

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**FORM 8-K**

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 3, 2008

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**Sypris Solutions, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

0-24020  
(Commission  
File Number)

61-1321992  
(I.R.S. Employer  
Identification No.)

101 Bullitt Lane, Suite 450  
Louisville, Kentucky  
(Address of Principal Executive Offices)

40222  
(Zip Code)

Registrant's telephone number, including area code: (502) 329-2000

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 1 - Registrant's Business and Operations**

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

On April 3, 2008 Sypris Solutions, Inc. (the "Company") made certain bonus payments to eligible participants, including the Company's chief executive officer, chief financial officer and certain other named executive officers, as approved by the Compensation Committee of the Company's Board of Directors, and in the case of the Company's President and Chief Executive Officer by the full Board of Directors, in the exercise of their discretion consistent with certain guidelines adopted in the Company's 2007 Incentive Bonus Plan (the "Plan"). Under the Plan, certain non-binding bonus targets for each participant were established and approved by the Compensation Committee, based on the Company's anticipated operating budget, and the participant's objectives for the year. A target Bonus Pool was to be calculated based fifty percent (50%) on the Company's performance to annual operating plan targets for Profit Before Tax ("PBT") and fifty percent (50%) on performance to annual operating plan targets for Free Cash Flow ("FCF") for the consolidated financial results of the Company. For each percentage point of achievement greater than eighty percent (80%) of the PBT target in its annual operating plan, the guidelines allowed the target bonus pool to be increased in accordance with a schedule. Additional target bonus dollars could be designated once the consolidated financial results of the Company achieved eighty percent (80%) of the FCF target in the annual operating plan. For each percentage point of achievement greater than eighty percent (80%) of the FCF target in its annual operating plan, the bonus pool was eligible to be increased in accordance with a schedule. Once a Bonus Pool is established, each qualified participant is eligible for a Bonus Award that is equal to the bonus target, subject to an initial discretionary review by the Company's President and Chief Executive Officer and final discretionary reviews by the Compensation Committee, and for any bonus payment to the President and CEO, by the full Board.

Bonuses approved and paid on April 3, 2008 to the Company's principal executive officer, principal financial officer and other named executive officers were as follows: Jeffrey T. Gill- \$150,000; Thomas S. Hatton - \$100,000; Richard L. Davis- \$60,000; and John R. McGeeney - \$67,500. A copy of the Plan is attached hereto as Exhibit 10.1 and incorporated by reference herein.

**Item 9.01      Financial Statements and Exhibits.**

(c) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Incentive Bonus Plan (January 1, 2007-December 31, 2007)

**SIGNATURES**

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

**SYPRIS SOLUTIONS, INC.**

Date: April 9, 2008

By: /s/ John R. McGeeney

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John R. McGeeney  
General Counsel and Secretary

## INDEX TO EXHIBITS

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10.1	Incentive Bonus Plan (January 1, 2007-December 31, 2007)

**SYPRIS SOLUTIONS, INC.**  
**INCENTIVE BONUS PLAN**  
**JANUARY 1, 2007 – DECEMBER 31, 2007**

1. ESTABLISHMENT OF PLAN.

Sypris Solutions, Inc., a Delaware corporation (the “Company”), established this corporate bonus plan effective as of January 1, 2007 (the “Plan”), to provide a financial incentive for employees of the Company and its subsidiaries to advance the growth and prosperity of the Company.

2. ELIGIBILITY.

Employees of the Company and its subsidiaries who are specifically designated by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) for participation during the current year shall be eligible to participate in the Plan.

3. PARTICIPANT’S BONUS TARGET.

The bonus target for each participant will be established and approved by the Compensation Committee. Each participant will be provided with a copy of this Plan, which will include an exhibit that lists the participant’s full name, salary, bonus potential based upon the current operating budget, and his or her objectives for the current year.

4. Bonus Pool.

4.1 PBT Contribution. Bonus dollars will begin to accumulate once the consolidated financial result of the company achieves eighty percent (80%) of the PBT target in its annual operating plan. For each percentage point of achievement greater than eighty percent (80%) of the PBT target in its annual operating plan, the bonus pool will be increased in accordance with the attached schedule.

4.2 FCF Contribution. Additional bonus dollars will begin to accumulate once the consolidated financial result of the company achieves eighty percent (80%) of the FCF target in its annual operating plan. For each percentage point of achievement greater than eighty (80%) of the FCF target in its annual operating plan, the bonus pool will be increased in accordance with the attached schedule.

5. Bonus Award.

Each qualified participant will be eligible for a Bonus Award that is equal to the bonus target, subject to the provisions of Sections 8.1, 8.2, 8.3 and the following:

5.1 Management Objectives. Each participant will have Management Objectives for the Plan year, each of which will be specific with regard to (i) the expected outcome, (ii) the date or dates by which the objective must be achieved and a weighting, the total of which for all objectives will be equal to one hundred percent (100%). The chief executive officer of the Company will have the responsibility to review and determine each participant’s performance to objectives and to assign each individual a percentage that will be used as a factor to determine the actual amount of the awards to be distributed.

5.2 Discretionary Review. The chief executive officer of the Company will have the discretion to increase or decrease the actual amount of the awards to be based upon the

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individual's specific performance and contribution to the Company. Such discretion will be used sparingly and will generally be limited to the recognition of extenuating circumstances and/or exceptional accomplishments that may or may not have been captured by the Management Objectives.

5.3 Approval of the Compensation Committee. The Bonus Award for each participant will be subject to the review of and approval by the Compensation Committee.

5.4 Qualification. Awards will be payable to each eligible participant as soon as administratively practicable after release of the audited annual financial statements of the Company and the approval of the Compensation Committee; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. **NO EMPLOYEE SHALL HAVE ANY RIGHT TO PAYMENT OF AN AWARD UNLESS THE PLAN IS IN EFFECT AND THE EMPLOYEE IS EMPLOYED BY THE COMPANY AS OF THE DATE OF PAYMENT.**

5.5 Caps and Limitations. There will be a cap that limits the earning of additional bonus budget dollars at the time that the PBT or FCF targets reach 150% of the original target.

6. METHOD OF DISTRIBUTION.

Cash awards shall be payable by check in lump sum. All such payments will be subject to withholding for income, social security or other such payroll taxes as may be appropriate.

7. ADMINISTRATION

The Compensation Committee shall administer this Plan. The decisions of the Compensation Committee in interpreting and applying the Plan shall be final.

8. MISCELLANEOUS

8.1 Employment Rights. The adoption and maintenance of this Plan is not an employment agreement between the Company and any employee. Nothing herein contained shall be deemed to give any employee the right neither to be retained in the employ of the Company nor to interfere with the right of the Company to discharge any employee at any time.

8.2 Acquisitions and Divestitures. The variables to be used in the calculation of PBT and FCF will be prorated for any acquisition and/or divestiture to reflect the timing of such event or events during the current Plan year at the time of such acquisition or divestiture.

8.3 Amendment and Termination. The Company may, without the consent of any employee or beneficiary, amend or terminate the Plan at any time and from time-to-time.

8.4 Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

8.5 Construction. The headings and subheadings of this Plan have been inserted for convenience for reference only and are to be ignored in any construction of the provisions hereof. The masculine shall be deemed to include the feminine, the singular shall include the plural, and the plural shall include the singular unless the context otherwise requires. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of the balance hereof. This Plan represents the entire undertaking by the Company concerning its subject matter and supersedes all prior undertakings with respect thereto. No provision hereof may be waived or discharged except by a written document

approved by the Compensation Committee and signed by a duly authorized representative of the Company.

**SYPRIS SOLUTIONS, INC.**

**PARTICIPANT**

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Jeffrey T. Gill  
President and CEO

