

SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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 FORM S-8  
 REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

-----  
 SYPRIS SOLUTIONS, INC.  
 (Exact name of Registrant as specified in its charter)  
 -----

Delaware

61-1321992

-----  
 (State or other jurisdiction  
 of incorporation or organization)

-----  
 (I.R.S. Employer Identification No.)

455 South Fourth Street  
 Louisville, Kentucky 40202  
 (Address, including zip code, of Registrant's principal executive offices)

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 SYPRIS SOLUTIONS, INC. EMPLOYEE STOCK PURCHASE PLAN  
 (Full title of the plan)  
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JEFFREY T. GILL  
 President and Chief Executive Officer  
 Sypris Solutions, Inc.  
 455 South Fourth Street  
 Louisville, Kentucky 40202  
 (502) 585-5544

(Name, address, and telephone number, including area code, of agent for service)

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 Copies to:  
 ROBERT A. HEATH, ESQ.  
 Wyatt, Tarrant & Combs  
 2800 Citizens Plaza  
 Louisville, Kentucky 40202  
 (502) 589-5235

CALCULATION OF REGISTRATION FEE

| Title of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price Per Share | Proposed Maximum Aggregate Offering Price | Amount of Registration Fee |
|--------------------------------------|-------------------------|---|---|----------------------------|
| Common Stock, \$.01 par value        | 300,000 shares          | \$6.94                                    | \$2,082,000                               | \$578.80                   |

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 Estimated solely for the purpose of computing the registration fee pursuant to Rule 457. The maximum offering price per share is based on the average of the high and low sale price of the Common Stock as reported by the Nasdaq National Market on January 6, 1999, pursuant to Rule 457(h)(1).

The Registrant also registers hereby such indeterminate number of additional shares as may be required to cover antidilutive adjustments under the Sypris Solutions, Inc. Employee Stock Purchase Plan.

## PART II

## INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

## ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The Registrant hereby incorporates the following documents in this Registration Statement:

(a) Group Technologies Corporation's (the predecessor to the Registrant) Annual Report on Form 10-K for the fiscal year ended December 31, 1997.

(b) The Registrant's Quarterly Reports on Form 10-Q for the quarters ended March 29, 1998, June 28, 1998 and September 27, 1998.

(c) The Registrant's Current Report on Form 8-K filed April 14, 1998, as amended by the Registrant's Current Report on Form 8-K/A filed May 13, 1998.

(d) The description of the Registrant's common stock, \$.01 par value (the "Common Stock"), which is contained in the Registrant's current report on Form 8-K/A filed May 13, 1998, pursuant to Section 13 of the 1934 Act, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all of the shares of the Common Stock offered have been sold or which deregisters all of the shares of Common Stock then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

## ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

## ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

## ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Pursuant to Article IX of the Registrant's Certificate of Incorporation ("Article IX"), a director of the Registrant shall not be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section

174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. Article IX states that if the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Registrant shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this section of Article IX by the stockholders of the Registrant shall not adversely affect any right or protection of a director of the Registrant existing at the time of such repeal or modification.

Article XI of the Registrant's Certificate of Incorporation ("Article XI") provides that the Registrant shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party, or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the Registrant or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person. The Registrant shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors of the Registrant.

Article XI provides that the Registrant shall pay the expenses of directors and executive officers of the Registrant, and may pay the expenses of all other officers, employees or agents of the Registrant, incurred in defending any proceeding, in advance of its final disposition, provided, however, that the payment of expenses incurred by a director, officer, employee or agent in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director, officer, employee or agent to repay all amounts advanced if it should be ultimately determined that the director, officer, employee or agent is not entitled to be indemnified under Article XI or otherwise. If a claim for indemnification or payment of expenses under Article XI is not paid in full within sixty days after a written claim therefor has been received by the Registrant, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Registrant shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

The rights conferred by Article XI shall not be exclusive of any other rights a claimant may have or acquire under any statute, provision of the Certificate of Incorporation, bylaws, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity, shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise. Any repeal or modification of

Article XI shall not adversely affect any right or protection of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

In addition, the Registrant maintains directors' and officers' liability insurance covering certain liabilities which may be incurred by directors and officers of the Registrant in connection with the performance of their duties.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

The Exhibits listed on the Exhibit Index appearing on page 8 of this Registration Statement are hereby incorporated by reference.

ITEM 9. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

## SIGNATURES

THE REGISTRANT. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Louisville, State of Kentucky, on the 18th day of December, 1998.

SYPRIS SOLUTIONS, INC.

By: /S/ Jeffrey T. Gill  
 Jeffrey T. Gill  
 President and Chief Executive Officer

## POWERS OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jeffrey T. Gill, David D. Johnson and Anthony C. Allen as his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments and post-effective amendments to this Registration Statement, and to file the same with all exhibits thereto, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated and on the dates indicated.

| SIGNATURES                               | TITLE   | Date              |
|--|---|-------------------|
| /S/ JEFFREY T. GILL<br>Jeffrey T. Gill   | President, Chief Executive<br>Officer and Director  | December 18, 1998 |
| /S/ DAVID D. JOHNSON<br>David D. Johnson | Vice President, Treasurer<br>and Chief Financial Officer<br>(Principal Financial Officer) | December 18, 1998 |

|  |   |                   |
|--|---|-------------------|
| /S/ ANTHONY C. ALLEN<br>Anthony C. Allen     | Vice President, Controller<br>and Assistant Secretary<br>(Principal Accounting Officer) | December 18, 1998 |
| /S/ ROBERT E. GILL<br>Robert E. Gill         | Chairman of the Board<br>and Director   | December 18, 1998 |
| /S/ R. SCOTT GILL<br>R. Scott Gill           | Director  | December 18, 1998 |
| /S/ HENRY F. FRIGON<br>Henry F. Frigon       | Director  | December 18, 1998 |
| /S/ WILLIAM L. HEALEY<br>William L. Healey   | Director  | December 18, 1998 |
| /S/ ROGER W. JOHNSON<br>Roger W. Johnson     | Director  | December 18, 1998 |
| /S/ SIDNEY R. PETERSEN<br>Sidney R. Petersen | Director  | December 18, 1998 |
| /S/ ROBERT SROKA<br>Robert Sroka             | Director  | December 18, 1998 |

## INDEX TO EXHIBITS

| EXHIBIT NUMBER | DESCRIPTION OF EXHIBIT   | PAGE |
|----------------|--|------|
| 4(a)           | Sypris Solutions, Inc. Employee Stock Purchase Plan.   | 9    |
| 4(b)           | Certificate of Incorporation of Sypris Solutions, Inc. (incorporated herein by reference to Appendix H to the Prospectus included in Group Technologies Corporation's Registration Statement on Form S-4/A No. 333-20299 filed February 12, 1998). |      |
| 4(c)           | Bylaws of Sypris Solutions, Inc. (incorporated herein by reference to Appendix I to the Prospectus included in Group Technologies Corporation's Registration Statement on Form S-4/A No. 333-20299 filed February 12, 1998).                       |      |
| 5              | Opinion of Wyatt, Tarrant & Combs.   | 17   |
| 23(a)          | Consent of Wyatt, Tarrant & Combs (contained in Exhibit 5).  | 17   |
| 23(b)          | Consent of Ernst & Young LLP.  | 19   |
| 24             | Power of Attorney (precedes signatures).   | 6    |



THE SYPRIS SOLUTIONS, INC.  
EMPLOYEE STOCK PURCHASE PLAN

1. PURPOSE. The purpose of the Plan is to provide eligible employees of the Company, and of any Subsidiary corporation which the Company's Board of Directors has designated as a Participating Employer in the Plan, an opportunity to acquire a proprietary interest in the Company through the purchase of the Company's common stock on a payroll or other compensation deduction basis. It is believed that participation in the ownership of the Company will be to the mutual benefit of the eligible employees and the Company. The Company intends for the Plan to qualify as an "employee stock purchase plan" under Code Section 423, and the Plan shall be so construed. Any term not expressly defined in the Plan but defined in the Code for purposes of Code Section 423 shall have the same definition herein.

2. DEFINITIONS. The following terms used in this Plan shall have the following meanings unless otherwise expressly provided herein.

A. "Account" means the bookkeeping account used to record: (i) shares of Stock purchased on the Participant's behalf under the Plan; (ii) cash or Stock dividends paid on Stock credited to the Participant's Account; (iii) the funds accumulated with respect to an individual Participant as a result of deductions from the Participant's pay; and (iv) employment or other withholding taxes charged against amounts credited to the Participant's Account as a result of the exercise of the option. Funds allocated to a Participant's Account shall remain the Participant's property at all times.

B. "Base Pay" means regular straight time earnings, excluding payments for overtime, bonuses, incentive compensation and other special payments.

C. "Board" means the Company's Board of Directors.

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

E. "Committee" means the Compensation Committee of the Board that administers the Plan in accordance with Section 3.

F. "Company" means Sypris Solutions, Inc., a Delaware corporation, with its principal place of business at 455 South Fourth Street, Suite 350, Louisville, Kentucky 40202.

G. "Custodian" means such person or organization as shall hereafter be designated in writing by the Committee to serve as custodian to hold whole and fractional shares of Stock purchased for Participant Accounts under the Plan.

H. "Eligible Employee" means any person, including any officer or director, who satisfies the following three requirements: (i) who has been employed by a Participating Employer for at least three (3) months; (ii) whose customary weekly employment with the Participating Employer is at least twenty (20) hours; and (iii) whose customary calendar year employment exceeds five (5) months.

I. "Parent" means, as defined in Code Section 424(e), any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of the granting of an option under the Plan, each of the corporations other than the Company own stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

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J. "Participant" means an Eligible Employee who elects to participate in the Plan.

K. "Participating Employer" means the Company and any Subsidiary which the Board has authorized to participate in the Plan as to its Eligible Employees.

L. "Plan" means the Sypris Solutions, Inc. Employee Stock Purchase Plan, as set forth herein and as amended from time to time.

M. "Stock" means the Company's \$0.01 par value common stock, or the common stock or securities of a successor that have been substituted therefor pursuant to Section 11.C.

N. "Subsidiary" means, as defined in Code Section 424(f), any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of an option under the Plan, each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. ADMINISTRATION. The Plan shall be administered by the Committee. The Committee shall have full power and authority to construe, interpret and administer the Plan and may from time to time adopt such rules and regulations for carrying out the Plan as it may deem proper and in the Company's best interests. The Committee may designate, by appropriate resolution, the Company employees, agents or other persons or organizations to assist it in the administration of the Plan.

4. DURATION AND CYCLES OF THE PLAN. The effective date of the Plan is February 1, 1999, subject to ratification of the Plan by the holders of a majority of all the shares of Stock which are voted in person or by proxy at a duly held stockholders' meeting. The Plan shall terminate upon issuance of all shares authorized to be issued under the Plan. The Plan shall be carried out in six (6) consecutive calendar month cycles, with the first cycle beginning on the first business day in February and ending on the last business day in July, and the second cycle beginning on the first business day in August and ending on the last business day in January. The first cycle shall begin on February 1, 1999.

5. ELIGIBILITY AND PARTICIPATION. Eligible Employees of a Participating Employer may participate in the Plan as of the first day of the next cycle after satisfying the eligibility requirements, subject to the limitations set forth in Section 7. Participation is voluntary. To become a Participant, an Eligible Employee must complete and deliver to the Committee or its Company designee a payroll deduction authorization form (available from the Committee or its Company designee) on or before the date specified by the Committee, but in no event later than the day preceding the beginning of the cycle. Payroll deductions shall commence on the Participant's next available pay day after the beginning of the cycle and shall continue from cycle to cycle until altered or terminated as provided in Sections 6, 9 and 10.

6. PAYROLL DEDUCTIONS AND PARTICIPANT ACCOUNTS.

A. AMOUNT OF PAYROLL DEDUCTIONS. Each Eligible Employee electing to participate in the Plan shall indicate on the payroll deduction authorization form the amount of the Eligible Employee's Base Pay to be withheld, which shall not be more than Six Thousand Dollars (\$6,000.00) nor less than One Hundred Dollars (\$100.00) for any cycle. Payroll deductions will be made, on an after-tax basis, in equal installments each payroll period during the cycle.

B. CHANGES TO PAYROLL DEDUCTION AUTHORIZATION. Participants may make one (1) mid-cycle change to the amount of payroll deductions authorized by delivery of a new payroll deduction authorization form to the Committee or its designee. The change shall become effective as soon as administratively practicable and shall continue from cycle to cycle until again altered pursuant to this Section or terminated pursuant to Sections 6, 9 or 10.

C. CREDITS TO PARTICIPANT ACCOUNTS. Payroll deductions from a Participant, and cash dividends paid on Stock credited to the Participant's Account, shall be credited to the Participant's Account. Notwithstanding the foregoing, the Participant may elect to have cash dividends paid directly to the Participant in lieu of crediting such amounts to the Participant's Account. Amounts shall remain in a Participant's Account until used to purchase shares pursuant to Section 9 or paid out pursuant to Sections 9 or 10. A Participant may not make separate cash payments into the Account. No interest or earnings on the Account will be credited to any Participant. Compensation deductions and cash dividends received or held by the Committee under the Plan shall be used to purchase Stock for the Participant's Account in accordance with the terms of the Plan. No Stock or Stock dividends credited to the Participant's Account shall be sold or otherwise used to purchase additional Stock for the Participant's Account. However, the Participant may at any time request the Custodian to issue to the Participant certificates for whole shares and payment for any fractional share credited to the Participant's Account.

#### 7. GRANT OF OPTIONS.

A. NUMBER OF SHARES OPTIONED. On the first day in each cycle, each Participant (including, subject to Section 10.C, those on leaves of absence) shall be granted an option to purchase as many whole and fractional shares of Stock as the Participant can purchase with the compensation deductions and cash dividends credited to the Participant's Account during the cycle less any required employment or other taxes required to be withheld as a result of the exercise of the option.

B. LIMITATION ON AMOUNT OF GRANT. Notwithstanding the foregoing, no Participant shall be granted an option to the extent that the option would permit the Participant's rights to purchase stock under the Plan and all employee stock purchase plans of the Company and its Parent and Subsidiaries (if any) to accrue at a rate which exceeds Twenty-Five Thousand Dollars (\$25,000) of the fair market value of such stock (determined at the time the option is granted) for each calendar year in which the option is outstanding at any time. This Section shall be applied by use of all rules and definitions of terms which are applicable for purposes of Code Section 423(b)(8), it being the intent that this Section shall cause the Plan to comply with the requirements of such Section of the Code.

C. FIVE PERCENT (5%) SHAREHOLDERS. Anything herein to the contrary notwithstanding, no Participant shall be granted an option if the Participant would own, immediately after the grant of the option, stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary. The rules of Code Section 424(d) shall apply in determining stock ownership and Stock which the Participant may purchase under outstanding options shall be treated as Stock owned by the Participant.

D. OPTION PRICE. The option price per share shall be eighty-five percent (85%) of the lower of the fair market value per share of the Stock on the first or last business day in such cycle (rounded up to the next whole dime). "Business day" means the day on which any national securities exchange is open if the Stock is then listed on such exchange, or (if not listed) the day when the over-the-counter market is open.

8. FAIR MARKET VALUE OF STOCK. The fair market value per share of Stock as of any day shall be computed as follows:

A. If the Stock is listed on the over-the-counter market, the closing sale price of the Stock in the over-the-counter market (or if there was no sale of the Stock on such date, on the immediately preceding date on which there was a sale of the Stock), as reported by the National Association of Securities Dealers Automated Quotation System; or

B. If the Stock is listed on a national securities exchange, the closing sale price for the Stock on the Composite Tape; or

C. If the Stock is neither traded on the over-the-counter market nor listed on a national securities exchange, such value as the Board, in good faith, shall determine.

#### 9. EXERCISE OF OPTIONS.

A. DATE OF EXERCISE. Unless a Participant gives written notice to the Committee or its Company designee, as provided in Section 9.B, the Participant's option for each cycle is deemed exercised automatically at the close of the last business day in the cycle for as many whole and fractional shares of Stock as can be purchased with funds in the Participant's Account on that date.

B. PARTICIPANT NOTICE TO CHANGE AMOUNT OF EXERCISE. By delivering a written notice to the Committee or its Company designee at least two (2) business days before the end of a cycle, a Participant may decide not to exercise the Participant's option for that cycle or to exercise the option for some lesser number of shares. If more than one written notice is delivered by a Participant, the last notice shall control.

C. DISPOSITION OF ACCOUNT. Funds in a Participant's Account (including any cash dividends credited to the Participant's Account during the cycle less any required withholding taxes) will be used to pay the option price upon exercise of the Participant's option. Any amount in a Participant's Account at the end of any cycle not used to purchase Stock will be paid to a Participant (without interest) as soon as administratively practicable after the end of the cycle.

D. SHARES HELD BY CUSTODIAN. Stock purchased for a Participant's Account during any cycle shall be credited to the Participant's Account, but shall be registered on the Company's books in the name of the Custodian on behalf of the Participant, as soon as administratively practicable after the end of the cycle. Stock dividends shall also be credited to the Participant's Account and held by the Custodian on behalf of the Participant. Subject to the provisions of Section 12, and subject to the provisions of the Delaware General Corporation Law as hereafter amended (or any corporate statute applicable to a successor corporation as contemplated by Section 11.C), the Participant shall have all the rights and privileges of a shareholder as to whole and fractional shares of Stock credited to the Participant's Account, including the right to direct the vote of all whole and fractional shares of said Stock. The Participant may at any time request the Custodian to issue to the Participant certificates representing any whole shares of Stock credited to the Participant's Account. Each Participant will receive a statement of account from the Custodian as soon as administratively practicable after the end of a cycle showing the number of whole and fractional shares credited to the Participant's Account, the number of whole shares issued to and held by the Participant and the fractional share amounts paid to the Participant.

E. LAPSE OF OPTIONS. All unexercised options shall lapse on the earlier of: (i) the end of the cycle; (ii) termination of participation; or (iii) termination of the Plan.

## 10. TERMINATION OF PARTICIPATION.

A. TERMINATION BY PARTICIPANT. A Participant may at any time terminate participation by giving written notice of such termination to the Committee and electing to either:

(1) Leave any funds in the Participant's Account in which event the Participant's option will be deemed exercised at the end of the then current cycle pursuant to Section 9.A and any amounts remaining after such exercise will be paid to the Participant (without interest); or

(2) Receive any funds in the Participant's Account.

Participants who change their payroll deduction authorization to zero pursuant to Section 6.C shall be deemed to have terminated participation in the Plan and will be deemed to have elected a disposition of the Participant's Account in accordance with Section 10.A(1) unless the Participant notifies the Committee or its Company designee in writing at least two (2) business days before the end of the cycle that the Participant elects to receive the funds in the Participant's Account.

Upon termination of participation, all further payroll deductions from such Participant shall cease and all amounts in the Participant's Account which are not used to purchase Stock, including any amount representing a fractional share, shall be paid to the Participant (without interest) and certificates for whole shares of Stock credited to the Participant's Account shall be issued to the Participant as soon as administratively practicable.

B. CHANGE IN EMPLOYEE STATUS. If, on or before the last business day in any cycle, a Participant ceases to be an Eligible Employee for any reason, including death, disability, resignation, retirement or dismissal, the Participant's participation in the Plan shall cease and any outstanding options shall lapse in full on the day the Participant's status as an Eligible Employee ceases. Upon lapse, all further payroll deductions shall cease, all amounts credited to the Participant's Account and not used to purchase Stock, including any amount representing a fractional share, shall be paid to the Participant (without interest), and certificates for whole shares of Stock credited to the Participant's Account shall be issued to the Participant as soon as administratively practicable following such lapse.

C. LEAVES OF ABSENCE. The employment relationship of a Participant with a Participating Employer will be treated as continuing intact while the Participant is on military, sick leave or other bona fide leave of absence for a period not to exceed ninety (90) days, or for a longer period, provided that the Participant's right to reemployment with the Participating Employer is guaranteed either by statute or by contract. Payroll deductions shall be suspended while the Participant is on an unpaid leave of absence. Where the period of leave exceeds ninety (90) days and where the Participant's right to reemployment is not guaranteed either by statute or contract, the employment relationship will be deemed to have terminated on the 91st day of such leave.

D. LIMITATION ON WITHDRAWALS FROM ACCOUNT. A Participant may not withdraw any amount in the Participant's Account except pursuant to Sections 9.C, 10.A or 10.B.

E. REINSTATEMENT OF PARTICIPATION. A Participant whose participation in the Plan terminates during any cycle may not participate in the Plan again until the beginning of the next cycle.

## 11. STOCK RESERVED FOR PLAN.

A. NUMBER AND TYPE OF SHARES. A total of three hundred thousand (300,000) shares of Stock, which may consist of authorized but unissued shares or treasury shares or both, are reserved for issuance under the Plan, subject to adjustment upon changes in capitalization of the Company as provided in Section 11.C. If any option shall lapse or terminate for any reason as to any shares, such shares of Stock shall again become available under the Plan.

B. PRORATION OF AVAILABLE SHARES. Notwithstanding anything herein to the contrary, if the total number of shares which would otherwise have been acquired under the Plan on any date exceeds the number of shares of Stock then available under the Plan, then the Committee may make such pro rata allocation of the shares remaining available in such practicable manner as it shall determine to be fair and equitable. The payroll deductions to be made pursuant to the Participant authorizations shall be reduced accordingly, and the Committee or its Company designee shall give written notice of such reduction to each affected Participant. Any payroll deductions in a Participant's Account not used to purchase Stock shall be paid (without interest) to such Participant as soon as administratively practicable following such reduction.

C. ADJUSTMENT PROVISION. If there is any change in the number of outstanding shares of Stock by reason of any stock dividend, stock split or similar transaction, the number of shares of Stock then remaining available for issuance, the number of shares subject to any outstanding options, and shares credited to Participant Accounts shall be correspondingly changed, without change in the aggregate option price. Additionally, equitable adjustments shall be made in options and shares credited to Participant Accounts to reflect any other changes in the Stock, including changes resulting from a combination of outstanding shares or other recapitalization, reorganization, sale, merger, consolidation or similar transaction. The establishment of the Plan shall not affect the Company's right to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or otherwise transfer all or any part of its business or assets.

D. LEGENDS. The Company shall be entitled to place any legends on certificates for whole shares of Stock issued hereunder which it deems appropriate to effectuate the terms of the Plan or to comply with any applicable law.

## 12. TRANSFERABILITY.

A. TWO-YEAR LIMITATION ON TRANSFERABILITY. Certificates representing shares of Stock issued pursuant to the Plan may not be transferred before the expiration of two (2) years from the date of grant of the option, unless the Participant notifies the Committee or its Company designee of the Participant's intention to dispose of the Stock. Upon receipt of such notice by the Committee or its Company designee, the Participant is free to dispose of the Stock. Disposition of the Stock within two (2) years from the date of grant of the option may result in adverse tax treatment for the Participant. Participants should seek tax advice with respect to dispositions of Stock acquired under the Plan.

B. ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION. No funds or Stock credited to a Participant's Account nor any rights with regard to participation in the Plan, exercise of any option or the right to receive shares of Stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by the Participant other than by will or the laws of descent and distribution. Any such attempted assignment, transfer, pledge, or other disposition shall be without effect. Notwithstanding the foregoing, a Participant may at any time request the Custodian to issue Stock credited to the Participant's Account to the Participant; and, subject to the provisions of the Plan, the Participant may assign, transfer, pledge or otherwise dispose of said Stock after certificates have been issued to the

Participant. An option granted under the Plan is exercisable during the Participant's lifetime only by the Participant.

13. DESIGNATION OF BENEFICIARIES. A Participant may deliver to the Committee a written designation (on a prescribed form) of a beneficiary or beneficiaries to receive any Stock and cash payable to the Participant but not delivered to the Participant because of the Participant's death before such delivery. Such designation may be changed or revoked by delivery of written notice to the Committee or its Company designee. Upon the death of a Participant and upon receipt by the Committee or its Company designee of proof deemed adequate by it of the identity and existence of a beneficiary or beneficiaries validly designated by such Participant, the Company shall issue and deliver such Stock and pay such cash to such beneficiary or beneficiaries. In the absence of the Company's receipt of such proof, or if the Participant fails to designate any beneficiary who is living at the time of the Participant's death, the Company shall issue and deliver such Stock and pay such cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Committee), the Company, if and as the Committee may direct in its discretion, shall issue and deliver such Stock and pay such cash to the spouse and/or any one or more dependents or relatives of such Participant, or if no such spouse, dependent or relative is known to the Committee, then to such other person or persons as the Committee may designate in its discretion.

14. AMENDMENT AND TERMINATION. The Plan may be amended or terminated by the Board at any time. The Plan shall terminate on January 31, 2006 unless terminated sooner by the Board. Any amendment of the Plan requires approval by the Company's stockholders within twelve (12) months after such amendment's adoption by the Board if it increases the total number of shares of Stock available for issuance under the Plan, or changes the class of corporations eligible to become Participating Employers or the class of persons eligible to receive options under the Plan. Such stockholder approval shall mean approval by holders of a majority of all the shares of the Stock which are voted in person or by proxy at a duly held stockholders' meeting. No such amendment may be adopted which would adversely affect any rights acquired by any person hereunder before the effective date of such amendment, unless such amendment is necessary for the Company to obtain a ruling it may request from the Internal Revenue service with respect to the Plan, or necessary for the Plan to conform to the requirements of Code Section 423 or any other applicable law.

15. NOTICES. Any notice or other communication by any person to the Committee shall be deemed to have been duly given when actually received by a member of the Committee, or when actually received by the Company addressed as follows: Sypris Solutions, Inc., 455 South Fourth Street, Suite 350, Louisville, Kentucky 40202. Any notice or other communication or any delivery of Stock or cash to any person (other than the Committee) under or in connection with the Plan shall be deemed to have been duly given or made when deposited in the United States mail, postage prepaid, addressed to such person at the address last shown for such person in the records of the Committee or any Participating Employer.

16. TAX WITHHOLDING. The Participating Employer shall have the right to withhold from each Participant's compensation an amount equal to all federal, state and local taxes which the Participating Employer is required by law to withhold as a result of the Participant's participation in the Plan or disposition of shares of Stock issued under the Plan.

17. NONGUARANTEED OF EMPLOYMENT. No provision of the Plan shall be construed as giving any person any right such person would not otherwise have to become or remain an employee of a Participating Employer, or any other right not expressly created by such provision.

18. GOVERNING LAW. The Plan shall be governed by the laws of the State of Delaware and any applicable federal laws.

Dated this 25th day of August, 1998.

SYPRIS SOLUTIONS, INC.

By: /S/ JEFFREY T. GILL  
Jeffrey T. Gill  
President and Chief Executive Officer

[Wyatt, Tarrant & Combs letterhead]

January 8, 1999

Board of Directors  
Sypris Solutions, Inc.  
455 South Fourth Street  
Louisville, Kentucky 40202

Ladies and Gentlemen:

We have acted as counsel to Sypris Solutions, Inc., a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-8 (the "Registration Statement") being filed by the Company with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"), to register 300,000 shares (the "Shares") of the Company's common stock, \$.01 par value, issuable under the Sypris Solutions, Inc. Employee Stock Purchase Plan (the "Plan").

We have examined and are familiar with the Company, its organization and proceedings related thereto. We have also examined such other documents and procedures as we have considered necessary for the purpose of this opinion.

We have assumed, for purposes of this opinion, that the Shares will be validly authorized on the respective dates of issuance of the Shares under the Plan, and that, on the dates of issuance of the Shares under the Plan, the obligations of the Company under the Plan will constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

Board of Directors  
January 8, 1999  
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Based upon the foregoing and subject to the qualifications hereinafter set forth, we are of the opinion that the Shares are duly authorized and, when issued and sold in accordance with the Registration Statement, the prospectus delivered to participants in the Plan pursuant to the requirements of the Act, the pertinent provisions of any applicable state securities laws and the Plan, will be duly and validly issued, fully paid and nonassessable.

We express no opinion with respect to Shares issuable under the Plan which are purchased by the Company on the open market or in private transactions and are not original issuance shares.

We are members of the Bar of the Commonwealth of Kentucky and, accordingly, do not purport to be experts on or express any opinion herein concerning any law other than the laws of the Commonwealth of Kentucky, the Delaware General Corporation Law and the federal law of the United States. Although we are not licensed to practice law in the State of Delaware, we believe we are sufficiently familiar with the Delaware General Corporation Law to render the opinions expressed herein.

Our opinion is directed to the Board of Directors of the Company and may not be relied upon by any persons other than said directors, recipients of the prospectus and participants in the Plan. We expressly disclaim any responsibility for advising you of any change hereafter occurring in circumstances touching or concerning the transaction which is the subject of this opinion, including any changes in the law or in factual matters occurring subsequent to the date of this opinion.

We hereby consent to the filing of this opinion, or copies thereof, as an Exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Sincerely,

WYATT, TARRANT & COMBS

/S/ Wyatt, Tarrant & Combs

## Exhibit 23(b)

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 for the registration of \$300,000 shares of common stock of Sypris Solutions, Inc., pertaining to the Sypris Solutions, Inc. Employee Stock Purchase Plan of (i) our report dated March 6, 1998 with respect to the consolidated financial statements of Group Technologies Corporation included in the Annual Report (Form 10-K) for 1997 and (ii) our report dated April 3, 1998 with respect to the consolidated financial statements of Group Financial Partners, Inc. included in the Current Report (Form 8-K) dated March 30, 1998, both filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Louisville, Kentucky  
January 8, 1999