

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

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): November 9, 2005

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

Delaware

001-09608

363514169

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(State or Other  
Jurisdiction  
of incorporation)

(Commission File  
Number)

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

10 B Glenlake Parkway,  
Suite 600,  
Atlanta, Georgia 30328

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(Address of principal  
executive offices)

Registrant's telephone number, including area code: 770-407-3800

Not Applicable

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(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

On November 9, 2005, the Board of Directors of Newell Rubbermaid Inc. (the "Company") approved and ratified, in accordance with the recommendations of the Organizational Development and Compensation Committee (the "Committee"), the following actions:

Amendment to the Management Cash Bonus Plan

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The Board of Directors approved an amendment to the Company's Management Cash Bonus Plan (the "Bonus Plan"). The amendment is effective with respect to bonuses paid to eligible employees in 2007 based on the attainment of 2006 performance goals, and revises the amounts of cash bonus paid if the target performance goals are achieved at a 100% level, as follows:

- (i) For the CEO of the Company, the bonus as a percentage of salary is decreased from 134% to 105%.
- (ii) For the group of participants that includes all executive officers other than the CEO, the bonus as a percentage of salary is decreased from 100.5% to 65%.

This decrease in bonuses is part of the Company's decision to decrease the cash component, and increase the stock-based component, of incentive compensation to eligible employees.

#### Approval of 2006 Performance Goals Under the Bonus Plan

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The Board of Directors approved performance goals established by the Committee for the 2006 calendar year. Bonus payments will be based on a combination of the following business criteria: (i) for Corporate participants, 100% of the payment is based upon Company earnings per share, cash flow, sales growth and total shareholder return; (ii) for Group participants, 50% of the payment is based upon the same items of Corporate performance (described in (i) above) and 50% of the payment is based upon Group sales growth and Group operating income; and (iii) for Divisional participants, 25% of the payment is based upon the same items of Corporate performance (described in (i) above) and 75% of the payment is based upon Division sales growth, Division operating income and Division cash flow.

#### Approval of the 2006 Long Term Incentive Plan

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The Board of Directors approved the Company's 2006 Long Term Incentive Plan (the "2006 LTIP"), a copy of which is attached to this Report as Exhibit 10.1 and incorporated herein by this reference. The 2006 LTIP establishes a methodology for determining the number of shares of restricted stock of the Company to be awarded to

participants under the Company's 2003 Stock Plan, beginning with awards to eligible employees in 2007 based on attainment of 2006 performance goals.

The number of shares of restricted stock awarded to participants is based upon attainment of performance goals relating to the Company's total shareholder return and cash flow. For 2006, 75% of the award is based upon the Company's total shareholder return, and 25% of the award is based upon the Company's cash flow. The target, and maximum, value of the restricted stock award to each executive officer is 100% of his base salary, and performance below the specified shareholder return and cash flow levels will result in smaller or no restricted stock awards. Once awarded, the stock is subject to a risk of forfeiture and restrictions on transfer which lapse three years after the date of the award.

#### Approval of Performance Share Award Agreement

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The Board of Directors approved a form of Performance Share Award Agreement, a copy of which is attached to this Report as Exhibit 10.2 and incorporated herein by this reference. The form of Performance Share Award Agreement was approved pursuant to the Company's 2003 Stock Plan for use in granting performance shares under the 2003 Stock Plan to eligible participants in 2006.

All participants who participate in the 2006 LTIP will receive an award of performance shares in 2006, which entitles them to receive a grant of unrestricted stock of the Company on or before March 31, 2007 upon attainment of the performance goals set forth in the Bonus Plan for 2006. The number of shares of unrestricted stock awarded to each participant is determined by multiplying (i) the percentage of the target cash bonus earned by the participant for 2006, (ii) the participant's base salary earned during 2006, and (iii) the percentage of the participant's base salary as indicated in the participant's award notice. If during 2006 the participant's employment is

terminated due to death, disability or retirement, the performance share award will vest in full. If during 2006 the participant's employment is terminated for any reason other than death, disability or retirement, the performance share award generally will be forfeited. The value of a participant's award is intended to generally equate to the reduction in the target cash bonus payment to be made to the participant in 2007 as described above.

Compensation Arrangement for Mark D. Ketchum  
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The Board of Directors approved a compensation arrangement for Mark D. Ketchum, the Company's interim President and CEO. The material terms include the following:

- (i) Base salary of \$1 million per year.

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- (ii) A bonus opportunity under the Bonus Plan for 2005 equal to 25% of the bonus that would have been paid to a CEO if employed for all of 2005, and based on attainment of the CEO performance criteria and payout levels contained in the Bonus Plan.
- (iii) A bonus opportunity under the Bonus Plan for 2006, equal to the bonus that would have been paid to him had he remained employed until December 31, 2006 based on attainment of the CEO performance criteria and payout levels in effect for 2006, prorated for the number of days of employment in 2006 as interim President and CEO.
- (iv) Reimbursement of temporary living expenses while residing in the Atlanta, Georgia area during his employment as interim President and CEO and the use of a Company airplane for commuting purposes.
- (v) Participation in the Company's 2002 Deferred Compensation Plan and other benefit plans provided to Company employees generally.
- (vi) A grant on November 9, 2005 of a stock option under the Company's 2003 Stock Plan to acquire up to 75,000 shares of Company stock, with an exercise price equal to the closing price of the Company stock on November 9, 2005. If his employment with the Company terminates for any reason (including in connection with the hiring of a new President and CEO) within one year of the grant date, he will forfeit a portion of the option based on the number of full and partial months in such one-year period during which Mr. Ketchum does not serve as President and CEO. The option is subject to a vesting schedule whereby 20% of the option vests on each anniversary of the grant while he is employed or in continued service on the Board of Directors. The terms and conditions of the option grant are set forth in the form of Stock Option Agreement for Mr. Ketchum, a copy of which is attached to this Report as Exhibit 10.3 and incorporated herein by this reference.
- (vii) An award of performance shares to be granted in 2006 under the Company's 2003 Stock Plan, entitling him to receive up to 50,000 shares of unrestricted stock of the Company in 2007. The award will be based upon attainment of the CEO performance goals set forth in the Bonus Plan for 2006 and/or upon attainment of the individual performance criteria established by the Board of Directors. Other terms and conditions of the award will be determined by the Board of Directors. This award is in lieu of the award of performance shares made to all other 2006 LTIP participants as described above.

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Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

10.1 Newell Rubbermaid Inc. 2006 Long Term Incentive Plan.

10.2 Form of Performance Share Award Agreement.

10.3 Form of Stock Option Agreement for Mark D. Ketchum.

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.

NEWELL RUBBERMAID INC.

By: /s/ Dale L. Matschullat  
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Name: Dale L. Matschullat

EXHIBIT INDEX

Exhibit No. -----	Exhibit Description -----
10.1	Newell Rubbermaid Inc. 2006 Long Term Incentive Plan.
10.2	Form of Performance Share Award Agreement.
10.3	Form of Stock Option Agreement for Mark D. Ketchum.



2006 LONG TERM INCENTIVE PLAN (LTIP)  
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1.1 GRANT OF RESTRICTED STOCK. Under the terms and provisions of the Newell Rubbermaid Inc. 2003 Stock Plan (the "Stock Plan"), the terms of which are hereby incorporated by reference, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to eligible employees in such amounts, as the Board shall determine. This Long Term Incentive Plan establishes a methodology for determining awards of Restricted Stock under the Stock Plan. Awards made pursuant to this LTIP shall constitute Performance Shares for purposes of Section 9 of the Stock Plan and are intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. Based on attainment of the performance goals established pursuant to this LTIP, the Committee will grant shares of Restricted Stock to eligible Key Employees. A maximum of 250,000 shares of Restricted Stock may be granted to any eligible Key Employee in any one calendar year pursuant to this LTIP, in each case subject to adjustment as provided in the Stock Plan.

1.2 GUIDELINES. Each grant of Restricted Stock shall be made based on the applicable target of an employee's base salary set forth below:

- \* Salary Level 6 - 25%
- \* Salary Level 7 - 50%
- \* Salary Level 8 and above - 100%

The following criteria will be used to determine the actual level:

- \* Total Shareholder Return (75%)
- \* Free Cash Flow (25%)

The total point value will be used as follows:

- \* Total Shareholder Return will be calculated based on the following formula:

$$\frac{(\text{Change in Stock Price}) + (\text{Dividend})}{(\text{Beginning Stock Price})}$$

o	Top 4 of comparator group	=	100% of target
o	5 - 8 of comparator group	=	75% of target
o	9 - 12 of comparator group	=	50% of target
o	13 - 16 of comparator group	=	25% of target
o	Bottom 4 of comparator group	=	0%

NOTE: TARGET IS 75% OF THE TOTAL AWARD PAYOUT FOR SHAREHOLDER RETURN

As adopted by Board of Directors  
November 9, 2005

- \* The Free Cash Flow award will be calculated based on the following schedule:

o	> 110% of FCF target	=	100% of target
o	100 - 110% of FCF target	=	75% of target
o	90 - 100% of FCF target	=	50% of target
o	80 - 90% of FCF target	=	25% of target
o	<80% of FCF target	=	0%

NOTE: TARGET IS 25% OF THE TOTAL AWARD PAYOUT FOR FREE CASH FLOW

The list of eligible employees is determined prior to the beginning of the fiscal year. For 2006, all employees of Newell Rubbermaid holding the position of Director (Salary Level 6) or above shall be eligible to participate in the LTIP.

1.3 RESTRICTED STOCK AGREEMENT. Each Restricted Stock grant made

pursuant to this LTIP shall be evidenced by a Stock Award Agreement in accordance with Section 10 of the Stock Plan that shall specify the Period of Restriction at a 3 year cliff, the number of Shares of Restricted Stock granted, and such other provisions as the Committee shall determine.

1.4 TRANSFERABILITY. Except as provided in this Article, the Shares of Restricted Stock granted herein may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee in its sole discretion and set forth in the Stock Award Agreement. All rights with respect to the Restricted Stock granted to an eligible employee under the LTIP shall be available during his or her lifetime only to such eligible employee.

1.5 OTHER RESTRICTIONS. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the LTIP as it may deem advisable including, without limitation, continued employment with Newell Rubbermaid, restrictions based upon the achievement of specific company-wide performance goals, time-based restrictions on vesting following the attainment of performance goals, and/or restrictions under applicable federal or state securities laws. The Committee will establish performance targets annually in accordance with the standards set forth in this LTIP.

Except as otherwise provided in this Article or pursuant to the Stock Plan, Shares of Restricted Stock covered by each award of Restricted Stock made pursuant to the LTIP shall become freely transferable by the eligible employee after the last day of the applicable Period of Restriction.

As adopted by Board of Directors  
November 9, 2005

1.6 DIVIDENDS AND OTHER DISTRIBUTIONS. During the Period of Restriction, eligible employees holding Shares of Restricted Stock granted hereunder will be credited with regular cash dividends paid with respect to the underlying Shares while they are so held; provided that the Committee may apply any restrictions to the dividends that the Committee deems appropriate. Without limiting the generality of the preceding sentence, if the grant or vesting of Restricted Stock granted to an eligible employee is intended to qualify as performance-based compensation, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to such Restricted Stock, such that the dividends and/or the Restricted Stock maintain eligibility for the Performance-Based Exception.

1.7 TERMINATION OF EMPLOYMENT/DIRECTORSHIP. Each Stock Award Agreement shall set forth the extent to which the eligible employee shall have the right to receive unvested Restricted Stock following termination of the eligible employee's employment or directorship with Newell Rubbermaid. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Stock Award Agreement entered into with each eligible employee, need not be uniform among all Shares of Restricted Stock issued pursuant to the LTIP, and may reflect distinctions based on the reasons for termination; provided, however that, except in the cases of terminations connected with a Change in Control and terminations by reason or death or Total Disability, and certain terminations without Cause, the vesting of shares of Restricted Stock which qualify for the Performance-Based Exception and which are held by eligible employees shall occur at the time they otherwise would have, but for the termination.

1.8 PERFORMANCE GOALS. Following the completion of the performance period, the Committee shall determine, in its sole judgment, the extent to which such performance goals have been achieved and shall authorize the issuance of Restricted Stock to participants in accordance with the terms of this LTIP. No Restricted Stock will be awarded pursuant to this LTIP except on the basis of the attainment of such performance criteria and in the amount specified herein; provided that the Committee retains the discretion to reduce any amount to be awarded hereunder or to terminate an individual's participation in this LTIP. No individual who is not employed by the Company or any of its affiliates on the date of such determination by the Committee shall be eligible to receive an award of Restricted Stock hereunder.



1.9 CAPITALIZED TERMS. Capitalized terms used but not defined herein shall have the meanings assigned to such terms pursuant to the Stock Plan.

## NEWELL RUBBERMAID INC. 2003 STOCK PLAN

## PERFORMANCE SHARE AWARD AGREEMENT

A Performance Share Award (the "Award") granted by Newell Rubbermaid Inc., a Delaware corporation (the "Company"), to the employee named in the attached Award letter (the "Grantee"), relating to the common stock, par value \$1.00 per share and related preferred stock purchase rights (the "Common Stock"), of the Company, shall be subject to the following terms and conditions and the provisions of the Newell Rubbermaid Inc. 2003 Stock Plan (the "Plan"), a copy of which is attached hereto and the terms of which are hereby incorporated by reference:

1. ACCEPTANCE BY GRANTEE. The receipt of the Award is conditioned upon its acceptance by the Grantee in the space provided therefor at the end of the attached Award letter and the return of an executed copy of such Award letter to the Secretary of the Company no later than 60 days after the Award Date set forth therein or, if later, 30 days after the Grantee receives this Agreement.

2. ISSUANCE OF SHARES. On or prior to March 31, 2007, the Grantee shall be entitled to receive a number of shares of Common Stock (the "Award Shares") having a Fair Market Value (determined as of the Payout Date) equal to the product of the Payout Percentage multiplied by the Target Award. For purposes of this Award, (i) "Payout Date" shall mean the date on which the Award Shares, if any, are issued to Grantee pursuant to this Award; (ii) "Payout Percentage" shall mean the percentage of the target cash bonus earned by Grantee under the Company's Management Cash Bonus Plan for the 12-month period ending December 31, 2006; and (iii) "Target Award" shall mean the value of Grantee's target Performance Share award, which amount shall be calculated by multiplying the Grantee's base salary earned during the 12-month period ending December 31, 2006 by the percentage of the Grantee's base salary indicated as the target Award in the attached Award letter; provided that transfer of employment to a different position within the Company or any of its affiliates may result in adjustment of the percentage of the Grantee's base salary used to determine the Target Award, in the discretion of the Vice President Human Resources.

3. TRANSFER RESTRICTIONS. This Award shall not be sold, assigned, pledged or otherwise transferred, voluntarily or involuntarily, by the Grantee (or his estate or personal representative, as the case may be). Award Shares, once issued, shall be freely transferable and subject to no restrictions on transfer, other than any such restrictions arising under federal, state or foreign securities laws.

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4. DEATH, DISABILITY OR RETIREMENT. In the event that the Grantee's employment with the Company and all of its affiliates terminates due to the Grantee's death, disability or retirement, this Award and the Grantee's right (or the right of his estate or personal representative, as the case may be) to receive the Award Shares shall vest in full upon the date of such termination. For purposes of this Award, (i) "disability" means (as determined by the Committee in its sole discretion) the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or disability or which has lasted or can be expected to last for a continuous period of not less than 12 months; and (ii) "retirement" means the Grantee's termination from employment with the Company and all affiliates without cause (as determined by the Committee in its sole discretion) when the Grantee is 65 or older.

5. NORMAL VESTING; FORFEITURE. Grantee's right to receive the Award Shares shall vest in full in the event that the Grantee remains actively employed by the Company or any of its affiliates as of

December 31, 2006. Subject to the next following sentence, the Award shall be forfeited to the Company in the event that the Grantee's employment with the Company and all affiliates is terminated, voluntarily or involuntarily, at any time prior to December 31, 2006 for any reason other than the Grantee's death, disability or retirement (as described in Section 4 above). For the avoidance of doubt, any transfer of employment to a different position within the Company or any of its affiliates shall not result in a forfeiture of the Award. The foregoing provisions of this Section 5 shall be subject to the provisions of any written employment security agreement or severance agreement that has been or may be executed by the Grantee and the Company, and the provisions in such employment security agreement or severance agreement concerning the vesting of an Award in connection with the Grantee's termination of employment shall supercede any inconsistent or contrary provision of this Section 5.

6. WITHHOLDING TAXES. If applicable, the Grantee shall pay to the Company an amount sufficient to satisfy all minimum Federal, state and local withholding tax requirements prior to the delivery of any certificate for Award Shares. Payment of such taxes may be made by a method specified in the Plan and approved by the Committee.

7. RIGHTS AS STOCKHOLDER. Prior to the issuance of the Award Shares, the Grantee shall not possess any rights of a stockholder in respect of such shares by virtue of this Award. Upon issuance of the Award Shares, the Grantee shall be entitled to all of the rights of a stockholder of the Company with respect to the Award Shares, including the right to vote such shares and to receive dividends and other distributions payable with respect to such Award Shares from the Payout Date.

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8. SHARE DELIVERY. Delivery of the Award Shares will be by book-entry credit to an account in the Grantee's name established by the Company with the Company's transfer agent, or, provided that the Grantee has complied with all obligations and conditions set forth in the Plan and this Agreement, the Company shall, upon written request from the Grantee (or his estate or personal representative, as the case may be), issue certificates in the name of the Grantee (or his estate or personal representative) representing such Award Shares.

9. ADMINISTRATION. The Award shall be administered in accordance with such regulations as the Organizational Development and Compensation Committee of the Board of Directors of the Company (the "Committee") shall from time to time adopt.

10. PERFORMANCE GOALS. The Award is intended qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code. The parties acknowledge that the issuance of Award Shares will be determined based on the same performance goals that are utilized for determining cash awards under the Company's Management Cash Bonus Plan for the 12-month period ending December 31, 2006, and that such goals have been established in accordance with Section 9.3(a) of the Plan and Section 162(m) of the Code. Following the completion of such 12-month period, the Committee shall determine, in its sole judgment, the extent to which such performance goals have been achieved and shall authorize the issuance of Award Shares to the Grantee in accordance with the terms of this Award.

11. GOVERNING LAW. This Agreement, and the Award, shall be construed, administered and governed in all respects under and by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement is executed by the Company this \_\_\_th day of \_\_\_\_\_, \_\_\_\_\_, effective as of the \_\_\_day of \_\_\_\_\_, \_\_\_\_\_.

NEWELL RUBBERMAID INC.

By: \_\_\_\_\_



## NEWELL RUBBERMAID INC. 2003 STOCK PLAN STOCK OPTION AGREEMENT

A Stock Option (the "Option") granted by Newell Rubbermaid Inc., a Delaware corporation (the "Company"), to Mark D. Ketchum (the "Optionee"), for common stock, par value \$1.00 per share and related preferred stock purchase rights (the "Common Stock"), of the Company, shall be subject to the following terms and conditions:

1. STOCK OPTION GRANT. Subject to the provisions set forth herein and the terms and conditions of the Newell Rubbermaid Inc. 2003 Stock Plan (the "Plan"), a copy of which is attached hereto and the terms of which are hereby incorporated by reference, and in consideration of the agreements of the Optionee herein provided, the Company hereby grants to the Optionee an Option to purchase from the Company 75,000 shares of Common Stock, at the purchase price per share, and on other terms and conditions, set forth in the attached Option letter. Any incentive stock option is intended to be an incentive stock option within the meaning of Section 422A of the Internal Revenue Code of 1986.

2. ACCEPTANCE BY OPTIONEE. The exercise of the Option is conditioned upon its acceptance by the Optionee in the space provided therefor at the end of the attached Option letter and the return of an executed copy of such Option letter to the Secretary of the Company no later than 60 days after the Date of Grant set forth therein or, if later, 30 days after the Optionee receives this Agreement.

3. EXERCISE OF OPTION. Written notice of an election to exercise any portion of the Option shall be given by the Optionee, or his personal representative in the event of the Optionee's death, in accordance with procedures established by the Organizational Development and Compensation Committee of the Board of Directors of the Company (the "Committee"), as in effect at the time of such exercise.

At the time of exercise of the Option, payment of the purchase price for the shares of Common Stock with respect to which the Option is exercised must be made by one or more of the following methods: (i) in cash, (ii) in cash received from a broker-dealer to whom the Optionee has submitted an exercise notice and irrevocable instructions to deliver the purchase price to the Company from the proceeds of the sale of shares subject to the Option, (iii) by delivery to the Company of other Common Stock owned by the Optionee that is acceptable to the Company, valued at its fair market value on the date of exercise, or (iv) by certifying to ownership by attestation of such previously owned Common Stock.

If applicable, an amount sufficient to satisfy all minimum Federal, state and local withholding tax requirements prior to delivery of any certificate for shares of Common Stock must also accompany the exercise. Payment of such taxes can be made by a method

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specified above, and/or by directing the Company to withhold such number of shares of Common Stock otherwise issuable upon exercise of the Option with a fair market value equal to the amount of tax to be withheld.

4. FORFEITURE AND VESTING OF OPTION.

(a) In the event the Optionee's employment with the Company terminates on or before November 8, 2006 for any reason, a portion of the Option will be forfeited as of the date of such termination. The forfeited portion of the Option shall be with respect to a number of shares of Common Stock equal to 75,000 shares, multiplied by a fraction, the numerator of which is the number of full and partial

months from the date of termination of employment through November 8, 2006 and the denominator of which is 12. Any fractional shares shall be rounded down for purposes of determining the number of shares forfeited.

If the Optionee remains employed with the Company from the Grant Date until November 9, 2006, no portion of the Option will be forfeited. Any portion of the Option that is not forfeited pursuant to this Section 4(a) shall be subject to the vesting schedule set forth in Section 4(b).

(b) Any portion of the Option that is not forfeited pursuant to Section 4(a) shall vest and be exercisable at a rate equal to 20% thereof as of each anniversary of the Grant Date while the Optionee's employment with the Company, and/or service on the Board, continues, except as described in Section 5 below.

#### 5. EXERCISE UPON TERMINATION OF EMPLOYMENT.

In the event the Optionee's employment with the Company terminates for any reason other than death or disability (as defined below), and in connection therewith the Optionee's service on the Board terminates, the Option shall expire on the date of such termination of employment, and no portion shall be exercisable after the date of such termination.

In the event of the Optionee's death or disability during employment with the Company, the outstanding portion of the Option that is not forfeited pursuant to Section 4(a) above shall become fully vested on such date and shall continue to be exercisable until the earlier of the first anniversary of the date of the Optionee's death or disability, or the date the Option expires by its terms. In the event the Optionee's employment with the Company terminates for any reason other than death or disability, and the Optionee's service on the Board continues thereafter, the outstanding portion of the Option that is not forfeited pursuant to Section 4(a) above shall continue to vest and remain exercisable in accordance with Section 4(b). If the Optionee's service on the Board subsequently terminates, then (a) if the termination of service is due to retirement, the

outstanding portion of the Option that is not forfeited pursuant to Section 4(a) above shall continue to vest and remain exercisable in the same manner and to the same extent as if the Optionee had continued his service on the Board, (b) if the termination of service is due to death or disability, the outstanding portion of the Option that is not forfeited pursuant to Section 4(a) above shall become fully vested on such date and shall continue to be exercisable until the earlier of the first anniversary of the date of the Optionee's death or disability, or the date the Option expires by its terms, and (c) if the termination of service is for any reason other than death or disability, the Option shall expire on the date of such termination of service, and no portion shall be exercisable after the date of such termination.

For purposes of this Section 5, (i) "disability" means (as determined by the Committee in its sole discretion) the inability of the Optionee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or disability or which has lasted or can be expected to last for a continuous period of not less than 12 months, and (ii) retirement means retirement in accordance with the Company's retirement policy for Directors.

The foregoing provisions of this Section 5 shall be subject to the provisions of any written employment security agreement or severance agreement that has been or may be executed by the Optionee and the Company, and the provisions in such employment security agreement or severance agreement concerning exercise of an Option shall supercede any inconsistent or contrary provisions of this Section 4.

6. OPTION NOT TRANSFERABLE. The Option may be exercised only by the Optionee during his lifetime and may not be transferred other

than by will or the applicable laws of descent or distribution or pursuant to a qualified domestic relations order. The Option shall not otherwise be assigned, transferred, or pledged for any purpose whatsoever and is not subject, in whole or in part, to attachment, execution or levy of any kind. Any attempted assignment, transfer, pledge, or encumbrance of the Option, other than in accordance with its terms, shall be void and of no effect.

7. SURRENDER OF OR CHANGES TO AGREEMENT. In the event the Option shall be exercised in whole, this Agreement shall be surrendered to the Company for cancellation. In the event this Option shall be exercised in part or a change in the number of designation of the shares of Common Stock shall be made, this Agreement shall be delivered by the Optionee to the Company for the purpose of making appropriate notation thereon, or of otherwise reflecting, in such manner as the Company shall determine, the change in the number or designation of such shares.

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8. ADMINISTRATION. The Option shall be exercised in accordance with such administrative regulations as the Organizational Development and Compensation Committee of the Board of Directors of the Company (the "Committee") shall from time to time adopt.

9. GOVERNING LAW. This Agreement, and the Option, shall be construed, administered and governed in all respects under and by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement is executed by the Company this \_\_\_\_ day of November, 2005, effective as of the 9th day of November, 2005.

NEWELL RUBBERMAID INC.

By: \_\_\_\_\_

