SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended June 29, 1997.

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the transition period from to .

Commission file number: 0-24020
GROUP TECHNOLOGIES CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA	59-2948116
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

10901 Malcolm McKinley Drive
Tampa, Florida 33612
(Address of principal executive offices, including zip code)

(813) 972-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No .

As of August 6, 1997 there were 16,220,629 shares of the Registrant's Common Stock outstanding.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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Part I. Financial Information
Item 1. Financial Statements

GROUP TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	June 29, 1997	June 30, 1996	June 29, 1997	June 30, 1996
	(Unaudited)		(Unaudited)	
Revenue	$36,459	$63,990	$62,897	$132,190
Cost of operations	35,278	59,173	63,075	123,173
Gross profit (loss)	1,181	4,817	(178)	9,017
Selling, general and administrative expense	1,750	3,431	3,249	6,204
Research and development	99	8	99	294
Operating (loss) income	(668)	1,378	(3,526)	2,519
Interest expense	680	977	1,193	1,926
Other (income) expense, net	(242)	(11)	(255)	73
(Loss) income before income taxes	(1,106)	412	(4,464)	520
Income tax expense	131	354	152	457
Net (loss) income	$(1,237)	$58	$(4,616)	$63
Net (loss) income per share:				
Primary	$(0.08)	$0.00	$(0.28)	$0.00
Fully diluted	$(0.08)	$0.00	$(0.28)	$0.00
Shares used in computing per share amounts:				
Primary	16,221	17,760	16,221	17,012
Fully diluted	16,221	17,760	16,221	17,012

The accompanying notes are an integral part of the consolidated financial statements.

GROUP TECHNOLOGIES CORPORATION

CONSOLIDATED BALANCE SHEETS

(in thousands, except for share data)

	June 29, 1997	December 31, 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$41	$661
Accounts receivable, net	18,095	22,754
Inventories, net	22,120	20,220
Other current assets	2,115	2,102
Total current assets	42,371	45,737
Property and equipment, net	18,992	21,206
Other assets	481	522
	$61,844	$67,465
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$17,616	$17,969
Accrued liabilities	13,939	16,416
Current portion of long-term debt	12,259	3,513
Total current liabilities	43,814	37,898
Long-term debt	226	10,119
Other liabilities	46	45
Total liabilities	44,086	48,062
Redeemable Preferred Stock, $.01 par value; 1,000,000 shares authorized; 250,000 shares issued and outstanding in 1997	3	0
Additional paid-in capital - Preferred Stock	2,497	0
Shareholders' equity:		
Common Stock, $.01 par value, 40,000,000 shares authorized; 16,220,629 shares issued and outstanding in 1997 and 1996	162	162
Additional paid-in capital	25,146	24,675
Accumulated deficit	(10,050)	(5,434)
Total shareholders' equity	15,258	19,403
	$61,844	$67,465

The accompanying notes are an integral part of the consolidated financial statements.

GROUP TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Six Months Ended

	June 29, 1997	June 30, 1996
	(Unaudited)	
Cash flows from operating activities:		
Net (loss) income	$(4,616)	$63
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	2,756	2,609
Other	354	230
Changes in operating assets and liabilities, net of dispositions:		
Accounts receivable	4,659	1,388
Inventories	(1,900)	4,065
Other current and non-current assets	(85)	(1,996)
Accounts payable	(353)	(10,323)
Accrued and other liabilities	(2,477)	(2,162)
Net cash used in operating activities	(1,662)	(6,126)
Cash flows from investing activities:		
Capital expenditures	(428)	(1,525)
Proceeds from disposal of assets	0	11,561
Net cash (used in) provided by investing activities	(428)	10,036
Cash flows from financing activities:		
Net proceeds (repayments) under revolving credit agreement	949	(3,214)
Repayments of notes payable and long-term debt	(1,979)	(2,702)
Net proceeds from issuance of Common Stock	0	1,000
Proceeds from issuance of Redeemable Preferred Stock	2,500	0
Net cash provided by (used in) financing activities	1,470	(4,916)
Net decrease in cash and cash equivalents	(620)	(1,006)
Cash and cash equivalents at beginning of period	661	2,143
Cash and cash equivalents at end of period	$41	$1,137

The accompanying notes are an integral part of the consolidated financial statements.

GROUP TECHNOLOGIES CORPORATION

Notes to Interim Consolidated Financial Statements

(1) Organizational Structure

Group Technologies Corporation (the "Company") was incorporated on December 27, 1988 as a subsidiary of Group Financial Partners, Inc. (the "Parent"), a private holding company. The Parent owns approximately 80% of the outstanding Common Stock of the Company.

The Company provides advanced manufacturing, engineering and testing services to original equipment manufacturers ("OEMs") of electronic products. The Company custom manufactures complex circuit card assemblies, subsystems and end-user products for use in a wide variety of markets, including automotive, commercial avionics, computer, government systems, industrial electronics, networking, space, and telecommunications.

(2) Basis of Presentation

The unaudited consolidated financial statements and related notes have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and on substantially the same basis as the annual consolidated financial statements. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and accounts have been eliminated.

In the opinion of management, the consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position, operating results, and cash flows for those periods presented. Operating results for the three and six month periods ended June 29, 1997 are not necessarily indicative of the results that may be expected for the year ending December 31, 1997. These consolidated financial statements should be read in conjunction with the consolidated financial statements, and notes thereto, for the year ended December 31, 1996 as presented in the Company's annual report on Form 10-K.

During the first quarter of 1997, Statement of Financial Accounting Standard No. 128, "Earnings per Share," was issued which revises the manner in which earnings per share are calculated. In accordance with the effective date of Statement No. 128, the Company will implement the new standard during the fourth quarter of 1997. The Company does not expect that the provisions of Statement No. 128 will have a material impact upon the Company's reported earnings per share for the year ending December 31, 1997.

(3) Net (Loss) Income Per Share

Net (loss) income per share is computed using the weighted average number of common shares and dilutive common equivalent shares outstanding during the applicable period. Common equivalent shares consist of stock options and warrants (vested and unvested) and are computed using the treasury stock method. The computation includes those common shares and common equivalent shares as prescribed by the Securities and Exchange Commission Staff Accounting Bulletins.

(4) Inventories

Inventories consist of the following:

	June 29, 1997	December 31, 1996
	(Unaudited)	
Raw materials	$13,290	$12,538
Work in process	5,018	4,100
Finished goods	0	107
Costs relating to long-term contracts and programs, net of amounts attributed to revenue recognized to date	12,831	11,655
Progress payments related to long-term contracts and programs	(4,233)	(3,292)
Reserve for inactive, obsolete and unsalable inventories	(4,786)	(4,888)
	$22,120	$20,220

The Company recognized revenue and income before income taxes during the second quarter of 1996 of $4,083,000 upon the favorable settlement of a contractual claim.

(5) Note Payable and Long-Term Debt

As of June 29, 1997, the Company had a financing agreement (the "Credit Agreement") with its bank which provided the Company with a revolving line of credit facility (the "Revolver") and a term note (the "Term Note"). As amended on March 28, 1997, the Credit Agreement provided credit availability on the Revolver equal to the lesser of $13,500,000 or the applicable amount of its eligible accounts receivable and inventories. On June 30, 1997, the Company utilized the proceeds from the sale of its Latin American operations (see Note 7) to repay all of its outstanding borrowings under the Credit Agreement and terminated the Credit Agreement.

The Company, in connection with the initial execution of the Credit Agreement during 1996, issued warrants to purchase 1,200,000 shares of Common Stock at $0.01 per share to the lender. Upon execution of the Credit Agreement, 200,000 of the warrants became exercisable and, on March 31, 1997, an additional 125,000 of the warrants became exercisable. As a result of the early repayment and termination of the Credit Agreement, the remaining 875,000 unvested warrants were forfeited by the lender.

In connection with the March 28, 1997 amendment to the Credit Agreement, the Parent invested $2,500,000 in the Company in exchange for 250,000 shares of the Company's Preferred Stock (the "Preferred Stock").

Long-term debt consists of the following:

	June 29, 1997	December 31, 1996
	(Unaudited)	
Revolver	$7,883	$6,934
Term Note	1,860	2,690
Other	2,979	4,128
Total long-term debt	12,722	13,752
Unamortized original issue discount related to issuance of warrants exercisable on date of issuance	(237)	(120)
Current portion of long-term debt	(12,259)	(3,513)
	$226	$10,119

Available borrowings on the Revolver at June 29, 1997 were approximately $2,860,000. The interest rate on all debt outstanding under the Credit Agreement at June 29, 1997 was 9.75%.

(6) Preferred Stock

Each share of Preferred Stock outstanding may be exchanged for 8.1 shares of the Company's Common Stock. The Preferred Stock outstanding is also redeemable at the option of the holder (the Parent), subject to certain restrictions, and pays quarterly dividends of 8.5% per annum. The shares of Preferred Stock outstanding have voting rights equal to the voting rights of the Company's Common Stock, except that the holder of each share of Preferred Stock is entitled to the number of votes equal to the number of shares of Common Stock that would be receivable upon conversion. The rates and preferences of Preferred Stock authorized but not issued have not been determined.

(7) Subsequent Event

On June 30, 1997, the Company sold to SCI Systems, Inc., SCI Systems De Mexico S.A de C.V. and SCI Holdings, Inc. (collectively, "SCI"), all of the Company's investment in the capital stock and/or equity interests of three of its wholly-owned subsidiaries, Group Technologies S.A. de C.V., Group Technologies Suprimentos de Informatica Industria E Comercio Ltda., and Group Technologies Integracoes em Electronica Ltda. These three subsidiaries comprised all of the Company's Latin American operations. The Company also sold or assigned to SCI certain assets principally used in or useful to the operations being sold, including accounts receivable, inventory, equipment, accounts payable and equipment leases.

The initial sales price of the aforementioned assets amounted to $18,000,000 in cash and the assumption by SCI of certain liabilities. The price is subject to subsequent adjustment, upward or downward, based upon, among other things, the value of the net assets of the Company's Latin American operations at June 29, 1997.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following tables set forth certain data, expressed as a percentage of revenue, from the Company's Consolidated Statement of Operations for the three and six-month periods ended June 29, 1997 and June 30, 1996.

	Three Months Ended		Six Months Ended	
	June 29, 1997	June 30, 1996	June 29, 1997	June 30, 1996
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of operations	96.8	92.5	100.3	93.2
Gross profit (loss	3.2	7.5	(0.3)	6.8
Selling, general and administrative expense	4.8	5.4	5.2	4.7
Research and development	0.2	0.0	0.1	0.2
Operating (loss) income	(1.8)	2.1	(5.6)	1.9
Interest expense	1.9	1.5	1.9	1.5
Other (income) expense, net	(0.7)	0.0	(0.4)	0.1
(Loss) income before income taxes	(3.0)	0.6	(7.1)	0.3
Income tax expense	0.4	0.5	0.2	0.3
Net (loss) income	(3.4)%	0.1%	(7.3)%	0.0%

Revenue for the three months ended June 29, 1997 was $36.5 million, a decrease of $27.5 million or 43.0% from $64.0 million for the three months ended June 30, 1996. Revenue for the first six months of 1997 was $62.9 million, a decrease of $69.3 million or 52.4% from $132.2 million for the first six months of 1996. During the first six months of 1997 as compared to the comparable period in 1996, the Company's domestic manufacturing and engineering operations decreased by $52.4 million. This decline in revenue is associated with decreased customer demand and the termination or completion of certain contracts. This change in demand and termination of contracts is principally reflective of the change in out-sourcing strategies of three customers which resulted in a $38.8 million reduction of revenue during the first six months of 1997 as compared to the first six months of 1996. The fact that the Company completed the disposition of its name brand products business units during the first quarter of 1996 and the recognition of $4.1 million of revenue for a favorable claim settlement during the second quarter of 1996 accounted for an additional $5.7 million

of the $52.4 million decline in domestic revenue during 1997. Changes in customer demand on other less significant contracts collectively accounted for the remaining $7.9 million of the decreased revenue in 1997 as compared to 1996.

The Company's Latin American operations contributed $16.9 million and $33.8 million to revenue in the first six months of 1997 and 1996 respectively. Revenue from the Company's Latin American operations in the first six months of 1997 as compared to the comparable period in 1996 decreased $16.9 million, principally associated with the completion or curtailment of certain contracts during the first quarter of 1997 and the second half of 1996. The Company divested all of its Latin American operations effective June 30, 1997, as more fully described in Note 7 to the Company's Interim Consolidated Financial Statements as of and for the period ended June 29, 1997.

Gross profit for the three months ended June 29, 1997 decreased to $1.2 million or 3.2% of revenue from $4.8 million or 7.5% of revenue during the three months ended June 30, 1996. Gross loss for the first six months of 1997 was $0.2 million or 0.3% of revenue compared to gross profit of $9.0 million or 6.8% of revenue in the first six months of 1996. The net decrease in gross profit during the first six months of 1997 was principally related to a $1.1 million decrease in gross profit from the Company's domestic manufacturing and engineering services (excluding the name brand products business), a $3.3 million decrease in gross profit from the Company's Latin American operations and a $4.8 million decrease from the name brand products business. The primary cause for the decline in gross profit (excluding the name brand products business decline) was the fact that decreased revenue levels experienced by the Company, as discussed above, caused the Company to underutilize its manufacturing capacity. Additionally, included in the second quarter gross margin in 1996 was a favorable name brand products business claim settlement of $4.1 million. Finally, the reduced gross profits in 1997 are also caused by low margin contracts and cost overruns on certain contracts. The Company has modified its marketing strategies to focus on obtaining more profitable contractual agreements to mitigate the effects of the low margin contracts.

Selling, general and administrative expense for the three months ended June 29, 1997 decreased to $1.8 million or 4.8% of revenue from $3.4 million or 5.4% of revenue for the three months ended June 30, 1996. Selling, general and administrative expenses for the six months ended June 29, 1997 decreased to $3.2 million or 5.2% of revenue from $6.2 million or 4.7% of revenue for the six months ended June 30, 1996. Included in selling, general and administrative expense in the second quarter of 1996 are approximately $1.4 million of charges principally related to increases in accounts receivable reserves and estimated costs associated with the relocation of warehouse facilities. With regard to warehouse relocation costs, in the second quarter of 1996, the Company implemented a cost saving strategy to integrate the materials warehousing function into its main Tampa facility. The provision for doubtful accounts in 1996 represents a change in estimate of collectibility following extensive communications with the respective customers regarding non-payment of invoices and conclusions or settlements reached during the period regarding ultimate collectibility. Additional reductions in selling, general and administrative costs are associated with the decreased business volume and cost saving initiatives implemented in 1996 and 1997, including workforce reductions.

Research and development expense for the three and six month periods ended June 29, 1997 was $0.1 million. The Company's manufacturing and engineering services businesses currently require low levels of research and development.

Interest expense for the three and six month periods ended June 29, 1997 decreased $0.3 million and $0.7 million, respectively, from the comparable prior year periods. The Company's reduced level of operations has required a lower level of working capital and, therefore, reduced debt requirements.

Income tax expense for the three and six month periods ended June 29, 1997 and June 30, 1996, consists primarily of income taxes on earnings in foreign countries.

Liquidity and Capital Resources

Net cash used in operating activities was $1.7 million for the first six months of 1997. The Company's accounts receivable decreased by $4.7 million during the first six months of 1997 principally attributable to the lower level of revenue. While revenue declined during the first six months of 1997, the Company's inventory increased $1.7 million in anticipation of fulfilling certain contractual requirements. The Company utilized the proceeds of the accounts receivable collections, in part, to reduce its accounts payable and accrued liabilities by $2.8 million. While the Company continues to maintain extended payment terms with its suppliers, the Company has long-term relationships with a majority of its suppliers and has been successful in maintaining reasonable credit terms with its supplier base.

Net cash used in investing activities was $0.4 million for the first six months of 1997, comprised of capital expenditures. Current commitments for capital expenditures for the remainder of 1997 are approximately $0.5 million.

Net cash provided by financing activities was $1.5 million for the first six months of 1997. The financing activities were comprised of proceeds from the issuance of the Company's Preferred Stock of $2.5 million partially off-set by repayments of debt of $1.0 million. On June 30, 1997, the Company utilized the proceeds from the sale of its Latin American operations to repay all amounts outstanding under the Credit Agreement with its primary lender and terminated the Credit Agreement.

In connection with execution of the Credit Agreement in the first quarter of 1996, the Parent invested $1.0 million in the Company in exchange for 374,531 shares of the Company's Common Stock. The Company also issued warrants to the bank for purchase of 1.2 million shares of the Company's Common Stock for $.01 per share. Of the 1.2 million warrants, 200,000 became exercisable at closing and 125,000 became exercisable on March 31, 1997. As a result of the Company repaying all amounts payable under the Credit Agreement on June 30, 1997, the bank forfeited the remaining 875,000 warrants.

In connection with a March 28, 1997 amendment to the Credit Agreement, the Parent invested $2.5 million in the Company in exchange for 250,000 shares of Preferred Stock. The Preferred Stock pays quarterly dividends of 8.5% per annum and is redeemable at the option of the holder upon repayment by the Company of all of its outstanding Credit Agreement indebtedness. The Preferred Stock is also convertible and each share may be exchanged for 8.1 shares of the Company's Common Stock.

The Company believes that sufficient resources, including resources provided by the sale of its Latin American operations, will be available to meet its cash requirements through the next twelve months. If such resources otherwise prove insufficient to provide the Company with adequate funding for its working capital, management will undertake actions to mitigate the effect of such deficiencies. Such actions could consist of financing initiatives, potential asset sales, and other actions relative to maximizing the liquidity of the Company's financial resources. Cash requirements for periods beyond the next twelve months depend on the Company's profitability, its ability to manage working capital requirements and its growth rate.

Part II Other Information

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Registrant's 1997 Annual Meeting of Shareholders was held on June 25, 1997. Proxies were solicited by the Registrant's board of directors pursuant to Regulation 14 under the Securities Exchange Act of 1934. There was no solicitation in opposition to the board's nominees as listed in the proxy statement, and all of the nominees were elected by a vote of the majority of the Registrant's shareholders. Voting results for each nominee were as follows:

Director Nominee	Votes For	Votes Withheld
Henry F. Frigon	17,032,020	731,713
Jeffrey T. Gill	17,030,178	733,555
Robert E. Gill	17,033,846	729,887
Roger W. Johnson	17,032,846	730,887
Thomas W. Lovelock	17,034,178	729,555
Sidney R. Petersen	17,033,080	730,653

A proposal to approve an amendment to the Group Technologies Corporation Independent Directors' Stock Option Plan was approved by a vote of the majority of the Registrant's shareholders. 15,538,805 shares were voted in favor of the proposal; 795,189 shares were voted against the proposal; and the holders of 14,274 shares abstained from voting on the proposal.

A proposal to approve an amendment to the Group Technologies Corporation 1994 Stock Option Plan for Key Employees was approved by a vote of the majority of the Registrant's shareholders. 15,414,470 shares were voted in favor of the proposal; 838,733 shares were voted against the proposal; and the holders of 12,974 shares abstained from voting on the proposal.

The Registrant's shareholders also ratified the appointment of Ernst & Young LLP as the independent auditors of the Registrant for the fiscal year ending December 31, 1997. 17,750,836 shares were voted in favor of the proposal; 9,647 shares were voted against the proposal; and the holders of 2,750 shares abstained from voting on the proposal.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The exhibits listed on the Exhibit Index on page 14 of this Form 10-Q are filed as a part of this report.

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the three months ended June 29, 1997. However, the Company filed one report on Form 8-K dated July 15, 1997 which reported the sale of the Company's Latin American operations and which reported certain pro forma financial information relative to the sale.

SIGNATURES

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

GROUP TECHNOLOGIES CORPORATION
(Registrant)

Date: August 13, 1997

By:/s/ Thomas W. Lovelock
(Thomas W. Lovelock)

President & Chief Executive Officer

Date: August 13, 1997

By:/s/ David D. Johnson
(David D. Johnson)
Vice President & Chief Financial Officer

Exhibit Index

Exhibit Number	Description
10.26.3	Group Technologies Corporation Independent Directors' Stock Option Plan restated effective June 25, 1997, dated October 27, 1994
10.27.4	Group Technologies Corporation 1994 Stock Option plan for key employees restated effective June 25, 1997, dated October 27, 1994
10.28.1	Group Technologies Corporation Independent Directors Compensation Program restated effective June 25, 1997 dated September 1, 1995
10.34	Employment Agreement by and between Thomas W. Lovelock and Group Technologies Corporation dated June 23, 1997
10.35	Employment Agreement by and between James G. Cocke and Group Technologies Corporation dated June 23, 1997
10.36	Special Bonus Agreement by and between David D. Johnson and Group Technologies Corporation dated June 25, 1997
11	Statement re: computation of per share earnings
27	Financial data schedule (for SEC use only)

EXHIBIT 11

STATEMENT REGARDING COMPUTATION OF EARNINGS PER SHARE
GROUP TECHNOLOGIES CORPORATION

Primary Earnings Per Share

	Three Months Ended		Six Months Ended	
	June 29, 1997	June 30, 1996	June 29, 1997	June 30, 1996
Weighted average shares outstanding	16,220,629	16,220,629	16,220,629	16,092,887
Net effect of dilutive stock options (based on treasury method)	0	1,539,653	0	919,250
Total	16,220,629	17,760,282	16,220,629	17,012,137
Net income (loss)	$(1,237,000)	$58,000	$(4,616,000)	63,000
Net income (loss) per share	$(0.08)	$0.00	$(0.28)	0.00

Fully Diluted Earnings Per Share

	Three Months Ended		Six Months Ended	
	June 29, 1997	June 30, 1996	June 29, 1997	June 30, 1996
Weighted average shares outstanding	16,220,629	16,220,629	16,220,629	16,092,887
Net effect of dilutive stock options (based on treasury method)	0	1,539,653	0	919,250
Total	16,220,629	17,760,282	16,220,629	17,012,137
Net income (loss)	$(1,237,000)	$58,000	$(4,616,000)	63,000
Net income (loss) per share	$(0.08)	$0.00	$(0.28)	0.00

GROUP TECHNOLOGIES CORPORATION
INDEPENDENT DIRECTORS' STOCK OPTION PLAN
ADOPTED ON OCTOBER 27, 1994

AS AMENDED AND RESTATED ON JUNE 25, 1997

1. Purpose. The purpose of the Group Technologies Corporation Independent Directors' Stock Option Plan is to promote the interests of the Company by affording an incentive to certain persons not affiliated with the Company and its Subsidiaries to serve as a director of the Company in order to bring additional expertise and business judgment to the Company through the opportunity for stock ownership offered under this Plan.

2. Definitions.

A. Board. The word "Board" means the Company's Board of Directors.

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

C. Common Stock. The term "Common Stock" means the Company's common stock, $.01 par value, or the common stock or securities of a Successor that have been substituted theretofore pursuant to Section 9 hereof.

D. Company. The word "Company" means Group Technologies Corporation, a Florida corporation, with its principal place of business at 10901 Malcolm McKinley Drive, Tampa, Florida 33612.

E. Independent Director. The term "Independent Director" means an individual serving as a director on the Company's Board of Directors and who is not otherwise employed by the Company or its Subsidiaries or an affiliate thereof.

F. Option Price. The term "Option Price" means the price to be paid for Common Stock upon the exercise of an option granted under the Plan, in accordance with Section 7.B hereof.

G. Optionee. The word "Optionee" means an Independent Director to whom options have been granted under the Plan.

H. Optionee Representative. The term "Optionee Representative" means the Optionee's estate or the person or persons entitled thereto by will or by applicable laws of descent and distribution.

I. Plan. The word "Plan" means the Group Technologies Corporation Independent Directors' Stock Option Plan, as set forth herein, and as amended from time to time.

J. Plan Committee. The term "Plan Committee" means the committee appointed by the Board to administer the Plan, pursuant to Section 4 hereof.

K. Subsidiary. The word "Subsidiary" shall mean any corporation which at the time an option is granted under the Plan qualifies as a subsidiary of the Company under the definition of "subsidiary corporation" contained in Code Section 424(f), or any similar provision thereafter enacted.

L. Successor. The word "Successor" means the entity surviving a merger or consolidation with the Company, or the entity that acquires all or a substantial portion of the Company's assets or outstanding capital stock (whether by merger, purchase or otherwise).

3. Shares Subject to Plan.

A. Authorized Unissued or Treasury Shares. Subject to the provisions of Section 9 hereof, the shares to be delivered upon exercise of options granted under the Plan shall be made available, at the discretion of the Board, from the authorized unissued shares or treasury shares of Common Stock.

B. Aggregate Number of Shares. Subject to adjustments and substitutions made pursuant to the provisions of Section 9 hereof, the aggregate number of shares that may be issued upon exercise of all options that may be granted under the Plan shall not exceed one million (1,000,000) of the Company's authorized shares of Common Stock.

C. Shares Subject to Expired Options. If any option granted under the Plan expires or terminates for any reason without having been exercised in full in accordance with the terms of the Plan, the shares of Common Stock subject to, but not delivered under, such option shall become available for any lawful corporate purpose, including for transfer pursuant to other options granted to the same employee or other employees without decreasing the aggregate number of shares of Common Stock that may be granted under the Plan.

4. Administration. The Plan shall be administered by the Board or, at the discretion of the Board, by the Plan Committee, whose membership shall be determined and reviewed from time to time by the Board. The Plan Committee shall consist of not less than two (2) members of the Board. Jeffrey T. Gill and Robert E. Gill shall serve as members of the Plan Committee until delivery of their written resignation to the Board or until removal by the Board. Both the Board and the Plan Committee shall have full power and authority to construe, interpret, and administer the Plan and either the Board or the Plan Committee may from time to time adopt such rules and regulations for carrying out the Plan as it may deem proper and in the best interests of the Company.

5. Grant of Options. Subject to the terms, provisions and conditions of the Plan, either the Board or the Plan Committee shall have full and final authority in its discretion: (i) to select the Independent Directors to whom options shall be granted; (ii) to determine the number of shares of Common Stock subject to each option; (iii) to determine the time or times when options will be granted, the manner in which each option shall be exercisable, and the duration of the exercise period; (iv) to fix such other provisions of the option agreement as it may deem necessary or desirable consistent with the terms of the Plan; and (v) to determine all other questions relating to the administration of the Plan. The interpretation of any provisions of the Plan by either the Board or the Plan Committee shall be final, conclusive, and binding upon all persons and the officers of the Company shall place into effect and shall cause the Company to perform its obligations under the Plan in accordance with the determinations of the Board or the Plan Committee in administering the Plan.

6. Eligibility. Independent Directors of the Company shall be eligible to receive options under the Plan. No director of the Company who is also an employee of the Company or a Subsidiary shall be entitled to receive an option under the Plan. Independent Directors to whom options may be granted under the Plan will be those elected by either the Board or the Plan Committee from time to time who, in the sole discretion of the Board or the Plan Committee, have contributed in the past or who may be expected to contribute materially in the future to the successful performance of the Company and its Subsidiaries.

7. Terms and Conditions of Options. Each option granted under the Plan shall be evidenced by an option agreement signed by the Optionee and by a member of the Plan Committee on behalf of the Company. An option agreement shall constitute a binding contract between the Company and the Optionee, and every Optionee, upon acceptance of such option agreement, shall be bound by the terms and restrictions of the Plan and of the option agreement. Such agreement shall be subject to the following express terms

and conditions and to such other terms and conditions that are not inconsistent with the Plan and that either the Board or the Plan Committee may deem appropriate.

A. Option Period. Options granted under the Plan shall be exercisable immediately and, if not exercised, shall lapse at the earliest of the following times:

(i) ten (10) years from the date of grant; or

(ii) the date set by the grant and specified in the applicable option agreement.

B. Option Price. The Option Price per share of Common Stock shall be determined by either the Board or the Plan Committee at the time an option is granted. The Option Price shall be not less than fair market value of the Common Stock on the date the option is granted and shall be subject to adjustments in accordance with the provisions of Section 9 hereof.

C. Fair Market Value. The fair market value of the Common Stock on any given measurement date shall be determined as follows:

(i) if the Common Stock is traded on the over-the-counter market, the average of the closing bid and asked quotations or the high bid quotation, whichever is available, for the Common Stock in the over-the-counter market, as reported by the National Association of Securities Dealers Automated Quotation System on the business day immediately preceding the measurement date; or

(ii) if the Common Stock is listed on a national securities exchange, the average of the closing prices of the Common Stock on the Composite Tape for the ten (10) consecutive trading days immediately preceding the measurement date; or

(iii) if the Common Stock is neither traded on the over-the-counter market nor listed on a national securities exchange, such value as the Board or the Plan Committee, in good faith, shall determine.

D. Payment of Option Price. Each option shall provide that the purchase price of the shares as to which an option shall be exercised shall be paid to the Company at the time of exercise either in cash or in such other consideration as either the Board or the Plan Committee deems acceptable, and which other consideration in either the Board's or the Plan Committee's sole discretion may include: (i) Common Stock of the Company already owned by the Optionee having a total fair market value on the date of exercise, determined in accordance with Section 7.C hereof, equal to the purchase price, (ii) Common Stock of the Company issuable upon the exercise of a Plan option and withheld by the Company having a total fair market value on the date of exercise, determined in accordance with Section 7.C hereof, equal to the purchase price, or (iii) a combination of cash and Common Stock of the Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option) having a total fair market value on the date of exercise, determined in accordance with Section 7.C hereof, equal to the amount of the purchase price not paid in cash.

E. Manner of Exercise. Subject to the terms and conditions of any applicable option agreement, any option granted under the Plan may be exercised in whole or in part. To initiate the process for the exercise of an option: (i) the Optionee shall deliver to the Company, or to a broker-dealer in the Common Stock with the original copy to the Company, a written notice of intent to exercise an option specifying the number of shares as to which the option is being exercised and, if determined by counsel for the Company to be necessary, representing that such shares are being

acquired for investment purposes only and not for the purpose of resale or distribution; and (ii) the Optionee, or the broker-dealer, shall pay for the exercise price of such shares with cash, or if the Board or the Plan Committee in its discretion agrees to so accept, by delivery to the Company of Common Stock of the Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option), or in some combination of cash and such Common Stock acceptable to the Board or the Plan Committee. If payment of the Option Price is made with Common Stock, the value of the Common Stock used for such payment shall be the fair market value of the Common Stock on the date of exercise as determined in accordance with Section 7.C hereof. The date of exercise of a stock option shall be determined under procedures established by either the Board or the Plan Committee, but in no event shall the date of exercise precede the date on which both the written notice of intent to exercise an option and full payment of the exercise price for the shares as to which the option is being exercised have been received by the Company. Promptly after receiving full payment for the shares as to which the option is being exercised and, provided that all conditions precedent contained in the Plan are satisfied, the Company shall, without transfer or issuance tax or other incidental expenses to Optionee, deliver to Optionee a certificate for such shares of the Common Stock. If Optionee fails to accept delivery of the Common Stock, his rights to exercise the applicable portion of the option shall terminate.

F. Investment Representation. Each option agreement may provide that, upon demand by either the Board or the Plan Committee for such a representation, the Optionee or Optionee's Representative shall deliver to the Board or the Plan Committee at the time of any exercise of an option or portion thereof a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation before delivery of Common Stock issued upon exercise of an option and before expiration of the option period shall be a condition precedent to the right of the Optionee or Optionee's Representative to purchase Common Stock.

G. Exercise in the Event of Death or Termination of Service. Upon termination of service as an Independent Director, for whatever reason, any and all stock options held by the Optionee shall remain effective and may be exercised by the Optionee or the Optionee's Representative until the expiration of the applicable option term.

H. Transferability of Options. An option granted under the Plan may not be transferable and may be exercised only by the Optionee during Optionee's lifetime, or by the Optionee's Representative in the event of Optionee's death, to the extent the option was exercisable by Optionee at the date of his death.

I. No Rights as Shareholder. No Optionee or Optionee's Representative shall have any rights as a shareholder with respect to Common Stock subject to his option before the date of transfer to him of a certificate or certificates for such shares.

J. Tax Withholding. To the extent required by applicable federal, state, local or foreign law, the Optionee shall, on the date of exercise, make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of an option exercise or any sale of shares. Either the Board or the Plan Committee, in its sole discretion, may permit these obligations to be satisfied in whole or in part with: (i) cash paid by the Optionee or by a broker-dealer on behalf of the Optionee, (ii) shares of Common Stock that otherwise would be issued to the Optionee upon exercise of the option, and/or (iii) shares of Common Stock previously acquired. The Company shall not be required to issue shares for the exercise of an option until such tax obligations are satisfied and the Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

8. Compliance With Other Laws and Regulations. The Plan, the grant and exercise of options thereunder, and the obligation of the Company to sell and deliver Common Stock under such options, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Company shall not be required to issue or deliver any certificates for Common Stock before: (i) the listing of the Common Stock on any stock exchange or over-the-counter market on which the Common Stock may then be listed and (ii) the completion of any registration or qualification of any governmental body which the Company shall, in its sole discretion, determine to be necessary or advisable. To the extent the Company meets the then applicable requirements for the use thereof and to the extent the Company may do so without undue cost or expense, and subject to the determination by the Board of Directors of the Company that such action is in the best interest of the Company, the Company intends to register the issuance and sale of such Common Stock by the Company under federal and applicable state securities laws using a Form S-8 registration statement under the Securities Act of 1933, as amended, or such successor Form as shall then be available.

9. Capital Adjustments Affecting Stock, Mergers and Consolidations.

A. Capital Adjustments. In the event of a capital adjustment in the Common Stock resulting from a stock dividend, stock split, reorganization, merger, consolidation, or a combination or exchange of shares, the number of shares of Common Stock subject to the Plan and the number of shares under option shall be automatically adjusted to take into account such capital adjustment. By virtue of such a capital adjustment, the price of any share under option shall be adjusted so that there will be no change in the aggregate purchase price payable upon exercise of any such option.

B. Mergers and Consolidations. In the event the Company merges or consolidates with another entity, or all or a substantial portion of the Company's assets or outstanding capital stock are acquired (whether by merger, purchase or otherwise) by a Successor, the kind of shares of Common Stock that shall be subject to the Plan and to each outstanding option shall, automatically by virtue of such merger, consolidation or acquisition, be converted into and replaced by shares of common stock, or such other class of securities having rights and preferences no less favorable than the Common Stock of the Successor, and the number of shares subject to the option and the purchase price per share upon exercise of the option shall be correspondingly adjusted, so that, by virtue of such merger, consolidation or acquisition, each Optionee shall have the right to purchase: (i) that number of shares of common stock of the Successor that have a book value equal, as of the date of such merger, conversion or acquisition, to the book value, as of the date of such merger, conversion or acquisition, of the shares of Common Stock of the Company theretofore subject to the Optionee's option, (ii) for a purchase price per share that, when multiplied by the number of shares of common stock of the Successor subject to the option, shall equal the aggregate exercise price at which the Optionee could have acquired all of the shares of Common Stock of the Company theretofore optioned to the Optionee.

C. No Effect on Company's Rights. The granting of an option pursuant to the Plan shall not effect in any way the right and power of the Company to make adjustments, reorganizations, reclassifications, or changes of its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

10. Amendment, Suspension, or Termination. The Board shall have the right, at any time, to amend, suspend or terminate the Plan. Notwithstanding the foregoing, without the consent of the Optionee, no amendment shall make any changes in an outstanding option which would adversely affect the rights of the Optionee.

11. Effective Date, Term and Approval. The effective date of the Plan shall be October 27, 1994 (the date of Board adoption of the Plan),

subject to approval by stockholders of the Company holding not less than a majority of the shares present and voting at its 1995 annual meeting on April 21, 1995. The Plan shall terminate ten (10) years after the effective date of the Plan and no options may be granted under the Plan after such time, but any option granted prior thereto may be exercised in accordance with its terms.

12. Governing Law; Severability. The Plan shall be governed by the laws of the State of Florida. The invalidity or unenforceability of any provision of the Plan or any option granted pursuant to the Plan shall not affect the validity and enforceability of the remaining provisions of the Plan and the options granted hereunder, and such invalid or unenforceable provision shall be stricken to the extent necessary to preserve the validity and enforceability of the Plan and the options granted hereunder.

Dated this 25th day of June, 1997.

GROUP TECHNOLOGIES CORPORATION

ATTEST:

/s/ Michael L. Schuman
Secretary

By: /s/ Jeffrey T. Gill
Jeffrey T. Gill
Chairman of the Board

GROUP TECHNOLOGIES CORPORATION
1994 STOCK OPTION PLAN FOR KEY EMPLOYEES
ADOPTED ON OCTOBER 27, 1994

AS AMENDED AND RESTATED ON JUNE 25, 1997

1. Purpose. The purpose of the Group Technologies Corporation 1994 Stock Option Plan for Key Employees is to promote the interests of the Company by affording an incentive to certain key employees to remain in the employ of the company and its Subsidiaries and to use their best efforts in its behalf; and further to aid the Company and its Subsidiaries in attracting, maintaining, and developing capable personnel of a caliber required to ensure the continued success of the Company and its Subsidiaries by means of an offer to such persons of an opportunity to acquire or increase their proprietary interest in the Company through the granting of incentive stock options and nonstatutory stock options to purchase the Company's stock pursuant to the terms of the Plan.

2. Definitions.

A. Board. The word "Board" means the Company's Board of Directors.

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

C. Common Stock. The term "Common Stock" means the Company's common stock, $.01 par value, or the common stock or securities of a Successor that have been substituted theretofore pursuant to Section 9 hereof.

D. Company. The word "Company" means Group Technologies Corporation, a Florida corporation, with its principal place of business at 10901 Malcolm McKinley Drive, Tampa, Florida 33612.

E. ISO. The acronym "ISO" means an option to purchase Common Stock which at the time the option is granted under the Plan qualifies as an incentive stock option within the meaning of Code Section 422.

F. NSO. The acronym "NSO" means a nonstatutory stock option to purchase Common Stock which at the time the option is granted under the Plan does not qualify as an ISO.

G. Option Price. The term "Option Price" means the price to be paid for Common Stock upon the exercise of an option granted under the Plan, in accordance with Section 7.B hereof.

H. Optionee. The word "Optionee" means an employee to whom options have been granted under the Plan.

I. Plan. The word "Plan" means the Group Technologies Corporation 1994 Stock Option Plan for Key Employees, as set forth herein, and as amended from time to time.

J. Plan Committee. The term "Plan Committee" means the committee appointed by the Board to administer the Plan, pursuant to Section 4 hereof.

K. Subsidiary. The word "Subsidiary" shall mean any corporation which at the time an option is granted under the Plan qualifies as a subsidiary of the Company under the definition of "subsidiary corporation" contained in Code Section 424(f), or any similar provision thereafter enacted.

L. Successor. The word "Successor" means the entity surviving

a merger or consolidation with the Company, or the entity that acquires all or a substantial portion of the Company's assets or outstanding capital stock (whether by merger, purchase or otherwise).

M. Ten Percent Shareholder. The term "Ten Percent Shareholder" means an employee who, at the time an option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or Subsidiary employing the Optionee or of its parent (within) the meaning of Code Section 424(e)) or subsidiary (within the meaning of Code Section 424(f)) corporation.

3. Shares Subject to Plan.

A. Authorized Unissued or Treasury Shares. Subject to the provisions of Section 9 hereof, the shares to be delivered upon exercise of options granted under the Plan shall be made available, at the discretion of the Board, from the authorized unissued shares or treasury shares of Common Stock.

B. Aggregate Number of Shares. Subject to adjustments and substitutions made pursuant to the provisions of Section 9 hereof, the aggregate number of shares that may be issued upon exercise of all options that may be granted under the Plan shall not exceed five million (5,000,000) of the Company's authorized shares of Common Stock.

C. Shares Subject to Expired Options. If any option granted under the Plan expires or terminates for any reason without having been exercised in full in accordance with the terms of the Plan, the shares of Common Stock subject to, but not delivered under, such option shall become available for any lawful corporate purpose, including for transfer pursuant to other options granted to the same employee or other employees without decreasing the aggregate number of shares of Common Stock that may be granted under the Plan.

4. Administration. The Plan shall be administered by the Board or, at the discretion of the Board, by the Plan Committee, whose membership shall be determined and reviewed from time to time by the Board. The Plan Committee shall consist of not less than two (2) members of the Board. Jeffrey T. Gill and Robert E. Gill shall serve as members of the Plan Committee until delivery of their written resignation to the Board or until removal by the Board. Both the Board and the Plan Committee shall have full power and authority to construe, interpret, and administer the Plan and either the Board or the Plan Committee may from time to time adopt such rules and regulations for carrying out the Plan as it may deem proper and in the best interests of the Company.

5. Grant of Options. Subject to the terms, provisions and conditions of the Plan, either the Board or the Plan Committee shall have full and final authority in its discretion: (i) to select the employees to whom options shall be granted; (ii) to authorize the granting of ISO's, NSO's or a combination of ISO's and NSO's; (iii) to determine the number of shares of Common Stock subject to each option; (iv) to determine the time or times when options will be granted, the manner in which each option shall be exercisable, and the duration of the exercise period; (v) to fix such other provisions of the option agreement as it may deem necessary or desirable consistent with the terms of the Plan; and (vi) to determine all other questions relating to the administration of the Plan. Notwithstanding the foregoing, the aggregate fair market value (determined as of the date the option is granted) of the Common Stock for which ISOs will first become exercisable by an Optionee in any calendar year under all ISO plans of the Company and its Subsidiaries shall not exceed $100,000. The interpretation of any provisions of the Plan by either the Board or the Plan Committee shall be final, conclusive, and binding upon all persons and the officers of the Company shall place into effect and shall cause the Company to perform its obligations under the Plan in accordance with the determinations of the Board or the Plan Committee in administering the Plan.

6. Eligibility. Key employees of the Company and its subsidiaries including officers and directors, shall be eligible to receive options under the Plan. No director of the Company who is not also an employee of the Company or a Subsidiary shall be entitled to receive an option under the Plan. Key employees to whom options may be granted under the Plan will be those elected by either the Board or the Plan Committee from time to time who, in the sole discretion of the Board or the Plan Committee, have contributed in the past or who may be expected to contribute materially in the future to the successful performance of the Company and its Subsidiaries.

7. Terms and Conditions of Options. Each option granted under the Plan shall be evidenced by an option agreement signed by the Optionee and by a member of the Plan Committee on behalf of the Company. An option agreement shall constitute a binding contract between the Company and the Optionee, and every Optionee, upon acceptance of such option agreement, shall be bound by the terms and restrictions of the Plan and of the option agreement. Such agreement shall be subject to the following express terms and conditions and to such other terms and conditions that are not inconsistent with the Plan and that either the Board or the Plan Committee may deem appropriate.

A. Option Period. Each option agreement shall specify the period for which the option thereunder is granted and shall provide that the option shall expire at the end of such period. Either the Plan Committee or the Board, may extend such period provided that, in the case of an ISO, such extension shall not in any way disqualify the option as an ISO without the Optionee's consent. In no case shall such period, including any such extensions, exceed ten (10) years from the date of grant, provided, however, that in the case of an ISO granted to a Ten Percent Stockholder, such period, including extensions, shall not exceed five (5) years from the date of grant.

B. Option Price. The Option Price per share of Common Stock shall be determined by either the Board or the Plan Committee at the time an option is granted. The Option Price for ISO's and NSO's shall be not less than: (i) the fair market value of the Common Stock on the date the option is granted, or (ii) in the case of an ISO granted to a Ten Percent Shareholder, one hundred ten percent (110%) of the fair market value of the Common Stock on the date the option is granted and shall be subject to adjustments in accordance with the provisions of Section 9 hereof.

C. Fair Market Value. The fair market value of Common Stock on any given measurement date shall be determined as follows:

(i) if the Common Stock is traded on the over-the-counter market, the average of the closing bid and asked quotations or the high bid quotation, whichever is available, for the Common Stock in the over-the-counter market, as reported by the National Association of Securities Dealers Automated Quotation System, on the business day immediately preceding the measurement date; or

(ii) if the Common Stock is listed on a national securities exchange, the average of the closing prices of the Common Stock on the Composite Tape for the ten (10) consecutive trading days immediately preceding the measurement date; or

(iii) if the Common Stock is neither traded on the over-the-counter market nor listed on a national securities exchange, such value as either the Board or the Plan Committee, in good faith, shall determine.

D. Payment of Option Price. Each option shall provide that the purchase price of the shares as to which an option shall be exercised shall be paid to the Company at the time of exercise either in cash or in such other consideration as either the Board or the Plan Committee deems

acceptable, and which other consideration in either the Board's or the Plan Committee's sole discretion may include: (i) Common Stock of the Company already owned by the Optionee having a total fair market value on the date of exercise, determined in accordance with Section 7.C hereof, equal to the purchase price, (ii) Common Stock of the Company issuable upon the exercise of a Plan option and withheld by the Company having a total fair market value on the date of exercise, determined in accordance with Section 7.C hereof, equal to the purchase price, or (iii) a combination of cash and Common Stock of the Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option) having a total fair market value on the date of exercise, determined in accordance with Section 7.C hereof, equal to the amount of the purchase price not paid in cash.

E. Manner of Exercise. Subject to the terms and conditions of any applicable option agreement, any option granted under the Plan may be exercised in whole or in part. To initiate the process for the exercise of an option: (i) the Optionee shall deliver to the Company, or to a broker-dealer in the Common Stock with the original copy to the Company a written notice specifying the number of shares as to which the option is being exercised and, if determined by counsel for the Company to be necessary, representing that such shares are being acquired for investment purposes only and not for the purpose of resale or distribution; and (ii) the Optionee, or the broker-dealer, shall pay for the exercise price of such shares with cash, or if the Board or the Plan Committee in its discretion agrees to so accept, by delivery to the Company of Common Stock of the Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option), or in some combination of cash and such Common Stock acceptable to the Board or the Plan Committee. If payment of the Option Price is made with Common Stock, the value of the Common Stock used for such payment shall be the fair market value of the Common Stock on the date of exercise, determined in accordance with Section 7.C hereof. The date of exercise of a stock option shall be determined under procedures established by either the Board or the Plan Committee, but in no event shall the date of exercise precede the date on which both the written notice of intent to exercise an option and full payment of the exercise price for the shares as to which the option is being exercised have been received by the Company. Promptly after receiving full payment for the shares as to which the option is being exercised and, provided that all conditions precedent contained in the Plan are satisfied, the Company shall, without transfer or issuance tax or other incidental expenses to Optionee, deliver to Optionee a certificate for such shares of the Common Stock. If Optionee fails to accept delivery of the Common Stock, his rights to exercise the applicable portion of the option shall terminate.

F. Exercises Causing Loss of Compensation Deduction. No part of an option may be exercised to the extent the exercise would cause the Optionee to have compensation from the Company and its affiliated companies for any year in excess of $1 million and which is nondeductible by the Company and its affiliated companies pursuant to Code Section 162(m) and the regulations issued thereunder. Any option not exercisable because of this limitation shall continue to be exercisable in any subsequent year in which the exercise would not cause the loss of the Company's or its affiliated companies compensation tax deduction, provided such exercise occurs before lapse of the option, and otherwise complies with the terms and conditions of the Plan and option agreement.

G. Investment Representation. Each option agreement may provide that, upon demand by either the Board or the Plan Committee for such a representation, the Optionee or Optionee's Representative shall deliver to the Board or the Plan Committee at the time of any exercise of an option or portion thereof a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation before delivery of Common Stock issued upon exercise of an option and before expiration of the option period shall be a condition precedent to the right of the Optionee or Optionee's Representative to purchase Common Stock.

H. ISOs. Each option agreement which provides for the grant of an ISO to an employee shall contain such terms and provisions as either the Board or the Plan Committee deems necessary or desirable to qualify such option as an ISO within the meaning of Code Section 422.

I. Exercise in the Event of Death or Termination of Employment Unless the Board, or the Plan Committee, in its sole discretion, has, prior the date of any of the following events, specifically approved otherwise, these conditions shall apply to the ability of an Optionee to exercise his or her options:

[1] If an Optionee dies (i) while an employee of the Company or a subsidiary, or (ii) within three (3) months after termination of his or her employment with the Company or a Subsidiary because of a disability, his or her options may be exercised by the Optionee's Representative, to the extent that the Optionee shall have been entitled to do so on the date of his or her death or such termination of employment, but not later than the expiration date specified in paragraph A of this Section 7 or one (1) year after the Optionee's death, whichever date is earlier.

[2] If an Optionee's employment by the Company or a Subsidiary terminates because of his or her disability and the Optionee has not died within the following three (3) months, he or she may exercise his or her options, to the extent that he or she shall have been entitled to do so at the date of the termination of employment, at any time, or from time to time, but not later than the expiration date specified in paragraph A of this Section 7 or one (1) year after termination of employment, whichever date is earlier.

[3] If an Optionee's employment terminates by reason of his or her retirement in accordance with the terms of the Company's tax-qualified retirement plans or with the consent of either the Board or the Plan Committee, all right to exercise his or her options shall terminate at the expiration date specified in paragraph A of this Section 7 or three (3) months after termination of employment, whichever date is earlier.

[4] If an Optionee's employment terminates for any reason other than death, disability, or retirement, all rights to exercise his or her options shall terminate on the date of his or her termination of employment.

J. Leaves of Absence. Either the Plan Committee or the Board may, in its discretion, treat all or any portion of any period during which an Optionee is on military or on an approved leave of absence from the Company or a Subsidiary as a period of employment of such Optionee by the Company or Subsidiary for purposes of accrual of his rights under the Plan. Notwithstanding the foregoing, if a leave of absence exceeds ninety (90) days and reemployment is not guaranteed by contract or statute, the Optionee's employment by the Company or a Subsidiary for the purposes of the Plan shall be deemed to have terminated on the 91st day of the leave.

K. Transferability of Options. An option granted under the Plan may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the lifetime of the Optionee to whom granted, may be exercised only by such Optionee.

L. No Rights as Shareholder. No Optionee or Optionee's Representative shall have any rights as a shareholder with respect to Common Stock subject to his option before the date of transfer to him of a certificate or certificates for such shares.

M. No Rights To Continued Employment. The Plan and any option granted under the Plan shall not confer upon any Optionee any right with respect to continuance of employment by the Company or any Subsidiary, nor

shall it interfere in any way with the right of the Company or any Subsidiary by which an Optionee is employed to terminate his employment at any time.

N. Tax Withholding. To the extent required by applicable federal, state, local or foreign law, the Optionee shall, on the date of exercise, make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of an option exercise or any sale of shares. Either the Board or the Plan Committee, in its sole discretion, may permit these obligations to be satisfied in whole or in part with: (i) cash paid by the Optionee or by a broker-dealer on behalf of the Optionee, (ii) shares of Common Stock that otherwise would be issued to the Optionee upon exercise of the option, and/or (iii) shares of Common Stock already owned by the Optionee. The Company shall not be required to issue shares for the exercise of an option until such tax obligations are satisfied and the Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

8.Compliance With Other Laws and Regulations. The Plan, the grant and exercise of options thereunder, and the obligation of the Company to sell and deliver Common Stock under such options, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Company shall not be required to issue or deliver any certificates for Common Stock before: (i) the listing of the Common Stock on any stock exchange or over-the-counter market on which the Common Stock may then be listed and (ii) the completion of any registration or qualification of any governmental body which the Company shall, in its sole discretion, determine to be necessary or advisable. To the extent the Company meets the then applicable requirements for the use thereof and to the extent the Company may do so without undue cost or expense, and subject to the determination by the Board of Directors of the Company that such action is in the best interest of the Company, the Company intends to register the issuance and sale of such Common Stock by the Company under federal and applicable state securities laws using a Form S-8 registration statement under the Securities Act of 1933, as amended, or such successor Form as shall then be available.

9.Capital Adjustments Affecting Stock, Mergers and Consolidations.

A. Capital Adjustments. In the event of a capital adjustment in the Common Stock resulting from a stock dividend, stock split, reorganization, merger, consolidation, or a combination or exchange of shares, the number of shares of Common Stock subject to the Plan and the number of shares under option shall be automatically adjusted to take into account such capital adjustment. By virtue of such a capital adjustment, the price of any share under option shall be adjusted so that there will be no change in the aggregate purchase price payable upon exercise of any such option.

B. Mergers and Consolidations. In the event the Company merges or consolidates with another entity, or all or a substantial portion of the Company's assets or outstanding capital stock are acquired (whether by merger, purchase or otherwise) by a Successor, the kind of shares of Common Stock that shall be subject to the Plan and to each outstanding option shall, automatically by virtue of such merger, consolidation or acquisition, be converted into and replaced by shares of common stock, or such other class of securities having rights and preferences no less favorable than the Common Stock, of the Successor, and the number of shares subject to the option and the purchase price per share upon exercise of the option shall be correspondingly adjusted, so that, by virtue of such merger, consolidation or acquisition, each Optionee shall have the right to purchase (a) that number of shares of common stock of the Successor that have a book value equal, as of the date of such merger, conversion or acquisition, to the book value, as of the date of such merger, conversion or acquisition, of the shares of Common Stock of the Company theretofore subject to the Optionee's option, (b) for a purchase price per share that, when multiplied by the number of shares of common stock of the Successor

subject to the option, shall equal the aggregate exercise price at which the Optionee could have acquired all of the shares of Common Stock of the Company theretofore optioned to the Optionee.

C. No Effect on Company's Rights. The granting of an option pursuant to the Plan shall not effect in any way the right and power of the Company to make adjustments, reorganizations, reclassifications, or changes of its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

10. Amendment, Suspension, or Termination. The Board shall have the right, at any time, to amend, suspend or terminate the Plan in any respect that it may deem to be in the best interests of the Company, except that, without approval by shareholders of the Company holding not less than a majority of the votes represented and entitled to be voted at a duly held meeting of the Company's shareholders, no amendment shall be made that would:

A. increase the maximum number of shares of Common Stock which may be delivered under the Plan, except as provided in Section 9 hereof;

B. change the Option Price for an ISO, except as provided in Section 9 hereof;

C. extend the period during which an ISO may be exercised beyond the period provided in Section 7.A hereof;

D. make any changes in any outstanding option, without the consent of the Optionee, which would adversely affect the rights of the Optionee; or

E. extend the termination date of the Plan.

11. Effective Date, Term and Approval. The effective date of the Plan shall be October 27, 1994 (the date of Board adoption of the Plan), subject to approval by stockholders of the Company holding not less than a majority of the shares present and voting at its 1995 annual meeting on April 21, 1995. The Plan shall terminate ten (10) years after the effective date of the Plan and no options may be granted under the Plan after such time, but any option granted prior thereto may be exercised in accordance with its terms.

12. Governing Law; Severability. The Plan shall be governed by the laws of the State of Florida. The invalidity or unenforceability of any provision of the Plan or any option granted pursuant to the Plan shall not affect the validity and enforceability of the remaining provisions of the Plan and the options granted hereunder, and such invalid or unenforceable provision shall be stricken to the extent necessary to preserve the validity and enforceability of the Plan and the options granted hereunder.

Dated this 25th day of June, 1997.

GROUP TECHNOLOGIES CORPORATION

ATTEST:

/s/ Michael L. Schuman
Secretary

By: /s/ Jeffrey T. Gill
Jeffrey T. Gill
Chairman of the Board

GROUP TECHNOLOGIES CORPORATION
INDEPENDENT DIRECTORS COMPENSATION PROGRAM
ADOPTED ON SEPTEMBER 1, 1995

AMENDED AND RESTATED ON JUNE 25, 1997

Description of the Program

Name. The name of this benefit program shall be the "Independent Directors Compensation Program."

Purpose. The purpose of the Independent Directors Compensation Program is to enable Group Technologies Corporation (the "Company") to attract, retain and motivate experienced directors by providing compensation that is competitive with compensation offered to independent directors of other similarly-situated public corporations in the United States.

Eligibility and Participation. Only "Independent Directors," defined as those members of the Board of Directors of the Company (the "Board") who are not otherwise employed by the Company, its subsidiaries or any affiliate of the Company in any other capacity, are eligible to participate in the Independent Directors Compensation Program. Any Independent Director on the Board as of September 1, 1995 (the "Effective Date") and thereafter shall be eligible for compensation under the Independent Directors Compensation Program.

Compensation. Independent Directors shall be compensated as set forth below:

a) Stock Options Upon Election and Reelection to the Board. The Company shall grant each Independent Director a nonstatutory stock option for the purchase of up to 10,000 shares of the Company's common stock, $.01 par value (the "Common Stock") at the time the Independent Director is initially elected to serve on the Board and at each time he or she is subsequently reelected by the shareholders to serve on the Board. In the event that an Independent Director is initially elected to the Board at a time other than the date of the Company's annual shareholders' meeting, he or she shall receive, at the time he or she is elected, stock options for a pro rated number of shares to be determined by multiplying 10,000 by a fraction, the numerator of which shall be twelve (12) minus the number of full months which have elapsed since the date of the Company's last annual shareholders' meeting and the denominator of which shall be twelve (12). All such stock options shall be granted by the Company to the Independent Directors pursuant to the Company's Independent Directors' Stock Option Plan (the "Option Plan"). Each of the options shall be: (i) granted on the dates each of the respective Independent Directors is elected and reelected to the Board, (ii) priced at the fair market value of the Company's common stock, as determined in accordance with Section 7.C. of the Option Plan, on the respective date of grant, (iii) immediately exercisable by each of the Independent Directors on the respective dates of grant, and (iv) subject to the terms and conditions of the Option Plan and any other terms and conditions which, in accordance with the Option Plan, are specified in the applicable Stock Option Agreement entered into by and between the Company and each of the Independent Directors.

b) Annual Retainer.

(i) Amount. Each Independent Director elected to the Board at the Company's annual shareholders' meeting shall receive an annual retainer in the amount of $15,000.00 (the "Annual Retainer"). In the event that an Independent Director is elected to the Board at a time other than the date of the Company's annual shareholders' meeting, he or she shall receive a pro rated Annual Retainer (the "Pro Rated Annual Retainer") the amount of which is to be determined by multiplying $15,000.00 by a

fraction, the numerator of which shall be twelve (12) minus the number of full months which have elapsed since the date of the Company's last annual shareholders' meeting and the denominator of which shall be twelve (12).

(ii) Payment. The Annual Retainer or the Pro Rated Annual Retainer, as applicable, shall be earned by the Independent Directors and paid by the Company in equal quarterly installments for each Independent Director. The quarterly installments of the Annual Retainer or Prorated Annual Retainer shall be payable, together with any attendance fees (defined below), in arrears by checks issued to each Independent Director no later than the fifteenth (15th) calendar day following the end of each of the Company's fiscal quarters during which the respective Independent Director served on the Board. Alternatively, pursuant to Paragraph d) below, each Independent Director may elect to receive his or her Annual Retainer or Prorated Annual Retainer, together with any attendance fees, in the form of nonstatutory stock options in lieu of cash.

c) Attendance Fees.

(i) Board Meetings. Each Independent Director shall receive the sum of $1,000.00 for each meeting of the Board he or she attends in person or, alternatively, the sum of $300.00 for each meeting of the Board which he or she participates in by telephone (collectively, the "Board Meeting Attendance Fees"). For purposes of the Independent Directors Compensation Program, "attendance" shall not include execution of an action by written consent of the Board. Board Meeting Attendance Fees earned by each Independent Director during a fiscal quarter shall be payable, together with the quarterly installment of the Annual Retainer or Prorated Annual Retainer, by a check issued no later than the fifteenth (15th) calendar day following the end of the fiscal quarter. Alternatively, pursuant to Paragraph d) below, each Independent Director may elect to receive his or her Board Meeting Attendance Fees in the form of nonstatutory stock options in lieu of cash.

(ii) Committee Meetings. Independent Directors are entitled to compensation for attending or participating in meetings of committees of the Board only if such meetings are held on dates other than the dates of meetings of the full Board. In the event that committee meetings are held on dates other than the dates of meetings of the full Board, each Independent Director who attends a committee meeting in person and serves as the chairperson of the meeting shall receive the sum of $1,250.00 per meeting, and each of the other Independent Directors who attend such a committee meeting in person shall receive the sum of $1,000.00 per meeting. Alternatively, each Independent Director who, as the chairperson or as a committee member, participates by telephone in committee meetings of the Board which are held on dates other than the dates of meetings of the full Board, shall receive the sum of $300.00 per meeting. (All of the aforementioned fees in this subparagraph shall hereafter be collectively referred to as the "Committee Meeting Attendance Fees"). For purposes of the Independent Directors Compensation Program, "attendance" shall not include execution of an action by written consent for any committee. Committee Meeting Attendance Fees earned by each Independent Director during a fiscal quarter shall be payable, together with the Annual Retainer or Prorated Annual Retainer and the Board Meeting Attendance Fees, by a check issued to the Independent Director no later than the fifteenth (15th) calendar day following the end of the fiscal quarter. Alternatively, pursuant to Paragraph d) below, each Independent Director may elect to receive his or her Committee Meeting Attendance Fees in the form of nonstatutory stock options in lieu of cash.

d) Form of Payment. Each Independent Director may elect to receive his or her Annual Retainer or Prorated Annual Retainer, Board Meeting Attendance Fees and Committee Meeting Attendance Fees in the form of nonstatutory stock options in lieu of cash. The election to receive stock options in lieu of cash must be made by the Independent Director no later than ten (10) calendar days after being elected to a term on the Board. Such election to receive stock options in lieu of cash shall be irrevocable for the remainder of the director's current term and shall

apply to all compensation described in Paragraphs b) and c) above.

Any stock options issued to an Independent Director in lieu of cash compensation shall be granted to the respective Independent Directors pursuant to the Option Plan on a quarterly basis, with each grant to be made no later than the fifteenth (15th) calendar day following the end of each of the Company's fiscal quarters (the "Date of Grant"). The number of shares to be granted under such options shall be determined by dividing the total of the quarterly installment of the Annual Retainer or Prorated Annual Retainer, as applicable, plus any Board Meeting Attendance Fees and any Committee Meeting Attendance Fees earned by the respective Independent Director during the previous fiscal quarter by 33% of the fair market value of the Company's common stock, as determined in accordance with Section 7.C. of the Option Plan, on the Date of Grant. The options shall be: (i) priced at the fair market value of the Company's common stock, as determined in accordance with Section 7.C. of the Option Plan, on the Date of Grant, (ii) immediately exercisable by each of the Independent Directors on the respective date of grant, and (iii) subject to the terms and conditions of the Option Plan and any other terms and conditions which, in accordance with the Option Plan, are specified in the applicable Stock Option Agreement entered into by and between the Company and each of the Independent Directors.

Expense Reimbursement. Each Independent Director shall be reimbursed for travel and other expenses incurred in the performance of his or her duties.

Ability to Defer Cash Compensation. Each Independent Director may elect to participate in the Company's Management Deferred Compensation Plan. This plan, which effectively enables each Independent Director to defer recognition of any cash compensation earned hereunder, provides for a range of investment alternatives, including mutual funds.

Administration. The Independent Directors Compensation Program is administered by the Compensation Committee of the Board. The Committee members are selected by the Board and have no specific term of office.

Resignation from the Board of Directors. The resignation of any Independent Director shall cause such director to be ineligible to receive any amount of the Annual Retainer or Prorated Annual Retainer installments not yet paid to him or her as of the date of resignation. Any attendance fees which have been earned by the Independent Director in accordance with Paragraph c) above prior to the date of resignation shall be paid in the same form and according to the same timetables described in Paragraph c) above. To the extent the resigning director has opted to defer any cash compensation under the Company's Management Deferred Compensation Plan, all such compensation will be distributed to him or her in accordance with the provisions of the Company's Management Deferred Compensation Plan as applicable to terminated or resigning employees.

Program Termination or Modification. The Compensation Committee shall review the Independent Directors Compensation Program on at least an annual basis and may make changes, alterations or modifications to the program which are deemed to be in the Company's best interest, provided, however, that the provisions of the program shall not be changed, altered or modified more than once every six months. Any change, alteration or modification shall be made by a written instrument consented to by the Board. The Board may similarly terminate the Independent Directors Compensation Program at any time if, in the judgment of the Board, such termination is in the Company's best interest.

IN WITNESS WHEREOF, the Company has caused this Independent Directors Compensation Program to be executed in its name and on its behalf on June 25, 1997.

GROUP TECHNOLOGIES CORPORATION

Attest: /s/ Michael L. Schuman
Michael L. Schuman
Secretary

By: /s/ Jeffrey T. Gill
Jeffrey T. Gill
Chairman of the Board

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of the 23rd day of June, 1997, between GROUP TECHNOLOGIES CORPORATION, a Florida corporation (the "Company") and THOMAS W. LOVELOCK, a current employee of the Company (the "Employee").

WHEREAS, the Company is actively evaluating alternatives to improve the financial condition of the Company, including, among other things, (i) the potential sale of an interest in the Company, (ii) the potential sale of certain assets of the Company, and (iii) the potential merger of the Company or one of its business units with another entity that is not affiliated with the Company; and

WHEREAS, the Company recognizes that the Employee fulfills an important role in managing the affairs of the Company and, in order to relieve the Employee of any apprehension concerning employment security during this period of uncertainty within the Company and, therefore, help ensure that the Employee remains dedicated and focused on managing the affairs of the Company, the Company desires to enter into this Agreement with the Employee; and

WHEREAS, in recognition of the special efforts that may be required of the Employee on behalf of the Company during the period of time covered by this Agreement, the Company also desires to offer the Employee an opportunity to earn a special cash bonus according to the terms and conditions specified in Section II hereof; and

WHEREAS, the Employee: (i) has read and understands the terms and conditions of this Agreement, and (ii) desires and intends to remain employed by the Company in the Employee's present position, pursuant to the terms and conditions hereof, and (iii) further intends to expend the Employee's time, knowledge, expertise and energy while at work to help the Company successfully improve the financial condition of the business.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

I. EMPLOYMENT PROVISIONS

1.1. Term. This Agreement shall be for a term of two years commencing on July 1, 1997 and ending on June 30, 1999, unless the Employee's employment with the Company ends before that date for any of the reasons which are specified in Section 1.4 of this Agreement (the "Term").

1.2. Compensation and Benefits. As consideration for the services rendered by the Employee pursuant to this Agreement, including the agreement to devote the Employee's full business time and efforts to the performance of the duties and responsibilities of the Employee's position or positions at the Company, the Company will provide compensation and benefits to the Employee as follows:

(a) Salary. A base salary of Two Hundred Thousand Dollars ($200,000), which will be dispersed in accordance with the standard payroll practices of the Company for salaried personnel. During the Term of this Agreement, the Company may increase the base salary of the Employee at the Company's sole discretion.

(b) Vacation. Paid vacation of twenty (20) business days during the Company's established vacation year.

(c) Additional Benefits. Participation (at the expense of the Company, where lawful and consistent with Company policy) in any and all

employee retirement, medical, life and disability insurance and other benefits made available to salaried employees of the Company.

1.3. Termination of Employment With Payment. If the Employee is terminated by the Company during the Term of this Agreement without cause or for reasons other than those described in Section 1.4 hereof, the Company will compensate the Employee as follows:

(a) the Company will provide the Employee with pay continuance for a period of two years from the date of termination. Pay continuance will be calculated based upon an annual rate which is equal to the Employee's base salary at the time of termination, less any applicable federal and state taxes, and will be dispersed in accordance with the standard payroll practices of the Company for salaried personnel;

(b) the Company will make a lump sum payment to the Employee at the time of termination for all earned and/or accrued vacation days through the date of termination;

(c) the Company will provide hospitalization and medical insurance coverage, equal to the coverage provided to active salaried employees of the Company under its employee health plan (prior to the exercise of COBRA rights), for a period of one year from the date of termination;

(d) the Company will provide life insurance coverage equal to the coverage provided by the Company's life insurance plan to active salaried employees of the Company for a period of one year from the date of termination; and

(e) the Company will provide for the Employee to retain all stock options held by the Employee at the time of termination, which stock options will continue to be exercisable by the Employee during the stated term of each option in accordance with the terms and conditions of the applicable stock option agreements entered into between the Employee and the Company, as such terms may be amended from time-to-time.

1.4. Termination of Employment Without Payment. Should the Employee's employment with the Company terminate prior to the expiration of the Term of this Agreement upon the occurrence of any one or more of the following events, the Company will be without any further obligation to the Employee and will be under no obligation to provide the Employee with any compensation whatsoever pursuant to this Agreement other than salary and/or vacation pay in accordance with the then current policies of the Company:

(a) the voluntary resignation of the Employee;

(b) the death of the Employee;

(c) the material failure by the Employee to meet the performance standards of the Employee's job, as determined by the Company, provided that such material failure has not been cured within a reasonable time required to cure such failure;

(d) gross negligence or willful misconduct by the Employee in the performance of the Employee's duties for the Company;

(e) a material breach by Employee of any of the obligations of this Agreement, including, specifically, but not limited to the confidentiality provisions contained in Section 3.4 hereof;

(f) the conviction of the Employee (or the entering of a plea of guilty or nolo contendere by the Employee) for fraud, misappropriation, embezzlement, financial misconduct, or any other felony;

(g) the determination by the Company that the Employee has been unable, for a continuous period of at least six (6) months or for shorter periods totaling six (6) months during any 12-month period, to perform the Employee's duties because of injury, illness, or other physical or mental

disability for which the Company was unable to make reasonable accommodation;

(h) the refusal by the Employee to accept an offer of employment by the Company, any affiliate of the Company, or any successor to the Company, at a base salary that is equal to or greater than the Employee's base salary at the time the offer is made, unless such offer of employment is for a job at a location that is greater than one hundred (100) miles from the Employee's current place of employment; or

(i) the termination and subsequent employment of the Employee by the Company, its affiliates or a successor to the Company that does not result in an interruption in the years of credited service or a reduction in base salary of the Employee.

Notwithstanding any of the foregoing, should the Employee's employment with the Company terminate prior to the expiration of the Term of this Agreement because of the occurrence of an event described in either Section 1.4(h) or Section 1.4(i), the Employee will not become ineligible to receive the Special Bonus solely as a result of being terminated in accordance with the provisions of Sections 1.4(h) or 1.4(i).

II. SPECIAL BONUS PROVISIONS

2.1 Eligibility for Special Bonus. The Company hereby agrees to pay to the Employee a one-time, lump sum cash bonus in the amount of Seventy-Five Thousand Dollars ($75,000), less any applicable taxes or other required withholding amounts (the "Special Bonus"), subject to the terms and conditions of this Agreement.

2.2 Payment of the Special Bonus. The Company's obligation to pay the Employee the Special Bonus hereunder shall be completely null and void unless each of the following conditions is met:

(a) the Board of Directors of the Company shall have approved the payment of the Special Bonus;

(b) the Company shall have successfully concluded its efforts to improve the financial condition of the Company through either (i) the sale of an interest in the Company, (ii) the sale of certain assets of the Company, (iii) the merger of the Company or one of its business units with another entity that is not affiliated with the Company, or (iv) the completion of some other transaction that results in a similar improvement to the Company's financial condition; and

(c) on the date the Company's obligation to pay the Special Bonus arises, the Employee must either be (i) employed with the Company or any of its affiliates, or (ii) employed and on active status with a successor to the Company.

The Special Bonus shall be paid to the Employee by the Company in the form of a check payable to the Employee no later than ten (10) business days after the Special Bonus has been approved by the Company's Board of Directors.

III. GENERAL PROVISIONS

3.1. Representations by the Employee. The Employee hereby represents and warrants to the Company that:

(a) the Employee's execution and delivery of this Agreement and the performance of the Employee's duties and obligations hereunder will not conflict with, cause a breach or default under, or give any party a right to damages under (or to terminate) any other agreement to which the Employee is party or by which Employee is bound; and

(b) there are no restrictions, agreements or understandings that would make unlawful the Employee's execution or delivery of this Agreement or the Employee's employment hereunder.

3.2. Right of Offset. The parties hereto agree that the Company may reduce any compensation otherwise payable to the Employee under this Agreement by any amounts payable by the Employee to the Company or an affiliate of the Company.

3.3. Noncompetition.

(a) The Employee agrees that, during the Term of this Agreement, he will refrain from directly or indirectly (i) engaging or participating, as a principal, officer, director, employee, shareholder, investor, consultant, advisor, partner, joint venturer, broker, agent, equity owner, or in any other capacity whatsoever, in any business enterprise (regardless of whether it is a sole proprietorship or a corporation, partnership, trust, business association, or other equity) that engages (in the United States), directly or indirectly, in providing electronic contract manufacturing services for commercial customers or for agencies of the United States government, including the provision of design, engineering, manufacturing and test services on a contract basis to original equipment manufacturers; or (ii) causing or attempting to cause (A) any person or entity to whom or for whom the Company or any subsidiary of the Company sells or distributes any product to terminate or reduce its relationship or dealings with the Company or such subsidiary, or (B) any company whose products are sold by or through the Company or any subsidiary of the Company to terminate or reduce its relationship or dealings with the Company or such subsidiary; (iii) causing or attempting to cause any employee, agent, consultant, or independent contractor of the Company or of any subsidiary of the Company to cease serving the Company in such capacity; or (iv) hiring or otherwise retaining or soliciting any person who is employed by the Company as an employee, consultant or other contractor of the Company.

(b) The Employee acknowledges that the geographic boundaries, scope of prohibited activities, and the Term of Noncompetition contained in this Section 3.3 of the Employment Agreement (i) are reasonable and no broader than necessary to protect the Company and its ongoing business interests, and (ii) do not and will not impose any unreasonable burden upon the Employee.

(c) The Employee and the Company agree that (i) any breach by the Employee of any of the provisions contained in this Section 3.3 of this Agreement would cause irreparable damage to the Company for which monetary damages and other remedies at law may be inadequate, and (ii) the Company will be entitled as a matter of right to obtain, without posing any bond whatsoever and without proof of actual damage, a restraining order, an injunction, specific performance, or other form of equitable or extraordinary relief from any court or competent jurisdiction to restrain any threatened or further breach of this Section 3.3 or to require such Employee to perform his obligations under this Section 3.3 which right to equitable or extraordinary relief will not be exclusive but will be in addition to all other remedies to which the Company may be entitled under this Agreement, at law, or in equity (including, without limitation, the right to recover monetary damages).

The parties hereto agree that the provisions contained in Section 3.3 shall survive the termination of this Agreement and shall remain in full force and effect until June 30, 1999.

3.4. Confidentiality.

(a) General Information. The Employee shall refrain from disclosing to any other person or entity any confidential documents or confidential information concerning the Company or its affiliates obtained by the Employee at any time. "Confidential Information" shall include but not be limited to communications with customers and active prospective customers, prices, contracts, financial information, marketing strategies, customer programs, computer programs, intellectual property and any other such information that would not otherwise be generally known by or available to a third party.

(b) Information Regarding this Agreement. Except as may be necessary to enforce the terms of this Agreement or as may otherwise be required by law, the Employee shall not disclose to any other person or entity: (i) any

of the contents of this Agreement, (ii) any of the contents of the discussions, negotiations, or correspondence leading up to this Agreement, or (iii) any information regarding a potential or actual transaction concerning the business.

The parties hereto agree that the provisions contained in Section 3.4(a) shall survive the termination of this Agreement and shall remain in force for a period of three (3) years thereafter.

3.5. Expenses. Except as otherwise specifically provided in this Agreement, each party hereto will pay its own expenses respectively incurred or to be incurred by it in performing its obligations under this Agreement, or in consummating the transactions contemplated by this Agreement.

3.6. Notices. Any notice or communication given pursuant to this Agreement must be in writing and (a) delivered personally, (b) sent by telefacsimile or other similar facsimile transmission, (c) delivered by overnight express, or (d) sent by registered or certified mail, postage prepaid, as follows:

(i) If to the Employee:

Thomas W. Lovelock
527 Colonial Drive
Brooksville, Florida 34601

(ii) If to the Company:

Group Technologies Corporation
10901 Malcolm McKinley Drive
Tampa, Florida 33612
Attention: Legal Counsel
Facsimile number: (813) 972-6715

All notices and other communication required or permitted under this Agreement that are addressed as provided in this Section 3.6 will (a) if delivered personally or by overnight express, be deemed given upon delivery; (b) if delivered by telefacsimile or similar facsimile transmission, be deemed given when electronically confirmed; and (c) if sent by registered or certified mail, be deemed given when received. Any party from time to time may change its address for the purpose of notices to that party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the party sought to be charged with the contents thereof.

3.7. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior communications, agreements, understandings, representations, and warranties whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no oral or written agreements, understandings, representations, or warranties between the parties hereto with respect to the subject matter hereof other than those set forth in this Agreement.

3.8. Assignment and Amendment of Agreement. This Agreement will be binding upon the parties hereto and their respective successors and permitted assignees. Because the Employee's duties hereunder are special, personal and unique in nature, the Employee may not transfer, sell or otherwise assign the Employee's rights, obligations or benefits under this Agreement (and any attempt to do so will be void). The Company may assign its rights and obligations under this Agreement at its sole discretion. This Agreement may be modified or amended only by a writing duly executed on behalf of each party hereto.

3.9. Governing Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the state of Florida (without regard to the principles of conflict of laws) applicable to a contract executed and to be performed in such state.

3.10. No Third Party Rights. Except as specifically provided in this Agreement, this Agreement is not intended and may not be construed to create any

rights (including third party beneficiary rights) in any parties other than the Employee and the Company and their respective successors and permitted assignees.

3.11. Waiver and Remedies. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof. Any such waiver will be in writing and will be executed by such party. A waiver on one occasion will not be deemed to be a waiver of the same or any other breach on a future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

3.12. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (c) the provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

3.13. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first above written.

COMPANY:

GROUP TECHNOLOGIES CORPORATION

/s/ Jeffrey T. Gill
Jeffrey T. Gill
Chairman

EMPLOYEE:

/s/ Thomas W. Lovelock
Thomas W. Lovelock

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of the 23rd day of June, 1997, between GROUP TECHNOLOGIES CORPORATION, a Florida corporation (the "Company") and James G. Cocke, a current employee of the Company (the "Employee").

WHEREAS, the Company is actively evaluating alternatives to improve the financial condition of the Company, including, among other things, (i) the potential sale of an interest in the Company, (ii) the potential sale of certain assets of the Company, and (iii) the potential merger of the Company or one of its business units with another entity that is not affiliated with the Company; and

WHEREAS, the Company recognizes that the Employee fulfills an important role in managing the affairs of the Company and, in order to relieve the Employee of any apprehension concerning employment security during this period of uncertainty within the Company and, therefore, help ensure that the Employee remains dedicated and focused on managing the affairs of the Company, the Company desires to enter into this Agreement with the Employee; and

WHEREAS, in recognition of the special efforts that may be required of the Employee on behalf of the Company during the period of time covered by this Agreement, the Company also desires to offer the Employee an opportunity to earn a special cash bonus according to the terms and conditions specified in Section II hereof; and

WHEREAS, the Employee: (i) has read and understands the terms and conditions of this Agreement, and (ii) desires and intends to remain employed by the Company in the Employee's present position, pursuant to the terms and conditions hereof, and (iii) further intends to expend the Employee's time, knowledge, expertise and energy while at work to help the Company successfully improve the financial condition of the business.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

I. EMPLOYMENT PROVISIONS

1.1. Term. This Agreement shall be for a term of one year commencing on July 1, 1997 and ending on June 30, 1998, unless the Employee's employment with the Company ends before that date for any of the reasons which are specified in Section 1.4 of this Agreement (the "Term").

1.2. Compensation and Benefits. As consideration for the services rendered by the Employee pursuant to this Agreement, including the agreement to devote the Employee's full business time and efforts to the performance of the duties and responsibilities of the Employee's position or positions at the Company, the Company will provide compensation and benefits to the Employee as follows:

(a) Salary. A base salary of One Hundred Forty Thousand Dollars ($140,000), which will be dispersed in accordance with the standard payroll practices of the Company for salaried personnel. During the Term of this Agreement, the Company may increase the base salary of the Employee at the Company's sole discretion.

(b) Vacation. Paid vacation of twenty (20) business days during the Company's established vacation year.

(c) Additional Benefits. Participation (at the expense of

the Company, where lawful and consistent with Company policy) in any and all employee retirement, medical, life and disability insurance and other benefits made available to salaried employees of the Company.

1.3. Termination of Employment With Payment. If the Employee is terminated by the Company during the Term of this Agreement without cause or for reasons other than those described in Section 1.4 hereof, the Company will compensate the Employee as follows:

(a) the Company will provide the Employee with pay continuance for a period of one year from the date of termination. Pay continuance will be calculated based upon an annual rate which is equal to the Employee's base salary at the time of termination, less any applicable federal and state taxes, and will be dispersed in accordance with the standard payroll practices of the Company for salaried personnel;

(b) the Company will make a lump sum payment to the Employee at the time of termination for all earned and/or accrued vacation days through the date of termination;

(c) the Company will provide hospitalization and medical insurance coverage, equal to the coverage provided to active salaried employees of the Company under its employee health plan (prior to the exercise of COBRA rights), for a period of one year from the date of termination; and

(d) the Company will provide life insurance coverage equal to the coverage provided by the Company's life insurance plan to active salaried employees of the Company for a period of one year from the date of termination.

1.4. Termination of Employment Without Payment. Should the Employee's employment with the Company terminate prior to the expiration of the Term of this Agreement upon the occurrence of any one or more of the following events, the Company will be without any further obligation to the Employee and will be under no obligation to provide the Employee with any compensation whatsoever pursuant to this Agreement other than salary and/or vacation pay in accordance with the then current policies of the Company:

(a) the voluntary resignation of the Employee;

(b) the death of the Employee;

(c) the material failure by the Employee to meet the performance standards of the Employee's job, as determined by the Company, provided that such material failure has not been cured within a reasonable time required to cure such failure;

(d) gross negligence or willful misconduct by the Employee in the performance of the Employee's duties for the Company;

(e) a material breach by Employee of any of the obligations of this Agreement, including, specifically, but not limited to the confidentiality provisions contained in Section 3.4 hereof;

(f) the conviction of the Employee (or the entering of a plea of guilty or nolo contendere by the Employee) for fraud, misappropriation, embezzlement, financial misconduct, or any other felony;

(g) the determination by the Company that the Employee has been unable, for a continuous period of at least six (6) months or for shorter periods totaling six (6) months during any 12-month period, to perform the Employee's duties because of injury, illness, or other physical or mental disability for which the Company was unable to make reasonable accommodation;

(h) the refusal by the Employee to accept an offer of employment by the Company, any affiliate of the Company, or any successor to the

Company, at a base salary that is equal to or greater than the Employee's base salary at the time the offer is made, unless such offer of employment is for a job at a location that is greater than one hundred (100) miles from the Employee's current place of employment; or

(i) the termination and subsequent employment of the Employee by the Company, its affiliates or a successor to the Company that does not result in an interruption in the years of credited service or a reduction in base salary of the Employee.

Notwithstanding any of the foregoing, should the Employee's employment with the Company terminate prior to the expiration of the Term of this Agreement because of the occurrence of an event described in either Section 1.4(h) or Section 1.4(i), the Employee will not become ineligible to receive the Special Bonus solely as a result of being terminated in accordance with the provisions of Sections 1.4(h) or 1.4(i).

II. SPECIAL BONUS PROVISIONS

2.1 Eligibility for Special Bonus. The Company hereby agrees to pay to the Employee a one-time, lump sum cash bonus in the amount of Fifty Thousand Dollars ($50,000), less any applicable taxes or other required withholding amounts (the "Special Bonus"), subject to the terms and conditions of this Agreement.

2.2 Payment of the Special Bonus. The Company's obligation to pay the Employee the Special Bonus hereunder shall be completely null and void unless each of the following conditions is met:

(a) the Board of Directors of the Company shall have approved the payment of the Special Bonus;

(b) the Company shall have successfully concluded its efforts to improve the financial condition of the Company through either (i) the sale of an interest in the Company, (ii) the sale of certain assets of the Company, (iii) the merger of the Company or one of its business units with another entity that is not affiliated with the Company, or (iv) the completion of some other transaction that results in a similar improvement to the Company's financial condition; and

(c) on the date the Company's obligation to pay the Special Bonus arises, the Employee must either be (i) employed with the Company or any of its affiliates, or (ii) employed and on active status with a successor to the Company.

The Special Bonus shall be paid to the Employee by the Company in the form of a check payable to the Employee no later than ten (10) business days after the Special Bonus has been approved by the Company's Board of Directors.

III. GENERAL PROVISIONS

3.1. Representations by the Employee. The Employee hereby represents and warrants to the Company that:

(a) the Employee's execution and delivery of this Agreement and the performance of the Employee's duties and obligations hereunder will not conflict with, cause a breach or default under, or give any party a right to damages under (or to terminate) any other agreement to which the Employee is party or by which Employee is bound; and

(b) there are no restrictions, agreements or understandings that would make unlawful the Employee's execution or delivery of this Agreement or the Employee's employment hereunder.

3.2. Right of Offset. The parties hereto agree that the Company may reduce any compensation otherwise payable to the Employee under this Agreement by any amounts payable by the Employee to the Company or an

affiliate of the Company.

3.3. Noncompetition. This Agreement is not a noncompetition agreement. At the end of the Term specified in Section 1.1 hereof, the Employee is free to pursue employment wherever the Employee sees fit and to utilize any standard industry knowledge gain by Employee during the course of employment by the Company.

3.4. Confidentiality.

(a) General Information. The Employee shall refrain from disclosing to any other person or entity any confidential documents or confidential information concerning the Company or its affiliates obtained by the Employee at any time. "Confidential Information" shall include but not be limited to communications with customers and active prospective customers, prices, contracts, financial information, marketing strategies, customer programs, computer programs, intellectual property and any other such information that would not otherwise be generally known by or available to a third party.

(b) Information Regarding this Agreement. Except as may be necessary to enforce the terms of this Agreement or as may otherwise be required by law, the Employee shall not disclose to any other person or entity: (i) any of the contents of this Agreement, (ii) any of the contents of the discussions, negotiations, or correspondence leading up to this Agreement, or (iii) any information regarding a potential or actual transaction concerning the business.

The parties hereto agree that the provisions contained in Section 3.4(a) shall survive the termination of this Agreement and shall remain in force for a period of three (3) years thereafter.

3.5. Expenses. Except as otherwise specifically provided in this Agreement, each party hereto will pay its own expenses respectively incurred or to be incurred by it in performing its obligations under this Agreement, or in consummating the transactions contemplated by this Agreement.

3.6. Notices. Any notice or communication given pursuant to this Agreement must be in writing and (a) delivered personally, (b) sent by telefacsimile or other similar facsimile transmission, (c) delivered by overnight express, or (d) sent by registered or certified mail, postage prepaid, as follows:

(i) If to the Employee:

James G. Cocke
11654 Swift Water Circle
Orlando, Florida 33647

(ii) If to the Company:

Group Technologies Corporation
10901 Malcolm McKinley Drive
Tampa, Florida 33612
Attention: Legal Counsel
Facsimile number: (813) 972-6715

All notices and other communication required or permitted under this Agreement that are addressed as provided in this Section 3.6 will (a) if delivered personally or by overnight express, be deemed given upon delivery; (b) if delivered by telefacsimile or similar facsimile transmission, be deemed given when electronically confirmed; and (c) if sent by registered or certified mail, be deemed given when received. Any party from time to time may change its address for the purpose of notices to that party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the party sought to be charged with the contents thereof.

3.7. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior communications, agreements, understandings, representations, and warranties whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no oral or written agreements, understandings, representations, or warranties between the parties hereto with respect to the subject matter hereof other than those set forth in this Agreement.

3.8. Assignment and Amendment of Agreement. This Agreement will be binding upon the parties hereto and their respective successors and permitted assignees. Because the Employee's duties hereunder are special, personal and unique in nature, the Employee may not transfer, sell or otherwise assign the Employee's rights, obligations or benefits under this Agreement (and any attempt to do so will be void). The Company may assign its rights and obligations under this Agreement at its sole discretion. This Agreement may be modified or amended only by a writing duly executed on behalf of each party hereto.

3.9. Governing Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the state of Florida (without regard to the principles of conflict of laws) applicable to a contract executed and to be performed in such state.

3.10. No Third Party Rights. Except as specifically provided in this Agreement, this Agreement is not intended and may not be construed to create any rights (including third party beneficiary rights) in any parties other than the Employee and the Company and their respective successors and permitted assignees.

3.11. Waiver and Remedies. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof. Any such waiver will be in writing and will be executed by such party. A waiver on one occasion will not be deemed to be a waiver of the same or any other breach on a future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

3.12. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (c) the provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

3.13. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first above written.

COMPANY:

GROUP TECHNOLOGIES CORPORATION

/s/ Jeffrey T. Gill
Jeffrey T. Gill

Chairman

EMPLOYEE:

/s/ James G. Cocke
James G. Cocke

SPECIAL BONUS AGREEMENT

THIS SPECIAL BONUS AGREEMENT (the "Agreement") is entered into as of the 25th day of June, 1997, between GROUP TECHNOLOGIES CORPORATION, a Florida corporation (the "Company") and DAVID D. JOHNSON ("the Employee"), a current employee of the Company.

WHEREAS, the Company is actively evaluating alternatives to improve the financial condition of the Company, including, among other things, (i) the potential sale of an interest in the Company, (ii) the potential sale of certain assets of the Company, and (iii) the potential merger of the Company or one of its business units with another entity that is not affiliated with the Company; and

WHEREAS, in recognition of the special efforts that may be required of the Employee on behalf of the Company during the period of time covered by this Agreement, the Company also desires to offer the Employee an opportunity to earn a special cash bonus according to the terms and conditions specified herein; and

WHEREAS, the Employee: (i) has read and understands the terms and conditions of this Agreement, and (ii) desires and intends to remain employed by the Company in the Employee's present position, and (iii) further intends to expend the Employee's time, knowledge, expertise and energy while at work to help the Company successfully improve the financial condition of the business.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

I. SPECIAL BONUS PROVISIONS

1.1 Eligibility for Special Bonus. Subject to the terms and conditions of this Agreement, the Company hereby agrees to pay to the Employee a one-time, lump sum cash bonus in the amount of Fifty Thousand U.S. Dollars ($50,000), less any applicable taxes or other withholding amounts (the "Special Bonus").

1.2 Payment of the Special Bonus. The Company's obligation to pay the Employee the Special Bonus hereunder shall be completely null and void unless each of the following conditions is met during the Term of this Agreement which is specified in Section 1.3 hereof:

(a) the Board of Directors of the Company shall have approved the payment of the Special Bonus;

(b) the Company shall have successfully concluded its efforts to improve the financial condition of the Company through either (i) the sale of an interest in the Company, (ii) the sale of certain assets of the Company, (iii) the merger of the Company or one of its business units with another entity that is not affiliated with the Company, or (iv) the completion of some other transaction that results in a similar improvement to the Company's financial condition; and

(c) on the date the Company's obligation to pay the Special Bonus arises, the Employee must either be (i) employed with the Company or any of its affiliates, or (ii) employed and on active status with a successor to the Company.

The Special Bonus shall be paid to the Employee by the Company no

later than ten (10) business days after the Special Bonus has been approved by the Company's Board of Directors.

1.3. Term. This Agreement shall be for a term of one year commencing on July 1, 1997 and ending on June 30, 1998, unless the Employee's employment with the Company ends before that date for any of the reasons which are specified in Section 1.4 of this Agreement (the "Term").

1.4. Termination of Employment Without Payment. Should the Employee's employment with the Company terminate prior to the expiration of the Term of this Agreement upon the occurrence of any one or more of the following events, the Company will be without any obligation whatsoever to the Employee pursuant to this Agreement:

(a) the voluntary resignation of the Employee;

(b) the death of the Employee;

(c) the material failure by the Employee to meet the performance standards of the Employee's job, as determined by the Company, provided that such material failure has not been cured within a reasonable time required to cure such failure;

(d) gross negligence or willful misconduct by the Employee in the performance of the Employee's duties for the Company;

(e) a material breach by Employee of any of the obligations of this Agreement and/or the Employment Agreement, including, specifically, but not limited to the confidentiality provisions contained in Section 2.4 hereof;

(f) the conviction of the Employee (or the entering of a plea of guilty or nolo contendere by the Employee) for fraud, misappropriation, embezzlement, financial misconduct, or any other felony; and/or

(g) the determination by the Company that the Employee has been unable, for a continuous period of at least six (6) months or for shorter periods totaling six (6) months during any 12-month period, to perform the Employee's duties because of injury, illness, or other physical or mental disability for which the Company was unable to make reasonable accommodation.

II. GENERAL PROVISIONS

2.1. Representations by the Employee. The Employee hereby represents and warrants to the Company that:

(a) the Employee's execution and delivery of this Agreement and the performance of the Employee's duties and obligations hereunder will not conflict with, cause a breach or default under, or give any party a right to damages under (or to terminate) any other agreement to which the Employee is a party to or by which Employee is bound; and

(b) there are no restrictions, agreements or understandings that would make unlawful the Employee's execution or delivery of this Agreement.

2.2. Right of Offset. The parties hereto agree that the Company may reduce the amount of the Special Bonus otherwise payable to the Employee under this Agreement by any amounts payable by the Employee to the Company or an affiliate of the Company.

2.3. Noncompetition. This Agreement is not a noncompetition agreement. At the end of the Term specified in Section 1.3 hereof, the Employee is free to pursue employment wherever the Employee sees fit and to utilize any standard industry knowledge gained by Employee during the course of employment by the Company.

2.4. Confidentiality.

(a) General Information. The Employee shall refrain from disclosing to any other person or entity any confidential documents or confidential information concerning the Company or its affiliates obtained by the Employee at any time during the Employee's employment with the Company. "Confidential Information" shall include but not be limited to communications with customers and active prospective customers, prices, contracts, financial information, marketing strategies, customer programs, computer programs, intellectual property and any other such information that would not otherwise be generally known by or available to a third party.

(b) Information Regarding this Agreement. Except as may be necessary to enforce the terms of this Agreement or as may otherwise be required by law, the Employee shall not disclose to any other person or entity: (i) any of the contents of this Agreement, (ii) any of the contents of the discussions, negotiations, or correspondence leading up to this Agreement, or (iii) any information regarding a potential or actual transaction concerning the business.

The parties hereto agree that the provisions contained in Section 2.4(a) shall survive the termination of this Agreement and shall remain in force for a period of three (3) years thereafter.

2.5. Expenses. Except as otherwise specifically provided in this Agreement, each party hereto will pay its own expenses respectively incurred or to be incurred by it in performing its obligations under this Agreement, or in consummating the transactions contemplated by this Agreement.

2.6. Notices. Any notice or communication given pursuant to this Agreement must be in writing and (a) delivered personally, (b) sent by telefacsimile or other similar facsimile transmission, (c) delivered by overnight express, or (d) sent by registered or certified mail, postage prepaid, as follows:

(i) If to the Employee:

David D. Johnson
917 South Orleans Avenue
Tampa, Florida 33606

(ii) If to the Company:

Group Technologies Corporation
10901 Malcolm McKinley Drive
Tampa, Florida 33612
Attention: Legal Counsel
Facsimile number: (813) 972-6715

All notices and other communication required or permitted under this Agreement that are addressed as provided in this Section 2.6 will (a) if delivered personally or by overnight express, be deemed given upon delivery; (b) if delivered by telefacsimile or similar facsimile transmission, be deemed given when electronically confirmed; and (c) if sent by registered or certified mail, be deemed given when received. Any party from time to time may change its address for the purpose of notices to that party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the party sought to be charged with the contents thereof.

2.7. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior communications, agreements, understandings, representations, and warranties whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no

oral or written agreements, understandings, representations, or warranties between the parties hereto with respect to the subject matter hereof other than those set forth in this Agreement.

2.8. Assignment and Amendment of Agreement. This Agreement will be binding upon the parties hereto and their respective successors and permitted assignees. Because the Employee's duties hereunder are special, personal and unique in nature, the Employee may not transfer, sell or otherwise assign the Employee's rights, obligations or benefits under this Agreement (and any attempt to do so will be void). The Company may assign its rights and obligations under this Agreement at its sole discretion. This Agreement may be modified or amended only by a writing duly executed on behalf of each party hereto.

2.9. Governing Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the state of Florida (without regard to the principles of conflict of laws) applicable to a contract executed and to be performed in such state.

2.10. No Third Party Rights. Except as specifically provided in this Agreement, this Agreement is not intended and may not be construed to create any rights (including third party beneficiary rights) in any parties other than the Employee and the Company and their respective successors and permitted assignees.

2.11. Waiver and Remedies. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof. Any such waiver will be in writing and will be executed by such party. A waiver on one occasion will not be deemed to be a waiver of the same or any other breach on a future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

2.12. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (c) the provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

2.13. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first above written.

COMPANY:

GROUP TECHNOLOGIES CORPORATION

/s/ Jeffrey T. Gill
Jeffrey T. Gill
Chairman of the Board

EMPLOYEE:

/s/ David D. Johnson
David D. Johnson

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 29, 1997 AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 29, 1997 AND IS QUALIFIED IN ITS ENTIREY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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