



PARAGON
TECHNOLOGIES

PARAGON TECHNOLOGIES, INC.
101 Larry Holmes Drive, Suite 500, Easton, Pennsylvania 18042
Telephone (610) 252-3205

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 5, 2024

The 2024 Annual Meeting of Stockholders (the "Annual Meeting") of Paragon Technologies, Inc., a Delaware corporation (the "Company"), will be held at the Residential Board Room, Lobby Level, of the Waldorf Astoria Las Vegas, 3750 South Las Vegas Boulevard, Las Vegas, Nevada 89158, at 8:00 A.M., local (Pacific) time, on June 5, 2024, for the following purposes:

1. To elect the three directors named in the accompanying Proxy Statement to the Board of Directors;
2. To ratify the appointment of RSM US LLP as the Company's independent public accounting firm for the fiscal year ending December 31, 2024;
3. To approve the Paragon Technologies, Inc. 2024 Equity Incentive Plan; and
4. To transact such other business as may properly come before the Annual Meeting or at any adjournments or postponements thereof.

Only stockholders of record as of the close of business on April 15, 2024 will be entitled to notice of the Annual Meeting and to vote at the Annual Meeting and any adjournments or postponements thereof. A list of stockholders of the Company entitled to vote at the meeting will be available for inspection by a stockholder at the Annual Meeting and during normal business hours at the Company's corporate offices during the ten-day period immediately prior to the Annual Meeting.

If you plan to attend the Annual Meeting, please inform the Company, in writing (by letter sent to the Company's corporate offices at the address listed above or by e-mail: info@pgntgroup.com), prior to the Annual Meeting, of your intent to attend the Annual Meeting. To access the Annual Meeting, you will need to enter through the residential entrances of the Waldorf Astoria, which are separate from the Waldorf Astoria hotel entrances. If you choose to attend the Annual Meeting in person, you will be asked to present photo identification and proof that you own shares of the Company's common stock before entering the Annual Meeting.

The Company intends to hold the Annual Meeting in person. In the event it is not possible or advisable to hold the Annual Meeting in person, the Company will announce alternative arrangements for the meeting as promptly as practicable, which may include postponing or adjourning the Annual Meeting or holding the meeting solely by means of remote communication. Please monitor the Company's page on the OTC Markets' website at www.otcm Markets.com for updated information. If you are planning to attend the Annual Meeting, please check the website one week prior to the meeting date. As always, we encourage you to vote your shares prior to the Annual Meeting.

The Board of Directors hopes you will be able to attend the Annual Meeting, but whether or not you plan to attend, please vote your shares by:

- **Marking, signing, dating, and returning the enclosed proxy card as soon as possible;**
- **Calling the toll-free number listed on the proxy card; or**
- **Accessing the Internet as instructed on the proxy card.**

Voting by proxy will not prevent you from voting your shares in person in the manner described in the accompanying Proxy Statement if you subsequently choose to attend the Annual Meeting. If you hold your shares in “street name” through a bank, broker, or custodian, you must obtain a legal proxy from such custodian in order to vote in person at the Annual Meeting.

April 18, 2024
Easton, Pennsylvania

HESHAM M. GAD
Chairman



PARAGON TECHNOLOGIES, INC.
101 Larry Holmes Drive, Suite 500, Easton, Pennsylvania 18042

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 5, 2024

This Proxy Statement and the accompanying form of proxy are being mailed on or about April 22, 2024 to the stockholders of Paragon Technologies, Inc. (the "Company"). They are being furnished in connection with the solicitation by the Board of Directors of the Company (the "Board" or "Board of Directors") of proxies to be voted at the 2024 Annual Meeting of Stockholders (the "Annual Meeting") to be held at the Residential Board Room, Lobby Level, of the Waldorf Astoria Las Vegas, 3750 South Las Vegas Boulevard, Las Vegas, Nevada 89158, at 8:00 A.M., local (Pacific) time, on June 5, 2024, and at any adjournments or postponements thereof. The Company may engage a proxy solicitor, and the officers and other employees of the Company may engage in solicitation efforts for no additional compensation. The cost of such solicitation will be borne by the Company.

Only the holders of record of the outstanding shares of common stock of the Company as of the close of business on April 15, 2024 will be entitled to vote at the Annual Meeting. A stockholder giving a proxy may revoke it at any time by giving written notice of such revocation to the Secretary of the Company before it is exercised. A proxy may also be revoked by executing a later proxy or by attending the Annual Meeting and voting in person, provided written notice of such actions is given to the Secretary of the Company before the proxy is exercised.

At the close of business as of the above record date, there were outstanding and entitled to vote 1,731,245 shares of the Company's common stock. Each holder of shares has the right to one vote for each share standing in the holder's name on the books of the Company as of the record date.

The shares represented by each properly executed proxy will be voted in the manner specified by the stockholder. If instructions are not given, the shares will be voted by the person named in the accompanying proxy for the election of directors, for the ratification of the appointment of the independent public accounting firm, for the approval of the Paragon Technologies, Inc. 2024 Equity Incentive Plan (the "Plan") and in his discretion on any other matters properly coming before the Annual Meeting.

Under Delaware law and the Company's Bylaws, the presence, in person or by proxy, of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the Annual Meeting will constitute a quorum for the purposes of the Annual Meeting. Abstentions and broker non-votes will be treated as present for purposes of determining the presence of a quorum.

Directors are elected by a plurality of the votes cast at the Annual Meeting. Accordingly, directions to withhold authority and broker non-votes will have no effect on the outcome of the vote for the election of directors.

The affirmative vote of a majority of the votes cast on the proposal to ratify the appointment of the Company's independent public accounting firm will constitute the ratification of the appointment of RSM US LLP as the Company's independent public accounting firm for the fiscal year ending December 31, 2024. Abstentions and broker non-votes will have no effect on the result of the vote. Although stockholder ratification is not required, the Company considers such ratification to be a desirable corporate practice, and if the affirmative vote is less than a majority of the votes cast, the Board will consider the results of the vote on any future appointment.

Approval of the Plan requires the affirmative vote of a majority in voting power of the shares present in person or by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will have the same effect as a vote against the proposal. Broker non-votes will have no effect on the result of the vote.

2023 ANNUAL REPORT

Shares of the Company's common stock are quoted on the OTC Markets under the symbol "PGNT." The Company's Annual Report for the fiscal year ended December 31, 2023 is available on the OTC Markets' website at www.otcmarkets.com.

PROPOSAL #1: ELECTION OF DIRECTORS

Committees of the Board; Corporate Governance

The Board of Directors has a standing Audit Committee, Compensation Committee and Nominating Committee. The Audit Committee is composed of Mr. Weiser (Chair) and Colonel Jacobs. The Compensation Committee is composed of Mr. Gad (Chair) and Colonel Jacobs. The Nominating Committee is composed of Mr. Gad (Chair) and Mr. Weiser. Colonel Jacobs and Mr. Weiser are independent of the Company under NYSE, Nasdaq and U.S. Securities and Exchange Commission rules, including for serving on the Audit Committee.

During 2023, the Board of Directors met nine times, the Audit Committee met six times, the Compensation Committee met four times, and the Nominating Committee met one time. During 2023, each director attended at least 75% of the aggregate of (i) all meetings of the Board of Directors and (ii) all meetings of the committees on which the director served during the period in which he served as a director.

Each of the Audit Committee, Compensation Committee and Nominating Committee has a charter that outlines the duties and responsibilities of the committee. The Company also maintains a “Code of Business Conduct and Ethics,” a “Disclosure Policy,” a “Policy on Conflicts of Interest, Political Contributions and Improper Payments to Third Parties,” and a “Policy Statement on Dealing with Company Information, Including Inside Information, Insider Securities Trading, and Conflicts of Interest.”

Our Director Nominees

At the Annual Meeting, three nominees will stand for election as directors of the Company to hold office for a period of one year or until their successors have been elected and qualified.

If the enclosed proxy is duly executed and received in time for the Annual Meeting, the person named therein will vote the shares represented thereby for the three persons nominated for election as directors unless authority is withheld.

If any nominee should refuse or be unable to serve, the proxy will be voted for such other person as shall be designated by the Board of Directors. The Board of Directors has no knowledge that any of the nominees will refuse or be unable to serve.

Information concerning the nominees for election as directors is set forth below:

Hesham (Sham) M. Gad, 46, has been Chief Executive Officer of the Company since June 2014, Executive Chairman of the Company’s Board of Directors since March 2012, and a director of the Company since 2010. From 2013 to 2017, Mr. Gad served as Chairman and CEO of SED International Holdings, Inc., a multinational distributor of IT and computing products.

Mr. Gad is the author of “The Business of Value Investing: Six Essential Elements to Buying Companies Like Warren Buffett.” Mr. Gad is a graduate of the University of Georgia and the Stanford University Graduate School of Business Executive Program. Mr. Gad currently serves as an advisory Board Member on Serving Our Kids, a non-profit organization in Nevada which is dedicated to helping food insecure children improve their overall health, nutrition, and educational lifestyle.

Jack H. Jacobs, 78, has been a director of the Company since 2012. Colonel Jacobs is the Melcher Family Senior Fellow of Politics and Professor of Humanities and Public Affairs at the United States Military Academy at West Point, where he has been teaching since 2005, and a principal of The Fitzroy Group, Ltd., a firm that specializes in the development of residential real estate in London and invests both for its own account and in joint ventures with other institutions, for over 20 years. He has served as an on-air military analyst for NBC News since 2002, where he was an Emmy nominee in 2010 and 2011. He was also a member of the team that produced the segment “Iraq: The Long Way Out,” which won the 2011 Murrow Award. Colonel Jacobs previously co-founded and served as Chief Operating Officer of one of the firms to pioneer the securitization of debt instruments and served as managing director of an institution and investment bank.

Prior to his retirement from active duty in 1987, Colonel Jacobs’ military career included two tours of duty in Vietnam where he was among the most highly decorated soldiers, earning three Bronze Stars, two Silver Stars, and the Medal of Honor, the nation’s highest combat decoration. Colonel Jacobs previously served as a member of the Board of Directors of Resonant Inc. (formerly Nasdaq: RESN) from 2018 to March 2022, when it was acquired. From 2016 to November 2022, Colonel Jacobs served as a member of the Board of Directors of Datatrak International, Inc. (OTCMKTS: DTRK); and from July 2018 to October 2020, he served as a member of the Board of Directors of Ballantyne Strong, Inc. (NYSE American: BTN). From October 17, 2013 to October 28, 2013, Colonel Jacobs served on the board of SED International Holdings, Inc. Colonel Jacobs is a member of the Board of Trustees of the USO of New York. He is the author of the book “If Not Now, When?: Duty and Sacrifice in America’s Time of Need.” Colonel Jacobs received a Bachelor of Arts and a Master’s degree from Rutgers University.

Samuel S. Weiser, 64, has been a director of the Company since 2012. Mr. Weiser has served as an advisor to Sentinel Group Holdings, LLC, a privately held business focused on sourcing unique private equity, real estate and investment funds catering to family offices and high net worth investors, since July 2020. Mr. Weiser is also Founder, President and Chief Executive Officer of Foxdale Management LLC, a consulting firm that provides operational consulting, strategic planning, and litigation support services in securities related disputes, which has been operating since 2003. Through Foxdale, he has served, since May 2020, as the Chief Financial Officer for WR Group Inc., a consumer products company focused on health and beauty industry segments. He also serves as the Chief Financial Officer of Altsmark, a software solution firm for the private capital sector, since January 2021. He is also the Founder and CEO of JMP OppZone Services, LLC, a fund administration and business support services firm focused exclusively on supporting investment activities in designated Opportunity Zones which were created as part of the Tax Cuts and Jobs Act of 2017 to drive investment into depressed areas of the country. JMP began operations in May 2019. From August 2009 until April 2015, he was a member of the Board of Directors and from August 2014 until April 2015 was Executive Chairman of Premier Exhibitions, Inc., a provider of museum quality touring exhibitions then listed on Nasdaq. In addition, Mr. Weiser served as President and Chief Executive Officer of Premier Exhibitions, Inc. from November 2011 until June 2014. Mr. Weiser was a member of SED International Holdings, Inc.’s Board of Directors from October 2013 until October 2014. Mr. Weiser received his B.A. in Economics from Colby College and a M.A. in Accounting from George Washington University.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF THE THREE NOMINEES NAMED HEREIN AS DIRECTORS OF THE COMPANY.

PROPOSAL #2: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

Our Proposal

The Board of Directors has selected RSM US LLP to serve as the Company's independent public accounting firm for the fiscal year ending December 31, 2024. Neither the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of RSM US LLP as the Company's independent public accounting firm. However, the Company is asking stockholders to ratify this appointment as a matter of good corporate practice. If ratification by the stockholders of the appointment of RSM US LLP as the Company's independent public accounting firm is not obtained, the Board of Directors will consider the results of the vote on any future appointments. Even if the appointment is ratified, the Board of Directors, in its discretion, may appoint a different independent public accounting firm at any time during the year if the Board of Directors determines that such a change would be in the best interests of the Company and its stockholders.

One or more representatives of RSM US LLP are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are also expected to be available to respond to appropriate questions from stockholders.

Fees Paid to Our Independent Public Accounting Firm

RSM US LLP's professional fees and expenses to conduct the audit of the Company's financial statements for the fiscal years ended December 31, 2023 and 2022 were \$129,400 and \$120,200, respectively. In addition, RSM US LLP's professional fees for tax preparation services for fiscal years ended December 31, 2023 and 2022 were \$82,960 and \$70,891, respectively.

Recommendation

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF
THE APPOINTMENT OF RSM US LLP AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTING
FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2024.**

PROPOSAL #3: APPROVAL OF THE PARAGON TECHNOLOGIES, INC. 2024 EQUITY INCENTIVE PLAN

Our Proposal

The Board approved the Paragon Technologies, Inc. 2024 Equity Incentive Plan (the “Plan”) on March 22, 2024, subject to approval by our stockholders. We are recommending that stockholders approve the Plan because we believe that the Plan will be essential to our continued success, by allowing the Company to provide stock-based incentives to attract and retain key employees, non-employee directors and consultants and align their interests with those of our stockholders.

Stockholders are being asked to approve the Plan to authorize the issuance of up to 125,000 shares under the Plan. Absent stockholder approval of the Plan, we may be required to increase the cash components of our compensation program, which may inhibit our ability to align interests of our executives with those of our stockholders. Stockholders are also being asked to approve the Plan to authorize the grant of stock options under the Plan that qualify for treatment as incentive stock options for purposes of Section 422 of the Internal Revenue Code.

A summary of the material terms of the Plan is provided below, and the complete text of the Plan is attached as Appendix A to this proxy statement. The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to Appendix A.

Summary of the Plan

Awards and Term of the Plan

Awards granted under the Plan may be in the form of stock options (which may be incentive stock options or nonqualified stock options), stock appreciation rights (or “SARs”), restricted shares, restricted share units or other share-based awards. No awards may be made under the Plan after March 21, 2034, or such earlier date as the Board of Directors may terminate the Plan.

Administration

The Plan will be administered by our Board of Directors, or by such committee of the Board of Directors to whom authority may be delegated. The Board of Directors can make rules and regulations and establish such procedures for the administration of the Plan as it deems appropriate.

Eligibility

The Plan provides for awards to non-employee directors, employees and consultants of the Company and our subsidiaries, as determined by the Board of Directors, except that incentive stock options may only be granted to our employees and employees of our subsidiaries.

Shares Available

The maximum number of shares that may be issued or transferred with respect to awards under the Plan is 125,000 shares. All of the shares authorized for issuance under the Plan may be issued pursuant to incentive stock options. The number of shares available for issuance under the Plan is also subject to adjustment in certain circumstances, as described below. Shares issued under the Plan may include authorized but unissued shares, treasury shares, or a combination of the foregoing.

Shares underlying awards that are settled in cash or that terminate or are forfeited, cancelled, surrendered, or otherwise terminated will again be available for issuance under the Plan. Shares used to pay the exercise price of stock options, repurchased by us with stock option proceeds, or used to pay withholding taxes upon exercise, vesting or payment of an award, will not again be available for issuance under the Plan.

Shares granted through the assumption of, or in substitution for, outstanding awards granted by an entity to individuals who become employees or directors of the Company as the result of a merger, consolidation, acquisition, or other corporate transaction involving such company and the Company or any of its subsidiaries shall not count against the share limit above.

Stock Options

Subject to the terms and provisions of the Plan, options to purchase shares may be granted to eligible individuals at any time and from time to time as determined by the Board of Directors. Options may be granted as incentive stock options or as non-qualified stock options. Subject to the limits provided in the Plan, the Board of Directors will determine the number of options granted to each recipient. Each option grant will be evidenced by a stock option agreement that specifies whether the options are intended to be incentive stock options or non-qualified stock options and such additional limitations, terms and conditions as the Board of Directors may determine.

The exercise price for each stock option may not be less than 100% of the fair market value of a share on the date of grant, and each stock option shall have a term no longer than 10 years. The method of exercising a stock option granted under the Plan will be set forth in the applicable award agreement and may include payment of cash or cash equivalent, tender of previously acquired shares with a fair market value equal to the exercise price, a combination of the foregoing methods, or any other method approved by the Board of Directors in its discretion.

The grant of a stock option does not accord the recipient the rights of a stockholder, and such rights accrue only after the exercise of the stock option and the registration of shares in the recipient's name.

Stock Appreciation Rights

The Board of Directors in its discretion may grant SARs under the Plan. A SAR entitles the holder to receive from us upon exercise an amount equal to the excess, if any, of the aggregate fair market value of a specified number of shares that are the subject of such SAR over the aggregate exercise price for the underlying shares. The exercise price for each SAR may not be less than 100% of the fair market value of a share on the date of grant, and each SAR shall have a term no longer than 10 years.

We may make payment of the amount to which the participant exercising a SAR is entitled by delivering shares, cash or a combination of stock and cash as set forth in the applicable award agreement. Each SAR will be evidenced by an award agreement that specifies the date and terms of the award and such additional limitations, terms and conditions as the Board of Directors may determine.

Restricted Shares

Under the Plan, the Board of Directors may grant or sell restricted shares to Plan participants (i.e., shares that are subject to a substantial risk of forfeiture and restrictions on transferability). Except for these restrictions and any others imposed by the Board of Directors, upon the grant of restricted shares, the recipient will have rights of a stockholder with respect to the restricted shares, including the right to vote the restricted shares and to receive dividends and other distributions paid or made with respect to the restricted shares, except that any dividends with respect to unvested restricted shares will be accumulated or deemed reinvested until the vesting of the underlying restricted shares. During the applicable restriction period, the recipient may not sell, transfer, pledge, exchange or otherwise encumber the restricted shares. Each award of restricted shares will be evidenced by an award agreement that specifies the terms of the award and such additional limitations, terms and conditions, which may include restrictions based upon the achievement of performance objectives, as the Board of Directors may determine.

Restricted Share Units

Under the Plan, the Board of Directors grant or sell to Plan participants restricted share units, which constitute an agreement to deliver shares (or an equivalent value in cash) to the participant at the end of a specified restriction period and subject to such other terms and conditions as the Board of Directors may specify. Restricted share units are not shares and do not entitle the recipients to the rights of a stockholder. Restricted share units granted under the Plan may be subject to performance conditions. Restricted share units will be settled in shares, or in cash in an amount based on the fair market value of a share on the settlement date. Each restricted share unit award will be evidenced by an award agreement that specifies the terms of the award and such additional limitations, terms and conditions as the Board of Directors may determine, which may include restrictions based upon the achievement of performance objectives.

Other Share-Based Awards

The Plan also provides for grants of other share-based awards under the Plan, which may include fully vested shares or time-based or performance-based unit awards that are settled in shares or cash. Each other share-based award will be evidenced by an award agreement that specifies the terms of the award and such additional limitations, terms and conditions as the Board of Directors may determine.

Dividend Equivalents

As determined by the Board of Directors in its discretion, restricted share units or other share-based awards may provide the participant with a right to receive dividend equivalents, either in cash or in additional shares, and either on a current or a deferred and contingent basis, as determined by the Board of Directors. No dividend equivalents shall be granted with respect to shares underlying any stock option or SAR.

Performance Objectives

The Plan provides that performance objectives may be established by the Board of Directors in connection with any award granted under the Plan. Performance objectives may relate to performance of the Company or one or more of our subsidiaries, divisions, departments, units, functions, partnerships, joint ventures or minority investments, product lines or products, or the performance of an individual participant, and performance objectives may be made relative to the performance of a group of companies or a special index of companies.

Change in Control

The Plan provides the Board with discretion to determine the treatment of any outstanding equity awards in the event of a change in control of the Company. For example, the Board may (a) accelerate the vesting, settlement and/or exercisability of awards; (b) provide for cash payment in exchange for the cancellation of awards; (c) cancel stock options and stock appreciation rights without any payment if the value of the Company's shares on the date of the change in control does not exceed the exercise price of the awards; or (d) provide for substitute awards that substantially preserve the value, rights and benefits of any affected awards.

Forfeiture and Recoupment of Awards

Awards granted under the Plan may be subject to forfeiture in connection with a participant's termination of employment, as provided in the applicable award agreement, and also may be subject to forfeiture or recoupment as provided pursuant to any compensation recovery (or "clawback") policy that the Company may adopt or maintain from time to time.

Adjustments

In the event of any equity restructuring, such as a stock dividend, stock split, spin off, rights offering or recapitalization through a large, nonrecurring cash dividend, the Board of Directors will adjust the number and kind of shares that may be delivered under the Plan, the individual share award limits, and, with respect to outstanding awards, the number and kind of shares subject to outstanding awards and the exercise price or other price of shares subject to outstanding awards, to prevent dilution or enlargement of rights. In the event of any other change in corporate capitalization, such as a merger, consolidation or liquidation, the Board of Directors may, in its discretion, make such equitable adjustment as described in the foregoing sentence, to prevent dilution or enlargement of rights. However, unless otherwise determined by the Board of Directors, we will always round down to a whole number of shares subject to any award. Moreover, in the event of any such transaction or event, the Board of Directors, in its discretion, may provide in substitution for any or all outstanding awards such alternative consideration (including cash) as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all awards so replaced.

Transferability

Except as the Board of Directors otherwise determines, awards granted under the Plan will not be transferable by a participant other than by will or the laws of descent and distribution. Except as otherwise determined by the Board of Directors, stock options and SARs will be exercisable during a participant's lifetime only by him or her or, in the event of the participant's incapacity, by his or her guardian or legal representative. Any award made under the Plan may provide that any shares issued as a result of the award will be subject to further restrictions on transfer.

Amendment

The Board of Directors may amend, alter or discontinue the Plan at any time, with stockholder approval only to the extent required by applicable laws. No such amendment or termination, however, may adversely affect in any material way any holder of outstanding awards without his or her consent, except for amendments made to cause the Plan to comply with applicable law, stock exchange rules or accounting rules.

Federal Income Tax Consequences

The following is a summary of certain U.S. federal income tax consequences of awards made under the Plan, based upon the laws in effect on the date hereof. The discussion is general in nature and does not take into account a number of considerations that may apply in light of the circumstances of a particular participant under the Plan. The income tax consequences under applicable state and local tax laws may not be the same as under federal income tax laws.

Non-Qualified Stock Options. A participant will not recognize taxable income at the time of grant of a non-qualified stock option, and we will not be entitled to a tax deduction at that time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) upon exercise of a non-qualified stock option equal to the excess of the fair market value of the shares purchased over their exercise price.

Incentive Stock Options. A participant will not recognize taxable income at the time of grant of an incentive stock option. A participant will not recognize taxable income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares acquired by exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date the shares were transferred, any gain or loss arising from a subsequent disposition of such shares will be taxed as long-term capital gain or loss, and we will not be entitled to any deduction. If, however, such shares are disposed of within either of such two- or one-year periods, then in the year of such disposition, the participant will recognize compensation taxable as ordinary income equal to the excess of the lesser of the amount realized upon such disposition and the fair market value of such shares on the date of exercise over the exercise price.

Stock Appreciation Rights. A participant will not recognize taxable income at the time of grant of a SAR, and we will not be entitled to a tax deduction at such time. Upon exercise, a participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) equal to the fair market value of any shares delivered and the amount of cash paid by us.

Restricted Shares. A participant will not recognize taxable income at the time of grant of restricted shares, and we will not be entitled to a tax deduction at such time, unless the participant makes an election under Section 83(b) of the Internal Revenue Code to be taxed at such time. If such election is made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of the grant equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for the restricted shares. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time the restrictions lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for the restricted shares.

Restricted Share Units. A participant will not recognize taxable income at the time of grant of a restricted share unit award, and we will not be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of settlement of the award equal to the fair market value of any shares delivered and the amount of cash paid by us.

Other Share-Based Awards. Generally, participants will recognize taxable income at the time of payment of cash-based awards and at the time of settlement of other share-based awards (with the amount of income recognized pursuant to other share-based awards generally being equal to the amount of cash and the fair market value of any shares delivered under the award).

Section 409A. Section 409A of the Internal Revenue Code imposes certain restrictions upon the payment of nonqualified deferred compensation. We intend that awards granted under the Plan will be designed and administered in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Internal Revenue Code. However, the Company does not warrant the tax treatment of any award under Section 409A or otherwise.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE PLAN.

APPENDIX A

PARAGON TECHNOLOGIES, INC. 2024 EQUITY INCENTIVE PLAN

1. Establishment, Purpose, Duration.

a. **Establishment.** Paragon Technologies, Inc. (the “Company”), hereby establishes an equity compensation plan to be known as the Paragon Technologies, Inc. 2024 Equity Incentive Plan (the “Plan”). The Plan is effective as of March 22, 2024 (the “Effective Date”), subject to the approval of the Plan by the stockholders of the Company within twelve (12) months after the Effective Date. Definitions of capitalized terms used in the Plan are contained in Section 2 of the Plan.

b. **Purpose.** The purpose of the Plan is to attract, retain and incentivize officers and other key Employees of the Company and its Subsidiaries, and Awards may also be granted to Directors and Consultants hereunder.

c. **Duration.** No Award may be granted under the Plan after the day immediately preceding the tenth (10th) anniversary of the Effective Date, or such earlier date as the Board shall determine. The Plan will remain in effect with respect to outstanding Awards until no Awards remain outstanding.

2. Definitions. As used in the Plan, the following definitions shall apply:

“Applicable Laws” means the applicable requirements relating to the administration of equity-based compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, and the applicable laws of any other country or jurisdiction where Awards are granted or administered or in which Participants work or reside.

“Award” means an award of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Shares, Restricted Share Units, or Other Share-Based Awards granted pursuant to the terms and conditions of the Plan.

“Award Agreement” means either: (a) an agreement, either in written or electronic format, entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under the Plan; or (b) a statement, either in written or electronic format, issued by the Company to a Participant describing the terms and provisions of such Award, which need not be signed by the Participant.

“Board” means the Board of Directors of the Company.

“Cause” shall have the meaning provided in the applicable employment agreement or consulting agreement between the Participant and the Company, if any, or if there is no such agreement that defines the term, “Cause” shall mean: (a) Participant’s repeated and willful failure to satisfactorily perform Participant’s job duties after thirty days written notice of such deficiency and an opportunity to cure (of at least fifteen business days), as reasonably determined by the Company, its successor or a Subsidiary; (b) Participant’s commission of an act of misconduct or dishonesty that materially injures the business, business reputation or business relationships of the Company, as reasonably determined by the Company, its successor or a Subsidiary; (c) Participant’s conviction of, or pleading guilty or nolo contendere to, a felony; (d) Participant’s commission of any act of fraud against the Company; (e) any act of personal dishonesty taken by Participant in connection with Participant’s responsibilities as an Employee or Consultant that is intended to result in substantial personal enrichment, as reasonably determined by the Company, its successor or a Subsidiary; (f) Participant’s repeated refusal or failure to follow lawful directions of the Board which remains uncured after thirty days after written notice of such deficiency; (g) Participant’s engaging or participating in any activity which is directly competitive with or injurious to the Company or

which violates any material agreement between the Company and the Participant which remains uncured after thirty days written notice thereof; and (h) any other breach of Participant's responsibilities as described in any employment agreement or consulting agreement between Participant and the Company or a Subsidiary, including in particular any provisions regarding confidentiality, intellectual property, non-competition and non-solicitation.

"Change in Control" means, unless the Board determines otherwise, the occurrence of any one or more of the following events: (a) any person (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) becomes the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities (other than in connection with a transaction involving the issuance of securities by the Company the principal purpose of which is to raise capital for the Company); (b) there is consummated a merger, consolidation or similar transaction to which the Company is a party and the stockholders of the Company immediately prior thereto do not own outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity immediately following such merger, consolidation or similar transaction or more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity immediately following such merger, consolidation or similar transaction; or (c) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an entity more than fifty percent (50%) of the combined voting power of which is owned immediately following such disposition by the stockholders of the Company immediately prior thereto.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning given such term in Section 1(a) and any successor thereto.

"Consultant" means an independent contractor who performs services for the Company or a Subsidiary in a capacity other than as an Employee or Director.

"Continuous Service" means the uninterrupted provision of services to the Company and its Subsidiary in any capacity of Employee, Director or Consultant. Continuous Service shall not be considered to be interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Subsidiaries, or any successor entities, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Subsidiary in any capacity of Employee, Director or Consultant (except as otherwise provided in the applicable Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

"Date of Grant" means the date as of which an Award is determined to be effective and designated in a resolution by the Board and is granted pursuant to the Plan. The Date of Grant shall not be earlier than the date of the resolution and action therein by the Board. In no event shall the Date of Grant be earlier than the Effective Date.

"Director" means any individual who is a member of the Board who is not an Employee.

"Effective Date" has the meaning given such term in Section 1(a).

"Employee" means any employee of the Company or a Subsidiary; *provided, however*, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, the term "Employee" has the meaning given to such term in Section 3401(c) of the Code, as interpreted by the regulations thereunder and Applicable Laws.

“Fair Market Value” means the value of one Share on any relevant date, determined under the following rules: (a) the closing sale price per Share on that date as reported on the principal exchange or national market system on which Shares are then trading, if any, or if there are no sales on that date, on the next preceding trading day during which a sale occurred; (b) if the Shares are not reported on a principal exchange or national market system, the average of the closing bid and asked prices last quoted on that date by an established quotation service for over-the-counter securities, or if no such prices are reported on that date, on the next preceding day on which such prices are reported; or (c) if neither (a) nor (b) applies, (i) with respect to Stock Options, Stock Appreciation Rights and any Award of stock rights that is subject to Section 409A of the Code, the value as determined by the Board through the reasonable application of a reasonable valuation method, taking into account all information material to the value of the Company, within the meaning of Section 409A of the Code, and (ii) with respect to any other Awards, the fair market value as determined by the Board in good faith.

“Incentive Stock Option” or “ISO” means a Stock Option that is designated as an Incentive Stock Option and that is intended to meet the requirements of Section 422 of the Code.

“Nonqualified Stock Option” means a Stock Option that is not intended to meet the requirements of Section 422 of the Code or otherwise does not meet such requirements.

“Other Share-Based Award” means an equity-based or equity-related Award not otherwise described by the terms of the Plan, granted in accordance with the terms and conditions set forth in Section 10.

“Participant” means any eligible individual as set forth in Section 5 who holds one or more outstanding Awards.

“Performance Objectives” means the performance objective or objectives established by the Board pursuant to the Plan. Any Performance Objectives may relate to the performance of the Company or one or more of its Subsidiaries, divisions, departments, units, functions, partnerships, joint ventures or minority investments, product lines or products, or the performance of the individual Participant.

“Plan” means this Paragon Technologies, Inc. 2024 Equity Incentive Plan, as amended from time to time.

“Restricted Shares” means Shares granted or sold pursuant to Section 8 as to which neither the substantial risk of forfeiture nor the prohibition on transfers referred to in such Section 8 has expired.

“Restricted Share Unit” means a grant or sale of the right to receive Shares or cash at the end of a specified restriction period made pursuant to Section 9.

“Share” means a share of common stock of the Company, or any security into which such Share may be changed by reason of any transaction or event of the type referred to in Section 13.

“Stock Appreciation Right” means a right granted pursuant to Section 7.

“Stock Option” means a right to purchase a Share granted to a Participant under the Plan in accordance with the terms and conditions set forth in Section 6. Stock Options may be either Incentive Stock Options or Nonqualified Stock Options.

“Subsidiary” means: (a) with respect to an Incentive Stock Option, a “subsidiary corporation” as defined under Section 424(f) of the Code; and (b) for all other purposes under the Plan, any corporation or other entity in which the Company owns, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

“Ten Percent Stockholder” means any Participant who owns more than 10% of the combined voting power of all classes of stock of the Company, within the meaning of Section 422 of the Code.

3. Shares Available Under the Plan.

a. Shares Available for Awards. The maximum number of Shares that may be issued or delivered pursuant to Awards under the Plan shall be 125,000 Shares, all of which may be granted with respect to Incentive Stock Options. Shares issued or delivered pursuant to an Award may be authorized but unissued Shares, treasury Shares, or a combination of the foregoing. The aggregate number of Shares available for issuance or delivery under the Plan shall be subject to adjustment as provided in Section 13.

b. Share Counting. The following Shares shall not count against the Share limit in Section 3(a): (i) Shares covered by an Award that expires or is forfeited, canceled, surrendered, or otherwise terminated; (ii) Shares covered by an Award that is settled only in cash; and (iii) Shares granted through the assumption of, or in substitution for, outstanding awards granted by a company to individuals who become Employees or Directors as the result of a merger, consolidation, acquisition or other corporate transaction involving such company and the Company or any of its Subsidiaries. This Section 3(b) shall apply to the number of Shares reserved and available for Incentive Stock Options only to the extent consistent with applicable Treasury Regulations relating to Incentive Stock Options under the Code.

4. Administration of the Plan.

a. In General. The Plan shall be administered by the Board. The Board shall have full and final authority in its discretion to take all actions determined by the Board to be necessary in the administration of the Plan, including, without limitation, discretion to: select Award recipients; determine the sizes and types of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; grant waivers of terms, conditions, restrictions and limitations applicable to any Award, or accelerate the vesting or exercisability of any Award, in a manner consistent with the Plan; construe and interpret the Plan and any Award Agreement or other agreement or instrument entered into under the Plan; establish, amend, or waive rules and regulations for the Plan's administration; and take such other action, not inconsistent with the terms of the Plan, as the Board deems appropriate.

b. Delegation to Committees. To the extent permitted by Applicable Laws, the Board may, in its discretion, delegate to one or more committees of the Board any of the Board's authority under the Plan. With respect to any matters so delegated, the acts of any such committee shall be treated hereunder as acts of the Board, and all references in the Plan to the “Board” (except those in the immediately preceding sentence) shall mean any such committee.

c. Delegation to Officers. To the extent permitted by Applicable Laws, the Board may, in its discretion, delegate to one or more officers of the Company the authority to grant Awards and such other authority under the Plan as the Board may determine, provided that the Board shall fix the maximum number of Shares that may be subject to Awards granted by such officers under the Plan and the maximum number of Shares that may be subject to Awards granted to any one Participant by such officers. With respect to any matters so delegated, the acts of any such delegate shall be treated hereunder as acts of the Board, and all references in the Plan to the “Board” (except those in the immediately preceding sentence) shall mean any such delegate.

d. Determinations. The Board shall have no obligation to treat Participants or eligible Employees, Directors or Consultants uniformly, and the Board may make determinations under the Plan selectively among Participants who receive, or Employees, Directors or Consultants who are eligible to receive, Awards (whether or not such Participants or eligible Employees, Directors or Consultants are similarly situated). All determinations and decisions made by the Board pursuant to the provisions of the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, stockholders, Directors, Employees, Consultants, Participants and their estates and beneficiaries.

5. Eligibility and Participation. Each Employee, Director and Consultant is eligible to participate in the Plan, upon selection by the Board. Subject to the provisions of the Plan, the Board may, from time to time, select from all eligible Employees, Directors and Consultants those to whom Awards shall be granted and shall determine, in its sole discretion, the nature of any and all terms permissible by Applicable Laws and the amount of each Award. No Employee, Director or Consultant shall have any right to be selected to receive an Award under the Plan, or, having been selected, to be selected to receive future Awards.

6. Stock Options. Subject to the terms and conditions of the Plan, Stock Options may be granted to Participants in such number, and upon such terms and conditions, as shall be determined by the Board in its sole discretion.

a. Award Agreement. Each Stock Option shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the Stock Option, the number of Shares covered by the Stock Option, the conditions upon which the Stock Option shall become vested and exercisable and such other terms and conditions as the Board shall determine and which are not inconsistent with the terms and conditions of the Plan. The Award Agreement also shall specify whether the Stock Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option. No dividend equivalents may be granted with respect to the Shares underlying a Stock Option.

b. Exercise Price. The exercise price per Share of a Stock Option shall be determined by the Board at the time the Stock Option is granted and shall be specified in the related Award Agreement; *provided, however*, that in no event shall the exercise price per Share of any Stock Option be less than one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant.

c. Term. The term of a Stock Option shall be determined by the Board and set forth in the related Award Agreement; *provided, however*, that in no event shall the term of any Stock Option exceed ten (10) years from its Date of Grant.

d. Exercisability. Stock Options shall become vested and exercisable at such times and upon such terms and conditions as shall be determined by the Board and set forth in the related Award Agreement. Such terms and conditions may include, without limitation, the satisfaction of (i) performance goals based on one or more Performance Objectives, and (ii) time-based vesting requirements. Notwithstanding the foregoing, any Stock Option, to the extent vested at the time of termination of a Participant's Continuous Service, shall remain exercisable thereafter at least until the earlier of (x) the expiration of the term of the Stock Option, and (y) six (6) months after termination of Continuous Service due to death or disability, or thirty (30) days after termination of Continuous Service for any other reason, as applicable.

e. Exercise of Stock Options. Except as otherwise provided in the Plan or in a related Award Agreement, a Stock Option may be exercised for all or any portion of the Shares for which it is then exercisable. A Stock Option shall be exercised by the delivery of a notice of exercise to the Company or its designee in a form specified by the Company which sets forth the number of Shares with respect to which the Stock Option is to be exercised and full payment of the exercise price for such Shares. The exercise price of a Stock Option may be paid, in the discretion of the Board and as set forth in the applicable Award Agreement: (i) in cash or its equivalent; (ii) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the aggregate exercise price; (iii) by a combination of the methods described in clauses (i) and (ii); or (iv) through any other method approved by the Board in its sole discretion. As soon as practicable after receipt of the notification of exercise and full payment of the exercise price, the Company shall cause the appropriate number of Shares to be issued to the Participant.

f. Special Rules Applicable to Incentive Stock Options. Notwithstanding any other provision in the Plan to the contrary:

(i) Incentive Stock Options may be granted only to Employees of the Company and its Subsidiaries. The terms and conditions of Incentive Stock Options shall be subject to and comply with the requirements of Section 422 of the Code.

(ii) To the extent that the aggregate Fair Market Value of the Shares (determined as of the Date of Grant) with respect to which an Incentive Stock Option is exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Subsidiaries) is greater than \$100,000 (or such other amount specified in Section 422 of the Code), as calculated under Section 422 of the Code, then the Stock Option shall be treated as a Nonqualified Stock Option.

(iii) No Incentive Stock Option shall be granted to any Participant who, on the Date of Grant, is a Ten Percent Stockholder, unless (A) the exercise price per Share of such Incentive Stock Option is at least one hundred and ten percent (110%) of the Fair Market Value of a Share on the Date of Grant, and (B) the term of such Incentive Stock Option shall not exceed five (5) years from the Date of Grant.

7. Stock Appreciation Rights. Subject to the terms and conditions of the Plan, Stock Appreciation Rights may be granted to Participants in such number, and upon such terms and conditions, as shall be determined by the Board in its sole discretion.

a. Award Agreement. Each Stock Appreciation Right shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the Stock Appreciation Right, the number of Shares covered by the Stock Appreciation Right, the conditions upon which the Stock Appreciation Right shall become vested and exercisable and such other terms and conditions as the Board shall determine and which are not inconsistent with the terms and conditions of the Plan. No dividend equivalents may be granted with respect to the Shares underlying a Stock Appreciation Right.

b. Exercise Price. The exercise price per Share of a Stock Appreciation Right shall be determined by the Board at the time the Stock Appreciation Right is granted and shall be specified in the related Award Agreement; *provided, however*, that in no event shall the exercise price per Share of any Stock Appreciation Right be less than one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant.

c. Term. The term of a Stock Appreciation Right shall be determined by the Board and set forth in the related Award Agreement; *provided, however*, that in no event shall the term of any Stock Appreciation Right exceed ten (10) years from its Date of Grant.

d. Exercisability of Stock Appreciation Rights. A Stock Appreciation Right shall become vested and exercisable at such times and upon such terms and conditions as may be determined by the Board and set forth in the related Award Agreement. Such terms and conditions may include, without limitation, the satisfaction of (i) performance goals based on one or more Performance Objectives, and (ii) time-based vesting requirements. Notwithstanding the foregoing, any Stock Appreciation Right, to the extent vested at the time of termination of a Participant's Continuous Service, shall remain exercisable thereafter at least until the earlier of (x) the expiration of the term of the Stock Appreciation Right, and (y) six (6) months after termination of Continuous Service due to death or disability, or thirty (30) days after termination of Continuous Service for any other reason, as applicable.

e. Exercise of Stock Appreciation Rights. Except as otherwise provided in the Plan or in a related Award Agreement, a Stock Appreciation Right may be exercised for all or any portion of the Shares for which it is then exercisable. A Stock Appreciation Right shall be exercised by the delivery of a notice of exercise to the Company or its designee in a form specified by the Company which sets forth the number of Shares with respect to which the Stock Appreciation Right is to be exercised. Upon exercise, a Stock Appreciation Right shall entitle a Participant to an amount equal to (i) the excess of the Fair Market Value of a Share on the exercise date over the exercise price per Share, multiplied by (ii) the number of Shares with respect to which the Stock Appreciation Right is exercised. A Stock Appreciation Right may be settled in whole Shares, cash or a combination thereof, as specified by the Board in the related Award Agreement.

8. Restricted Shares. Subject to the terms and conditions of the Plan, Restricted Shares may be granted or sold to Participants in such number, and upon such terms and conditions, as shall be determined by the Board in its sole discretion.

a. Award Agreement. Each Restricted Shares Award shall be evidenced by an Award Agreement that shall specify the number of Restricted Shares, the restriction period(s) applicable to the Restricted Shares, the conditions upon which the restrictions on the Restricted Shares will lapse and such other terms and conditions as the Board shall determine and which are not inconsistent with the terms and conditions of the Plan.

b. Terms, Conditions and Restrictions. The Board shall impose such other terms, conditions and/or restrictions on any Restricted Shares as it may deem advisable, including, without limitation, a requirement that the Participant pay a purchase price for each Restricted Share, restrictions based on the achievement of specific Performance Objectives, time-based restrictions or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Shares. Unless otherwise provided in the related Award Agreement or required by Applicable Laws, the restrictions imposed on Restricted Shares shall lapse upon the expiration or termination of the applicable restriction period and the satisfaction of any other applicable terms and conditions.

c. Custody of Certificates. To the extent deemed appropriate by the Board, the Company may retain the certificates representing Restricted Shares in the Company's possession until such time as all terms, conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

d. Rights Associated with Restricted Shares during Restriction Period. During any restriction period applicable to Restricted Shares: (i) the Restricted Shares may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated; (ii) unless otherwise provided in the related Award Agreement, the Participant shall be entitled to exercise full voting rights associated with such Restricted Shares; and (iii) the Participant shall be entitled to all dividends and other distributions paid with respect to such Restricted Shares during the restriction period. The Award Agreement may require that receipt of any dividends or other distributions with respect to the Restricted Shares shall be subject to the same terms and conditions as the Restricted Shares with respect to which they are paid.

9. Restricted Share Units. Subject to the terms and conditions of the Plan, Restricted Share Units may be granted or sold to Participants in such number, and upon such terms and conditions, as shall be determined by the Board in its sole discretion.

a. Award Agreement. Each Restricted Share Unit Award shall be evidenced by an Award Agreement that shall specify the number of units, the restriction period(s) applicable to the Restricted Share Units, the conditions upon which the restrictions on the Restricted Share Units will lapse, the time and method of payment of the Restricted Share Units, and such other terms and conditions as the Board shall determine and which are not inconsistent with the terms and conditions of the Plan.

b. Terms, Conditions and Restrictions. The Board shall impose such other terms, conditions and/or restrictions on any Restricted Share Units as it may deem advisable, including, without limitation, a requirement that the Participant pay a purchase price for each Restricted Share Unit, restrictions based on the achievement of specific Performance Objectives or time-based restrictions or holding requirements.

c. Form of Settlement. Restricted Share Units may be settled in whole Shares, cash or a combination thereof, as specified by the Board in the related Award Agreement.

d. Dividend Equivalents. Restricted Share Units may provide the Participant with dividend equivalents, on either a current or deferred or contingent basis, and either in cash or in additional Shares, as determined by the Board in its sole discretion and set forth in the related Award Agreement.

10. Other Share-Based Awards. Subject to the terms and conditions of the Plan, Other Share-Based Awards may be granted to Participants in such number, and upon such terms and conditions, as shall be determined by the Board in its sole discretion. Other Share-Based Awards are Awards that are valued in whole or in part by reference to, or otherwise based on the Fair Market Value of, Shares, and shall be in such form as the Board shall determine, including without limitation, fully vested Shares or time-based or performance-based units that are settled in Shares and/or cash.

a. Award Agreement. Each Other Share-Based Award shall be evidenced by an Award Agreement that shall specify the terms and conditions upon which the Other Share-Based Award shall become vested, if applicable, the time and method of settlement, the form of settlement and such other terms and conditions as the Board shall determine and which are not inconsistent with the terms and conditions of the Plan.

b. Form of Settlement. An Other Share-Based Award may be settled in whole Shares, cash or a combination thereof, as specified by the Board in the related Award Agreement.

c. Dividend Equivalents. Other Share-Based Awards may provide the Participant with dividend equivalents, on either a current or deferred or contingent basis, and either in cash or in additional Shares, as determined by the Board in its sole discretion and set forth in the related Award Agreement.

11. Compliance with Section 409A. Awards granted under the Plan shall be designed and administered in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code. To the extent that the Board determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement shall incorporate the terms and conditions deemed necessary by the Board to avoid the imposition of an additional tax under Section 409A of the Code upon a Participant. Notwithstanding any other provision of the Plan or any Award Agreement (unless the Award Agreement provides otherwise with specific reference to this Section), an Award shall not be granted, deferred, accelerated, extended, paid out, settled, substituted or modified under the Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. Although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local, or non-United States law. The Company shall not be liable to any Participant for any tax, interest, or penalties the Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

12. Transferability. Except as otherwise determined by the Board, no Award or dividend equivalents paid with respect to any Award shall be transferable by the Participant except by will or the laws of descent and distribution; *provided*, that if so determined by the Board, each Participant may, in a manner established by the Board, designate a beneficiary to exercise the rights of the Participant with respect to any Award upon the death of the Participant and to receive Shares or other property issued or delivered under such Award. Except as otherwise determined by the Board, Stock Options and Stock Appreciation Rights will be exercisable during a Participant's lifetime only by the Participant or, in the event of the Participant's legal incapacity to do so, by the Participant's guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law and/or court supervision.

13. Adjustments. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation), such as a stock dividend, stock split, reverse stock split, spinoff, rights offering, or recapitalization through a large, nonrecurring cash dividend, the Board shall cause there to be an equitable adjustment in the number and kind of Shares specified in Section 3 of the Plan and, with respect to outstanding Awards, in the number and kind of Shares subject to outstanding Awards and the exercise price or other price of Shares subject to outstanding Awards, in each case to prevent dilution or enlargement of the rights of Participants. In the event of any other change in corporate capitalization, or in the event of a merger, consolidation, liquidation, or similar transaction, the Board may, in its sole discretion, cause there to be an equitable adjustment as described in the foregoing sentence, to prevent dilution or enlargement of rights; *provided, however*, that, unless otherwise determined by the Board, the number of Shares subject to any Award shall always be rounded down to a whole number. Moreover, in the event of any such transaction or event, the Board, in its discretion, may provide in substitution for any or all outstanding Awards such alternative consideration (including cash) as it, in good faith, may determine to be equitable in the circumstances, and may require in connection therewith the surrender of all Awards so replaced. Notwithstanding the foregoing, the Board shall not make any adjustment pursuant to this Section 13 that would (i) cause any Stock Option intended to qualify as an ISO to fail to so qualify, (ii) cause an Award that is otherwise exempt from Section 409A of the Code to become subject to Section 409A, or (iii) cause an Award that is subject to Section 409A of the Code to fail to satisfy the requirements of Section 409A. The determination of the Board as to the foregoing adjustments, if any, shall be conclusive and binding on all Participants and any other persons claiming under or through any Participant.

14. Fractional Shares. The Company shall not be required to issue or deliver any fractional Shares pursuant to the Plan and, unless otherwise provided by the Board, fractional Shares shall be settled in cash.

15. Withholding Taxes. To the extent required by Applicable Laws, a Participant shall be required to satisfy, in a manner satisfactory to the Company or Subsidiary, as applicable, any withholding tax obligations that arise by reason of the exercise of a Stock Option or Stock Appreciation Right, the vesting of or settlement of Shares under an Award, an election pursuant to Section 83(b) of the Code or otherwise with respect to an Award. The Company and its Subsidiaries shall not be required to issue or deliver Shares, make any payment or recognize the transfer or disposition of any Shares until such withholding tax obligations are satisfied. The Board may permit or require these obligations to be satisfied by having the Company withhold a portion of the Shares that otherwise would be issued or delivered to a Participant upon exercise of a Stock Option or Stock Appreciation Right or upon the vesting or settlement of an Award, or by tendering Shares previously acquired, in each case having a value (as determined by the Company) equal to the amount required to be withheld or paid. Any such elections are subject to such conditions or procedures as may be established by the Board and may be subject to disapproval by the Board. In no event will the value of the Shares to be withheld or tendered pursuant to this Section 15 to satisfy applicable withholding taxes exceed the amount of taxes required to be withheld based on the maximum statutory tax rates in the applicable taxing jurisdictions.

16. Foreign Employees. Without amending the Plan, the Board may grant Awards to Participants who are foreign nationals, or who are subject to Applicable Laws of one or more non-United States jurisdictions, on such terms and conditions different from those specified in the Plan as may in the judgment of the Board be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Board may make such modifications, amendments, procedures, and the like as may be necessary or advisable to comply with provisions of Applicable Laws of other countries in which the Company or its Subsidiaries may operate or have employees.

17. Termination for Cause; Forfeiture of Awards.

a. Termination for Cause. If a Participant's employment or service is terminated by the Company or a Subsidiary for Cause, as determined by the Board in its sole discretion, then, promptly upon receiving notice of the Board's determination, the Participant shall forfeit all Awards granted under the Plan to the extent then held by the Participant.

b. Compensation Recovery Policy. Any Award granted to a Participant shall be subject to forfeiture or repayment pursuant to the terms of any applicable compensation recovery policy that may be adopted by the Company, including any such policy that may be adopted to comply with Applicable Laws.

18. Change in Control. In the event of a Change in Control, the Board, in its sole discretion, may take such actions, if any, as it deems necessary or desirable with respect to any Award that is outstanding as of the date of the consummation of the Change in Control. Such actions may include, without limitation: (a) the acceleration of the vesting, settlement and/or exercisability of an Award; (b) the payment of a cash amount in exchange for the cancellation of an Award; (c) the cancellation of Stock Options and/or Stock Appreciation Rights without payment therefor if the Fair Market Value of a Share on the date of the Change in Control does not exceed the exercise price per Share of the applicable Awards; and/or (d) the issuance of substitute Awards that substantially preserve the value, rights and benefits of any affected Awards.

19. Amendment, Modification and Termination.

a. In General. The Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part.

b. Adjustments to Outstanding Awards. The Board may in its sole discretion and without the consent of any Participant, at any time (i) provide that all or a portion of a Participant's Stock Options, Stock Appreciation Rights and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable; (ii) provide that all or a part of the time-based vesting restrictions on all or a portion of the outstanding Awards shall lapse, and/or that any Performance Objectives or other performance-based criteria with respect to any Awards shall be deemed to be wholly or partially satisfied; or (iii) waive any other limitation or requirement under any such Award, in each case, as of such date as the Board may, in its sole discretion, declare. Additionally, the Board shall not make any adjustment pursuant to this Section 19(b) that would cause an Award that is otherwise exempt from Section 409A of the Code to become subject to Section 409A, or that would cause an Award that is subject to Section 409A of the Code to fail to satisfy the requirements of Section 409A.

c. Effect on Outstanding Awards. Notwithstanding any other provision of the Plan to the contrary (other than Sections 13, 18, 19(b) and 21(d)), no termination, amendment, suspension, or modification of the Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award; *provided* that the Board may modify an ISO held by a Participant to disqualify such Stock Option from treatment as an "incentive stock option" under Section 422 of the Code without the Participant's consent.

20. Applicable Laws. The obligations of the Company with respect to Awards under the Plan shall be subject to Applicable Laws and such approvals by any governmental agencies as the Board determines may be required. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

21. Miscellaneous.

a. Conditions on Delivery of Shares. The Company will not be obligated to deliver any Shares pursuant to the Plan or to remove restrictions from Shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such Shares have been satisfied, including any applicable securities laws, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of Applicable Laws. Unless and until the Shares have been registered under the Securities Act of 1933, as amended, each certificate evidencing any Shares delivered pursuant to the Plan shall bear a restrictive legend specified by the Company.

b. No Right of Continued Employment or Service. The Plan shall not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor shall it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time. No Employee, Director or Consultant shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive future Awards. Awards granted under the Plan shall not be considered a part of any Participant's normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments, and in no event shall any Award be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or affiliate.

c. Unfunded, Unsecured Plan. Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right or title to any assets, funds or property of the Company or any Subsidiary, including without limitation, any specific funds, assets or other property which the Company or any Subsidiary may set aside in anticipation of any liability under the Plan. A Participant shall have only a contractual right to an Award or the amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.

d. Severability. If any provision of the Plan or an Award Agreement is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended or limited in scope to conform to Applicable Laws or, in the discretion of the Board, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

e. Acceptance of the Plan. By accepting any benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Board or the Company, in any case in accordance with the terms and conditions of the Plan.

f. Successors. All obligations of the Company under the Plan and with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or other event, or a sale or disposition of all or substantially all of the business and/or assets of the Company and references to the "Company" herein and in any Award Agreements shall be deemed to refer to such successors.

[END OF DOCUMENT]

PARAGON TECHNOLOGIES, INC.
101 LARRY HOLMES DRIVE
SUITE 500
EASTON, PA 18042



SCAN TO
VIEW MATERIALS & VOTE



VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

The Board of Directors recommends you vote FOR
ALL the following:

| For All | Withhold All | For All Except |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

1. Election of Directors

Nominees

01) Hesham M. Gad 02) Jack H. Jacobs 03) Samuel S. Weiser

The Board of Directors recommends you vote FOR proposals 2 and 3.

2. Proposal to ratify the appointment of RSM US LLP as the Company's Independent Public Accounting Firm for the fiscal year ending December 31, 2024.
3. Proposal to approve the Paragon Technologies, Inc. 2024 Equity Incentive Plan.

| For | Against | Abstain |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: In their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting or at any adjournments or postponements thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

| | |
|------------------------------------|-------------|
| <div></div> | <div></div> |
| Signature [PLEASE SIGN WITHIN BOX] | Date |

| | |
|--------------------------|-------------|
| <div></div> | <div></div> |
| Signature (Joint Owners) | Date |

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement is available at www.proxyvote.com

PARAGON TECHNOLOGIES, INC.

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF
DIRECTORS**

The undersigned hereby appoints Hesham M. Gad, as Proxy Holder, with the power to appoint his substitute, and hereby authorizes him to represent and to vote, as designated on the reverse side, all shares of common stock of Paragon Technologies, Inc. (the "Company"), held of record by the undersigned on April 15, 2024, at the Annual Meeting of Stockholders to be held on June 5, 2024, at 8:00 a.m., Pacific Time, and at any adjournments or postponements thereof.

This Proxy, when properly executed, will be voted in the manner directed on the reverse side. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL DIRECTORS NAMED HEREIN, FOR THE RATIFICATION OF THE APPOINTMENT OF RSM US LLP AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTING FIRM AND FOR THE APPROVAL OF THE COMPANY'S 2024 EQUITY INCENTIVE PLAN. This Proxy may be voted, in the discretion of the Proxy Holder, upon such other business as may properly come before the Annual Meeting of Stockholders or any adjournments or postponements thereof. The Board of Directors does not presently know of any other matters to be presented at the Annual Meeting of Stockholders.

Please vote, date and sign on the other side. No postage is required if this proxy is returned in the enclosed envelope and mailed in the United States.

Continued and to be signed on reverse side