (ii) January 1, 2021 through December 31, 2021; provided Employee submits copies of the paid invoices for such expenses to Safeguard.
 - vi. Reimbursement payments equal to the cost of the universal life insurance coverage policy purchased by Safeguard in Employee's name through December 31, 2021, based on Safeguard's monthly cost of such coverage on the Termination Date; provided Employee continues to pay the premiums for such insurance policy and timely submit the paid invoices for such premiums to Safeguard.
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- vii. Employee's current equity interests under Safeguard's various long-term incentive plans, that would have vested through December 31, 2020, will continue to vest pursuant to the terms of such awards through December 31, 2020. In addition, (A) any vested outstanding time-based stock options (vested at the Termination Date or vesting through December 31, 2020) will be modified such that they may be exercised during the thirty-six (36)-month period following the Termination Date (unless, disregarding Employee's termination, any of the options would by their terms expire sooner, in which case Employee may exercise such options at any time before their expiration), and (B) any vested outstanding performance-based options (vested at the Termination Date or vesting through December 31, 2020) will be modified such that they may be exercised during the twelve (12) month period following the Termination Date (unless, disregarding Employee termination, any of the options would by their terms expire sooner, in which case Employee may exercise such options at any time before their expiration). 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.
- viii. Employee shall remain eligible for any and all transaction bonus payments, if any become payable, under the terms of the Company's Transaction Bonus Plan.

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. Any Consideration paid as a lump sum payment shall be paid in accordance with Safeguard's payroll not later than thirty (30) days following receipt of an executed copy of this Agreement. Any Consideration paid as reimbursements shall be paid not later than thirty (30) days following receipt of the invoices for such payments. Any transaction bonus payments, if payable, shall be paid pursuant to the terms and conditions of the Transaction Bonus Plan.

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. Employee shall also be eligible for any payment(s) due under the Executive Deferred Compensation Plan, subject to Employee's deferral election and such plan terms.

2. General Release.

(a) Employee, for and in consideration of the special benefits offered to him by Safeguard specified in the Employment Agreement 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 and the Employment 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 or the Employment 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 or the Employment Agreement.

(d) Except as otherwise specifically set forth herein, Employee acknowledges that Safeguard's obligations under the Employment Agreement and this Agreement are the only obligations of Safeguard or its parent organizations or 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.

4. 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 of the Employment Agreement and the Non-Competition Agreement (referenced in the Employment Agreement), 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 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.

(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. 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.

5. 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 or former director or officer of Safeguard, 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 activities related to the prosecution or defense of any pending or future lawsuits or claims involving Safeguard.

6. General.

(a) Employee acknowledges and agrees that he has 21 days to consider this Agreement, and that Employee has been advised by Safeguard, in writing, to consult with his attorney before signing this Agreement, and that Employee had discussed this matter with his attorney before signing it. Employee further acknowledges that Safeguard has advised him that he may revoke this Agreement for a period of seven 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 General Counsel at mbarnard@safeguard.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 specifically and duly authorized by the Board of Directors 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.

Brian J. Sisko

Safeguard Scientifics, Inc.

Name: Robert J. Rosenthal
Title: Executive Chairman