

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report:**  
**January 17, 2006**  
(Date of earliest event reported)

**SPECTRUM BRANDS, INC.**

(Exact Name of Registrant as Specified in Charter)

**Wisconsin**  
(State or other Jurisdiction  
of Incorporation)

**001-13615**  
(Commission File No.)

**22-2423556**  
(IRS Employer  
Identification No.)

**Six Concourse Parkway, Suite 3300, Atlanta, Georgia 30328**  
(Address of principal executive offices, including zip code)

**(770) 829-6200**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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

- 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))

**Item 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

As described in Item 5.02 below, on January 17, 2006, Spectrum Brands, Inc. (the "Company") publicly announced that it has appointed David R. Lumley to the position of President, North America. In connection with Mr. Lumley's appointment, on December 22, 2005, the Company entered into an employment agreement with Mr. Lumley (the "Employment Agreement"). The following description of the Employment Agreement is qualified in its entirety by reference to the terms of the Employment Agreement, a copy of which is attached as Exhibit 10.1 and incorporated by reference herein.

The Employment Agreement expires on January 15, 2009 and automatically renews for successive one-year periods, unless the Company or Mr. Lumley give notice to the contrary as provided in the Employment Agreement. Mr. Lumley has the right to resign and terminate the Employment Agreement at any time upon at least 60 days' notice. Upon such resignation, the Company must pay any unpaid base salary through the date of termination to Mr. Lumley. The Company also has the right to terminate his employment for "cause" (as defined in the Employment Agreement), in which event the Company must pay Mr. Lumley any compensation that was required to be paid to him before the date of termination.

Upon termination of Mr. Lumley's employment without cause or due to death or disability, the Company will pay Mr. Lumley or his estate, as applicable, two times Mr. Lumley's base salary and most recent annual bonus (if any), to be paid out over the following 24 months. The Employment Agreement also provides that if Mr. Lumley resigns upon the occurrence of specified circumstances that would constitute a "constructive termination" (as defined therein), then Mr. Lumley's resignation shall be treated as a termination by the Company without cause.

During the term of the Employment Agreement and for one year thereafter, Mr. Lumley shall not provide services to or have a significant financial interest in any of the Company's competitors, or solicit any of the Company's customers or employees.

Mr. Lumley's annual base salary is \$500,000. Mr. Lumley is entitled to an annual cash bonus based on 75% of his base salary, provided that the Company achieves certain annual performance goals established by the Company's Board of Directors. Mr. Lumley is also entitled to such insurance and other benefits as are generally made available to the Company's executive officers and certain other fringe benefits set forth in the Employment Agreement.

Mr. Lumley is entitled to participate in the Company's equity-based compensation plans. The Employment Agreement provides that Mr. Lumley shall receive a grant of 50,000 shares of restricted stock subject to time-based restrictions. The Employment Agreement provides that, beginning in the Company's 2007 fiscal year, Mr. Lumley will receive an annual award of restricted stock having a fair market value equal to 125% of his base salary then in effect. Fifty percent of the shares of each such award shall be subject to time-based restrictions and the other fifty percent shall be subject to performance-based restrictions. Unvested shares of restricted stock shall be forfeited to the Company if Mr. Lumley's employment terminates prior to a change of control for any reason, other than termination by the Company without cause or due to death or disability.

**Item 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS.**

Mr. Lumley was appointed to the position of President, North America effective January 16, 2006. Mr. Lumley, age 51, joins the Company from his position as President, Rubbermaid Home Products North America, which he held since January 2004. Prior to his position at Rubbermaid, Mr. Lumley was President and CEO of EAS, a leading sports nutrition company, for a three-year period. His background includes more than 25 years experience in the consumer products industry, including having served as President of Brunswick Bicycles, SVP Sales and Marketing at Outboard Marine Corporation, and in a variety of leadership positions with Wilson Sporting Goods and other companies. There are no family relationships between Mr. Lumley and any of the Company's directors or executive officers. Mr. Lumley's appointment was announced in a press release dated January 17, 2006, a copy of which is attached as Exhibit 99.1.

**Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(c) *Exhibits*

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Employment Agreement between the Company and David R. Lumley, dated as of December 22, 2005.
99.1	Press Release dated January 17, 2006.

SIGNATURE

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.

Date: January 17, 2006

SPECTRUM BRANDS, INC.

By: /s/ Randall J. Steward

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Name: Randall J. Steward  
Title: Executive Vice President and  
Chief Financial Officer

EXHIBIT INDEX

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EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 22nd day of December, 2005, by and between Spectrum Brands, Inc., a Wisconsin corporation (the "Company") and David R Lumley (the "Executive").

WHEREAS, the Company desires to employ the Executive upon the terms and conditions set forth herein; and

WHEREAS, the Executive is willing and able to accept such employment on such terms and conditions; and

WHEREAS, Executive's initial or continued employment with the Company is expressly conditioned upon the agreement by the Executive to the terms and conditions of such employment as contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein (promises that include benefits to which Executive would not otherwise be entitled or receive), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Employment Duties and Acceptance. The Company hereby employs the Executive, and the Executive agrees to serve and accept employment with the Company as President, North America, reporting directly to Chairman & Chief Executive Officer of the Company. During the Term (as defined below) the Executive shall devote all of his working time to such employment and appointment, and shall devote his best efforts to advancing the interests of the Company.
2. Term of Employment. The Executive's employment and appointment hereunder shall be for a term commencing on the January 16<sup>th</sup> 2006 and expiring January 15<sup>th</sup> 2009 (three years from date of commencement) (the "Term"). Upon expiration of the Term, this Agreement shall automatically extend for successive periods of one (1) year, unless the Executive or the Company shall give notice to the other at least ninety (90) days prior to the end of the Term (or any annual extension thereof) indicating that it does not intend to renew the Agreement.
3. Compensation. In consideration of the performance by the Executive of his duties hereunder, the Company shall pay or provide to the Executive the following compensation which the Executive agrees to accept in full satisfaction for his services, it being understood that necessary withholding taxes, FICA contributions and the like shall be deducted from such compensation:
  - (a) Base Salary. The Executive shall receive a base salary of Five Hundred Thousand Dollars (\$500,000) per annum effective January 16<sup>th</sup> 2006

for the duration of the Term ("Base Salary"), which Base Salary shall be paid in equal semi-monthly installments each year, to be paid semi-monthly in arrears. The Board of Directors of the Company (the "Board") will review from time to time the Base Salary payable to the Executive hereunder and may, in its discretion, increase the Executive's Base Salary. Any such increased Base Salary shall be and become the "Base Salary" for purposes of this Agreement.

- (b) Bonus. The Executive shall receive a bonus for each fiscal year ending during the Term, payable annually in arrears, which shall be based on Seventy-Five percent (75%) of Base Salary paid during such fiscal year, provided the Company achieves certain annual performance goals established by the Board from time to time (the "Bonus"). The Board may, in its discretion, increase the annual Bonus. Any such increased annual Bonus shall be and become the "Bonus" for such fiscal year for purposes of this Agreement. For Financial year 2006, calculation of earned bonus will be made on the basis of the full financial year.
- (c) Insurance Coverages and Pension Plans. The Executive shall be entitled to such insurance, pension and all other benefits as are generally made available by the Company to its executive officers from time to time.
- (d) New Restricted Stock Award. The Company shall grant the Executive restricted shares of the Company's common stock under The 2004 Rayovac Incentive Plan as follows. On February 1st 2006, Executive shall be awarded 50,000 shares of the Company's common stock, shares that will include restrictions prohibiting the sale, transfer, pledge, assignment or other encumbrance of such stock ("Restricted Shares"), provided, however, that all such restrictions shall lapse on January 31st 2009. Notwithstanding anything else set forth above, (i) restrictions on Restricted Shares shall also lapse on a change in control of the Company (as defined in the company's stock plan governing such award) ("Change in Control") and (ii) any unexpired shares of Restricted Stock shall be forfeited to the Company in the event the Executive's employment with the Company terminates for any reason, other than a without cause termination as noted in paragraph 5(b), prior to a Change in Control. Additional terms and conditions of such restricted stock award shall be set forth in an agreement with such terms and conditions being substantially similar (other than as set forth above) to the terms and conditions of previous restricted stock award grants to similarly situated Company executives.
- (e) Annual Restricted Stock Awards. Subject to approval by the Compensation Committee of the Board and the Board, on each October 1 during the term of this Agreement commencing October 1, 2006, the Executive shall be awarded, under The 2004 Rayovac Incentive Plan that number of shares (rounded up to the nearest whole share) of the Company's common stock with a Fair Market Value equal to One Hundred and Twenty-Five Percent (125%) of the

Base Salary then in effect. Each such award will provide for vesting in four (4) equal tranches on each December 1<sup>st</sup> thereafter, beginning the year following the grant date, with (except as otherwise provided herein or in the applicable plan document) the vesting of Fifty Percent (50%) of each such vesting tranche to be subject to the Executive's continued employment with the Company as of each applicable December 1<sup>st</sup> and the remaining Fifty Percent (50%) of each such vesting tranche to be subject to the achievement of performance goals to be established by the Board from time to time ("Performance-Based Restricted Stock"), provided that One Hundred Percent (100%) of each outstanding vesting tranche shall vest upon a Change in Control. If the required performance goals are not met in any fiscal year, so that the restrictions on Performance-Based Restricted Stock scheduled to lapse for such year do not so lapse, the restrictions on such Performance-Based Restricted Stock will lapse the December 1 first following the originally scheduled lapse date. Notwithstanding anything else set forth above, (i) restrictions on such shares shall also lapse on a Change in Control and (ii) any unexpired shares of restricted stock shall be forfeited to the Company in the event the Executive's employment with the Company terminates for any reason prior to a Change in Control. Additional terms and conditions of such restricted stock award shall be set forth in an agreement with such terms and conditions being substantially similar (other than as set forth above) to the terms and conditions of previous restricted stock award grants to similarly situated Company executives.

- (f) Vacation. The Executive shall be entitled to four (4) weeks vacation each year.
- (g) Other Expenses and Use of Company Aircraft. The Executive shall be entitled to reimbursement of all reasonable and documented expenses actually incurred or paid by the Executive in the performance of the Executive's duties under this Agreement, upon presentation of expense statements, vouchers or other supporting information in accordance with Company policy. All expense reimbursements and other perquisites of the Executive are reviewable periodically by the Compensation Committee of the Board. The Executive shall be eligible to use the Company's aircraft for personal travel between and among home locations in Wisconsin and Ohio when such aircraft is not being used for business purposes, subject to the Company's policy in effect from time to time with respect to personal use of Company aircraft.
- (h) Auto allowance. Subject to the Company's policy in effect from time to time, during the Executive's employment, a monthly auto allowance of Fifteen Hundred Dollars (\$1500) will be paid subject to normal with-holdings.
- (i) D&O Insurance. The Executive shall be entitled to indemnification from the Company to the maximum extent provided by law, but not for any action, suit, arbitration or other proceeding (or portion thereof) initiated by the Executive, unless authorized or ratified by



the Board. Such indemnification shall be covered by the terms of the Company's policy of insurance for directors and officers in effect from time to time (the "D&O Insurance"). Copies of the Company's charter, by-laws and D&O Insurance will be made available to the Executive upon request.

(j) Legal Fees. The Company shall pay the Executive's actual and reasonable legal fees incurred in connection with the preparation of this Agreement.

4. Termination.

(a) Termination by the Company with Cause. The Company shall have the right at any time to terminate the Executive's employment hereunder without prior notice upon the occurrence of any of the following (any such termination being referred to as a termination for "Cause"):

- (i) the commission by the Executive of any deliberate and premeditated act taken by the Executive in bad faith against the interests of the Company;
- (ii) the Executive has been convicted of, or pleads nolo contendere with respect to, any felony, or of any lesser crime or offense having as its predicate element fraud, dishonesty or misappropriation of the property of the Company;
- (iii) the current use of illegal drugs, misuse of legal drugs, or intoxication of Executive in the workplace or while performing his duties or responsibilities associated with his position, the Executive's failure of a Company-related drug test, or the violation of any Company drug policy;
- (iv) the willful failure or refusal of the Executive to perform his duties as set forth herein or the willful failure or refusal to follow the direction of the CEO, provided such failure or refusal continues after thirty (30) days of the receipt of notice in writing from the CEO of such failure or refusal, which notice refers to this Section 4(a) and indicates the Company's intention to terminate the Executive's employment hereunder if such failure or refusal is not remedied within such thirty (30) day period; or
- (v) the Executive breaches any of the terms of this Agreement or any other agreement between the Executive and the Company which breach is not cured within thirty (30) days subsequent to notice from the Company to the Executive of such breach, which notice refers to this Section 4(a) and indicates the Company's intention to terminate the Executive's employment hereunder if such breach is not cured within such thirty (30) day period.

- (b) Termination by Company for Disability. The Company shall have the right at any time to terminate the Executive's employment hereunder upon thirty (30) days prior written notice upon the Executive's inability to perform his duties hereunder by reason of any mental, physical or other Disability for a period of at least six (6) consecutive months (for purposes hereof, "disability" has the same meaning as in the Company's disability policy), if within 30 days after such notice of termination is given, the Executive shall not have returned to the full-time performance of his duties. The Company's obligations hereunder shall, subject to the provisions of Section 5(b), also terminate upon the death of the Executive.
- (c) Termination by Company without Cause. The Company shall have the right at any time to terminate the Executive's employment for any other reason without Cause upon sixty (60) days prior written notice to the Executive.
- (d) Voluntary Termination by Executive. The Executive shall be entitled to terminate his employment and appointment hereunder upon sixty (60) days prior written notice to the Company. Any such termination shall be treated as a termination by the Company for "Cause" under Section 5.
- (e) Constructive Termination by the Executive. The Executive shall be entitled to terminate his employment and appointment hereunder, without prior notice, upon the occurrence of a Constructive Termination. Any such termination shall be treated as a termination by the Company without Cause. For this purpose, a "Constructive Termination" shall mean:
- (i) a reduction in Base Salary (other than as permitted hereby);
  - (ii) a reduction in annual Bonus opportunity;
  - (iii) a reduction in title;
  - (iv) a significant reduction in scope of responsibilities.
- (f) Notice of Termination. Any termination by the Company for Cause shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 8. For purposes of this Agreement, a "Notice of Termination" means a written notice given prior to the termination which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the termination date is other than the date of receipt of such notice, specifies the termination date of this Agreement (which date shall be not more than fifteen (15) days after the giving of such notice, unless a thirty-day notice is required pursuant to another section of this Agreement). The failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not

waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing its rights hereunder.

5. Effect of Termination of Employment.

- (a) Termination by the Company with Cause or Voluntarily by the Executive. If the Executive's employment hereunder is terminated by the Company with Cause or if the Executive voluntarily terminates his employment hereunder, the Executive's salary and other benefits specified in Section 3 shall cease at the time of such termination, and the Executive shall not be entitled to any compensation specified in Section 3 which was not required to be paid prior to such termination; provided, however, that the Executive shall be entitled to continue to participate in the Company's medical benefit plans to the extent required by law.
- (b) Without Cause, Death or Disability. If the Executive's employment hereunder is terminated as a result of death or Disability or by the Company without Cause and the Executive executes a separation agreement with a release of claims agreeable to the Company (to the extent that the Executive is physically and mentally capable to execute such an agreement), then the Company shall pay the Executive the amounts and provide the Executive the benefits as follows:
- (i) The Company shall pay to the Executive as severance, an amount in cash equal to double the sum of (i) the Executive's Base Salary, and (ii) the annual Bonus (if any) earned by the Executive pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year ending immediately prior to the fiscal year in which the termination occurs, such cash amount to be paid to the Executive ratably monthly in arrears over the 24-month period immediately following such termination. Notwithstanding the foregoing, if required to comply with section 409A of the Internal Revenue Code of 1986, as amended, and any Treasury regulations or other guidance promulgated thereunder, the Executive will receive the first six (6) months of monthly installment payments required under this Section 5(b)(i) on the six-month anniversary of the date of the Executive's termination of employment in a lump-sum payment, and the remaining payments required to be made hereunder shall thereafter be paid in equal consecutive monthly installments for the remainder of such 24 month period.
- (ii) For the greater of (i) the 24-month period immediately following such termination or (ii) the remainder of the Term, the Company shall arrange to provide the Executive and his dependents the additional benefits specified in Section 3(c) substantially similar to those provided to the Executive and his

dependents by the Company immediately prior to the date of termination, at no greater cost to the Executive or the Company than the cost to the Executive and the Company immediately prior to such date. Benefits otherwise receivable by the Executive pursuant to this Section 5(b)(ii) shall cease immediately upon the discovery by the Company of the Executive's breach of the covenants contained in Section 6 or 7 hereof. In addition, benefits otherwise receivable by the Executive pursuant to this Section 5(b)(ii) shall be reduced to the extent benefits of the same type are received by or made available to the Executive during the 24-month period following the Executive's termination of employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive); provided, however, that the Company shall reimburse the Executive for the excess, if any, of the cost of such benefits to the Executive over such cost immediately prior to the date of termination.

- (iii) The Executive's accrued vacation (determined in accordance with Company policy) at the time of termination shall be paid as soon as reasonably practicable.
- (iv) Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state, or local law and any additional withholding to which the Executive has agreed.
- (v) If the Executive's employment with the Company terminates during the Term, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 5.
- (vi) Additionally if the Executive's employment is terminated by the Company without Cause restrictions on Restricted Shares referred to in paragraph 3 (d) shall also lapse ratably based on complete quarters (three month period) of service.

6. Agreement Not to Compete.

- (a) The Executive agrees that during the during his employment and for the one-year period immediately following the termination of his employment for any reason (hereafter, the "Non-Competition Period"), he will not, directly or indirectly, either separately, jointly or in association with others, as an officer, director, consultant, agent, employee, owner, principal, partner or stockholder of any business, provide services of the same or similar kind or nature that he provides to the Company to, or have a financial interest in (excepting only the ownership of not more than 5% of the outstanding securities of any class listed on an exchange or the Nasdaq Stock Market), any competitor of the Company (which means any person or organization that is in the business of or makes money from designing, developing, or selling products or services similar to those products

and services developed, designed or sold by the Company). The Executive recognizes, acknowledges and agrees that his duties and responsibilities as President, North America will be performed throughout the United States and Canada and will result in Executive's having material contact with the Company's customers, suppliers, vendors, and employees throughout the United States and Canada. Accordingly, the Parties acknowledge and agree that the restrictions set forth in this Section 6(a) shall extend to the United States and Canada (hereafter, the "Restricted Territory") and that this geographic scope is reasonable based on the geographic scope of Executive's duties and responsibilities.

- (b) Without limiting the generality of clause (a) above, the Executive further agrees that, during the Non-Competition Period, he will not, within the Restricted Territory, directly or indirectly, either separately, jointly or in association with others, solicit, divert, take away, or attempt to solicit, divert, or take away, any customer or person to whom the Company has sent a written sales or servicing proposal or contract in connection with the business of the Company within the immediately preceding two-year period (hereafter, a "Prospective Customer"), for the purpose of or with the intention of selling or providing to such customer or Prospective Customer any product or service similar to any product or service sold, provided, offered, or under development by the Company during the two-year period immediately preceding the termination of Executive's employment for any reason (or during the preceding two years if during Executive's employment); provided, however, that this restriction shall only apply to customers or Prospective Customers of the Company with whom Executive had contact or about whom the Executive acquired confidential information by virtue of his employment with the Company at any time during such two-year period.
- (c) The Executive agrees that during the Non-Competition Period, he shall not initiate contact in order to induce, solicit or encourage any person to leave the Company's employ. Nothing in this paragraph is meant to prohibit an employee of the Company that is not a party to this Agreement from becoming employed by another organization or person.
- (d) If a court determines that the foregoing restrictions are too broad or otherwise unreasonable under applicable law, including with respect to time or space, the court is hereby requested and authorized by the parties hereto to revise the foregoing restrictions to include the maximum restrictions allowed under the applicable law. Sections 6(a), 6(b), and 6(c) each are intended to be considered and construed as separate and independent covenants; any ruling that any one or more of these sections is overbroad or otherwise invalid shall not affect the validity of any of the other sections or any other section of this Agreement.
- (e) For purposes of this Section 6 and Section 7, the "Company" refers to the Company and any incorporated or unincorporated affiliates of the Company.

7. Secret Processes and Confidential Information.

- (a) The Executive agrees to hold in strict confidence and, except as the Company may authorize or direct, not disclose to any person or use (except in the performance of his services hereunder) any confidential information or materials received by the Executive from the Company and any confidential information or materials of other parties received by the Executive in connection with the performance of his duties hereunder. For purposes of this Section 7(a), confidential information or materials shall include, but are not limited to, existing and potential customer information, existing and potential supplier information, product information, design and construction information, pricing and profitability information, financial information, sales and marketing strategies and techniques and business ideas or practices (hereafter "Confidential Information"). The restriction on the Executive's use or disclosure of Confidential Information shall remain in force during the Executive's employment hereunder and until the earlier of (x) the expiration of a period of two (2) years thereafter or (y) such time as the Confidential Information is of general knowledge in the industry through no fault of the Executive or any agent of the Executive. The Executive also agrees to return to the Company promptly upon its request any Company information or materials in the Executive's possession or under the Executive's control. This Section 7(a) is not intended to preclude Executive from being gainfully employed by another. Rather, it is intended to prohibit Executive from using the Company's confidential information or materials in any subsequent employment or employment undertaken that is not for the benefit of the Company during the identified period.
- (b) The Executive will promptly disclose to the Company and to no other person, firm or entity all inventions, discoveries, improvements, trade secrets, formulas, techniques, processes, know-how and similar matters, whether or not patentable and whether or not reduced to practice, which are conceived or learned by the Executive during the period of the Executive's employment with the Company, either alone or with others, which relate to or result from the actual or anticipated business or research of the Company or which result, to any extent, from the Executive's use of the Company's premises or property (collectively called the "Inventions"). The Executive acknowledges and agrees that all the Inventions shall be the sole property of the Company, and the Executive hereby assigns to the Company all of the Executive's rights and interests in and to all of the Inventions, it being acknowledged and agreed by the Executive that all the Inventions are works made for hire. The Company shall be the sole owner of all domestic and foreign rights and interests in the Inventions. The Executive agrees to assist the Company at the Company's expense to obtain and from time to time enforce patents and copyrights on the Inventions.
- (c) Upon the request of, and, in any event, upon termination of the Executive's employment with the Company, the Executive shall

promptly deliver to the Company all documents, data, records, notes, drawings, manuals and all other tangible information in whatever form which pertains to the Company, and the Executive will not retain any such information or any reproduction or excerpt thereof.

(d) Nothing in this Section 7 diminishes or limits any protection granted by law to trade secrets or relieves the Executive of any duty not to disclose, use or misappropriate any information that is a trade secret for as long as such information remains a trade secret.

8. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) upon confirmation of receipt when such notice or other communication is sent by facsimile or telex, (c) one day after delivery to an overnight delivery courier, or (d) on the fifth day following the date of deposit in the United States mail if sent first class, postage prepaid, by registered or certified mail. The addresses for such notices shall be as follows:

(a) For notices and communications to the Company:

Spectrum Brands, Inc.  
Six Concourse Parkway  
Suite 3300  
Atlanta, GA 30328  
Facsimile: (770) 829-6298  
Attention: James T. Lucke

(b) For notices and communications to the Executive:

See the address set forth on the signature page hereto

Any party hereto may, by notice to the other, change its address for receipt of notices hereunder.

9. General.

(a) Governing Law. This Agreement shall be construed under and governed by the laws of the State of Wisconsin, without reference to its conflicts of law principles.

(b) Amendment; Waiver. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument executed by all of the parties hereto or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

- (c) Successors and Assigns. This Agreement shall be binding upon the Executive, without regard to the duration of his employment by the Company or reasons for the cessation of such employment, and inure to the benefit of his administrators, executors, heirs and assigns, although the obligations of the Executive are personal and may be performed only by him. This Agreement shall also be binding upon and inure to the benefit of the Company and its subsidiaries, successors and assigns, including any corporation with which or into which the Company or its successors may be merged or which may succeed to their assets or business.
- (d) Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.
- (e) Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation during his employment hereunder in any benefit, bonus, incentive or other plan or program provided by the Company or any of its affiliates and for which the Executive may qualify. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Company or any affiliated company at or subsequent to the date of the Executive's termination of employment with the Company shall, subject to the terms hereof or any other agreement entered into by the Company and the Executive on or subsequent to the date hereof, be payable in accordance with such plan or program.
- (f) Mitigation. In no event shall the Executive be obligated to seek other employment by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement.
- (g) Equitable Relief. The Executive expressly agrees that breach of any provision of Sections 6 or 7 of this Agreement would result in irreparable injuries to the Company, that the remedy at law for any such breach will be inadequate and that upon breach of such provisions, the Company, in addition to all other available remedies, shall be entitled as a matter of right to injunctive relief in any court of competent jurisdiction without the necessity of proving the actual damage to the Company.
- (h) Severability. Sections 6(a), 6(b), 6(c), 7(a), 7(b) and 9(h) of this Agreement shall be considered separate and independent from each other and from the other sections of this Agreement and no invalidity of any one of those sections shall affect any other section or provision of this Agreement. However, because it is expressly acknowledged that the pay and benefits provided under this Agreement are provided, at least in part, as consideration for the obligations imposed upon Executive under Sections 6(a), 6(b), 6(c), 7(a) and 7(b), should Executive challenge those obligations or any court determine that any of the provisions under these Sections is



unlawful or unenforceable, such that Executive need not honor those provisions, then Executive shall not receive the pay and benefits, provided for in this Agreement following termination, if otherwise available to Executive, irrespective of the reason for the end of Executive's employment.

- (i) Entire Agreement. This Agreement and the schedule hereto constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings and agreements between them with respect to the subject matter hereof.

[signature page follows]

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

Spectrum Brands, Inc.

By: /s/ David A. Jones

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David A. Jones  
Chief Executive Officer

EXECUTIVE:

/s/ David R. Lumley

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Name: David R Lumley

Notice Address:

27320 Lake Road  
Bay Village, OH 44140

**Spectrum Brands Names David R. Lumley President, North America**

ATLANTA, January 17, 2006 – (SPC: NYSE) – Spectrum Brands, Inc. today announced it has named David R. Lumley as President, North America, with direct oversight of the company’s \$1.3 billion North American business segment, comprising batteries, shaving and grooming and personal care products, lawn and garden products, household insect control and portable lighting. In this position, he will have overall responsibility for the financial performance of the North American business and will participate in corporate strategy development as a member of the company’s executive committee.

Mr. Lumley joins Spectrum Brands from his position as President, Rubbermaid Home Products North America. His background includes more than 25 years experience in the consumer products industry, having served as President and CEO of EAS, President of Brunswick Bicycles, SVP Sales and Marketing at Outboard Marine Corporation, and in a variety of leadership positions with Wilson Sporting Goods and other companies.

“Dave’s track record as an innovative leader with extensive experience in operations, marketing and brand building will be a major asset as we continue our focus on top line growth and improved profitability in North America, along with the ongoing integration of recent acquisitions,” commented Dave Jones, Spectrum Brands Chairman and Chief Executive Officer. “His leadership will be critical to the execution of our strategic growth plans in this region.”

“I am extremely excited to be joining Spectrum Brands, with its leading portfolio of brands and compelling growth strategy,” said Mr. Lumley. “I look forward to working with Dave Jones and his management team to capitalize on the many opportunities I see at the company.”

Bob Caulk, Chief Executive Officer and President, North America, will be leaving Spectrum Brands after fulfilling his contractual commitment to the company subsequent to its acquisition of United Industries. Mr. Caulk, previously Chief Executive Officer of United Industries, is currently in discussions regarding potential CEO opportunities.

“Bob’s leadership has been instrumental in the ongoing integration of the Spectrum Brands and United organizations,” said Mr. Jones. “I am appreciative of his many contributions over the past year, and fully supportive of his desire to move on to another CEO position. We wish him well in his next opportunity.”

**About Spectrum Brands, Inc.**

Spectrum Brands (formerly Rayovac Corporation) is a global consumer products company and a leading supplier of batteries, lawn and garden care products, specialty pet supplies, shaving, grooming and personal care products, household insecticides and

portable lighting. Spectrum Brands' products are sold by the world's top 25 retailers and are available in more than one million stores in 120 countries around the world. Headquartered in Atlanta, Georgia, Spectrum Brands generates approximately \$2.8 billion in annualized revenues and has approximately 10,000 employees worldwide. The company's stock trades on the New York Stock Exchange under the symbol SPC.

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**Investor Contact:**

Nancy O'Donnell  
VP Investor Relations  
770-829-6208

**Media Contact:**

Dave Doolittle  
Ketchum for Spectrum Brands  
404-879-9266  
david.doolittle@ketchum.com