

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 (Date of earliest event reported): **August 10, 2009**

Lifetime Brands, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-19254

(Commission File Number)

11-2682486

(IRS Employer Identification No.)

1000 Stewart Avenue, Garden City, New York 11530

(Address of Principal Executive Offices)(Zip Code)

(Registrant's Telephone Number, Including Area Code) **516-683-6000**

(Former Name or Former Address, if Changed Since Last Report) **N/A**

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 (see General Instruction A.2. below):

- 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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Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 10, 2009, Lifetime Brands, Inc. (the "Company") entered into an Amended and Restated Employment Agreement (the "Agreement") with Ronald Shiftan, the Company's Vice Chairman and Chief Operating Officer (the "Executive").

The following is a summary of changes to the Agreement:

- (i) The term of the Executive's employment has been extended to December 31, 2012, and for additional one-year periods thereafter, unless the Executive's employment is earlier terminated or the Company or the Executive gives notice of the intention not to extend the term of the Agreement.
- (ii) Effective January 1, 2010, the Executive's base salary will increase from \$518,000 to \$566,000.
- (iii) For each year of the Agreement, the Executive is entitled to receive bonuses; (a) limited by or based on the Company's Adjusted Income Before Income Taxes, and (b) the Executive having met certain individual performance goals for such year.
- (iv) On August 10, 2009, the Company granted the Executive options to purchase 125,000 shares of the Company's common stock pursuant to the Company's 2000 Long-Term Incentive Plan. The options are exercisable at the closing price of the common stock on August 10, 2009 of \$5.32, expire five years from the date of grant and vest 25% on December 31, 2009, and 75% in three equal annual installments thereafter. The options are subject to earlier vesting, as provided elsewhere in the Agreement.
- (v) The provisions relating to Section 409A of the U.S. Internal Revenue Code have been modified.

The information provided in this Item 5.02 is qualified in its entirety by reference to the terms of the agreement attached hereto as Exhibit 10.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 [Amended and Restated Employment agreement dated August 10, 2009 between Lifetime Brands, Inc. and Ronald Shifan.](#)

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 thereunto duly authorized.

Lifetime Brands, Inc.

By: /s/ Laurence Winoker
Laurence Winoker
Senior Vice President – Finance, Treasurer
and Chief Financial Officer

Date: August 12, 2009

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of this 10th day of August, 2009, by and between LIFETIME BRANDS, INC., a Delaware corporation (the "Employer"), and RONALD SHIFTAN (the "Executive").

WITNESSETH:

WHEREAS, Employer and Executive entered into an Employment Agreement dated as of October 17, 2005 (the "Employment Agreement");

WHEREAS, Employer and Executive entered into an Amendment dated as of June 7, 2007 of the Employment Agreement (the "First Amendment");

WHEREAS, Employer and Executive entered into an Amendment dated as of February 21, 2008 of the Employment Agreement, as amended by the First Amendment (the "Second Amendment" and, together with the First Amendment, the "Amendments");

WHEREAS, Employer and Employee desire to further amend and restate the Employment Agreement, as amended by the Amendments

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto hereby agree that the Employment Agreement as amended by the Amendments is hereby further amended and restated as follows:

1. Employment and Duties

(a) General. Effective as of July 1, 2005 (the "Effective Date"), the Employer hereby employs the Executive as the Vice Chairman and Chief Operating Officer of the Employer, and the Executive agrees upon the terms and conditions herein set forth to be employed by the Employer. In such capacity, the Executive shall report directly to the Chief Executive Officer of the Employer. The Executive shall perform all of the duties normally accorded to such position, as directed by the Employer.

(b) Services. For so long as the Executive is employed by the Employer, the Executive shall perform his duties faithfully and shall devote his full business time, attention and energies to businesses of the Employer, and while employed, shall not engage in any other business activity that is in conflict with his duties and obligations to the Employer.

(c) No Other Employment. During the Term, the Executive shall not, directly or indirectly, render services to any other person or organization for which he receives compensation; provided, however, that upon the receipt of the Board's prior written

approval to be granted in its sole discretion, which approval shall not unreasonably be withheld, the Executive may accept an election to the board of directors of no more than two other companies without being deemed to have violated Section 1(b) hereof, provided that such activities do not otherwise conflict with his duties and obligations to the Employer. No such approval will be required if the Executive seeks to perform services without direct compensation therefore in connection with the management of personal investments or in connection with the performance of charitable and civic activities, provided that such activities do not contravene the provisions of Section 1(b) and Section 5 thereof.

(d) Board Membership. The Executive is currently Vice Chairman and a member of the Board of Directors of the Employer. The Employer shall recommend that Executive be nominated for re-election to the Board and to be re-appointed Vice Chairman of the Board annually during the Term. Upon request by the Employer at the end of the Term, or upon notice given by the Employer or Employee of the intention not to extend the Term, the Executive shall resign his membership on the Board of Directors and resign as Vice Chairman at the time he is no longer employed by the Employer.

2. Term of Employment.

Term. The term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and continue until December 31, 2012, unless his employment is sooner terminated pursuant to the provisions of Section 4 hereof; provided, however, that commencing on December 31, 2012 and on each anniversary of that date thereafter, the Term shall be extended for an additional one year period unless either party gives notice of the intention not to extend the Term at least 180 days prior to each such anniversary date.

3. Compensation and Other Benefits. Subject to the provisions of this Agreement, the Employer shall pay and provide the following compensation and other benefits to the Executive during the Term as compensation for all services rendered hereunder:

(a) Salary. As of January 1, 2008, the Employer shall pay to the Executive a base salary (the "Salary") at an annual rate of \$518,000. As of January 1, 2010, the salary payable by the Employer to the Executive shall be increased to an annual rate of \$566,000. The Salary shall be payable to the Executive in accordance with the normal payroll practices of the Employer as are in effect from time to time.

(b) Bonuses. For each year during this Agreement, commencing with the year ending December 31, 2009, the Executive shall receive bonuses determined as follows:

- (i) Bonuses for 2009 With respect to the year ending December 31, 2009, the Executive shall receive the bonuses provided for in Sections 3(b) and 3(c) of this Agreement in effect prior to the amendments thereto made pursuant to this Agreement dated August 10, 2009 (which bonuses for purposes of this Agreement are assumed to result in a greater amount); provided, however, in no event shall the aggregate amount payable to the Executive pursuant to such Sections 3(b) and 3(c) exceed the "2009 Annual Adjusted IBIT Performance Bonuses" as defined in this Section 3(b).

For purposes of this Agreement, the 2009 Annual Adjusted IBIT Performance Bonus shall be that amount shown opposite the Adjusted IBIT achieved by the Employer for such year in the 2009 Adjusted IBIT Performance Bonus Table delivered concurrently herewith to the Executive by the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Employer (the "2009 Adjusted IBIT Performance Bonus Table"), provided, however, if the amount of the Adjusted IBIT achieved by the Employer for such year is an amount between two of the amounts in such table the Annual Adjusted IBIT Performance Bonus for such year shall be that amount equal to:

(x) the Annual Adjusted IBIT Performance Bonus that would be payable by the Employer to the Executive if the Adjusted IBIT achieved is the lower of such amounts, plus

(y) that amount equal to:

(1) a fraction the numerator of which is the difference between the Adjusted IBIT achieved and the lower of the two such amounts and the denominator of which is the difference between the two such amounts times

(2) the difference between the amounts of the bonuses that would be paid with respect to the two such amounts.

Notwithstanding anything to the contrary contained in this Agreement, the 2009 Adjusted IBIT Performance Bonus will be zero if the Adjusted IBIT achieved by the Employer for the year ending December 31, 2009 is less than the threshold Adjusted IBIT for 2009 and in no event will the 2009 Adjusted IBIT Performance Bonus be greater than the maximum 2009 Adjusted IBIT Performance Bonus even if the Adjusted IBIT achieved by the Employer for the year ending December 31, 2009, exceeds the maximum Adjusted IBIT for 2009.

The Employer shall pay in 2010 to the Executive the Adjusted IBIT Performance Bonus for 2009 earned by the Executive within ten days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ending December 31,

2009; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (i) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (ii) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine such amount. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess.

- (ii) Bonuses for 2010 and Years Thereafter. For each year following the year ending December 31, 2009, the Compensation Committee will prepare an Adjusted IBIT Performance Bonus Table for such year which shall be similar to the 2009 Adjusted IBIT Performance Table except that (a) the Adjusted IBIT to be achieved by the Employer for the Executive to obtain 100% of the target bonus will be based on the annual budget for such year as prepared by the management of the Employer and discussed by the management of the Employer with the Board of Directors of the Employer and (b) the target bonus payable upon achieving 100% of the target Adjusted IBIT for such year will be 90% of the salary payable to the Executive for such year. Similarly, the threshold Adjusted IBIT for such year will be an amount between 52% and 56% of the target Adjusted IBIT for such year which, if achieved, would entitle the Executive to receive 50% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year. Similarly, the maximum Adjusted IBIT for such year will be 150% of the target Adjusted IBIT for such year which, if achieved, would entitle the Executive to receive 150% of the target bonus for such year consistent with the Adjusted IBIT Performance Bonus Table for such year.

Notwithstanding anything to the contrary contained in this Agreement, the Adjusted IBIT Performance Bonus for any such year will be zero if the Adjusted IBIT achieved by the Employer for such year is less than the threshold Adjusted IBIT for such year, and in no event will an Adjusted IBIT Performance Bonus for such year be more than the maximum target bonus for such year even if the Adjusted IBIT achieved by the Employer for such year exceeds the maximum Adjusted IBIT for such year.

The Employer shall pay in each of the immediate following years to the Executive the Adjusted IBIT Performance Bonus earned by the Executive for such preceding year within ten days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for such preceding year; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (i) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (ii) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine such amount. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess.

The bonuses payable by the employer to the Executive pursuant to this clause (ii) shall be awarded under and subject to the terms of the Employer's 2000 Incentive Bonus Compensation Plan (the "Plan"); provided, however, if the Employer shall determine that such bonuses would not qualify under the terms of the Plan., the Employer shall use its best efforts to amend the Plan so that such bonuses would qualify under the terms of the Plan; provided further, however, if the Employer is unable to so amend the Plan, the Employer shall enter into another financial arrangement with the Executive to provide the Executive with the same economic benefit, on an after-tax basis, as the Executive would have received if such bonuses had qualified under the terms of the Plan.

- (iii) For purposes of this Agreement, the term "Adjusted IBIT", as it applies to any particular year, means that amount for such year equal to the Employer's Income Before Income Taxes, as determined by the Employer's independent auditors, using generally accepted accounting principals, and reported in the Employer's Consolidated Statements of Operations in its Annual Report on Form 10-K for such year filed with the Securities and Exchange Commission, subject to such adjustments as are set forth in the Adjusted IBIT Performance Bonus Table for such year.
- (iv) If the Executive's employment is terminated (w) by the Employer for any reason other than Cause, (x) by the Executive for Good Reason,

(y) by the Employer or the Executive due to the Executive's Disability, or (z) by reason of the Executive's death, the Annual Adjusted IBIT Performance Bonus payable to the Executive or his estate, as the case may be, accrued to the date of termination of the Executive's employment shall be that amount equal to (1) the amount of the Annual Adjusted IBIT Performance Bonus that would have been payable to the Executive if the Executive's employment had not been terminated during the year times (2) a fraction the numerator of which is the number of months elapsed during the year up to and including the month of termination of the Executive's employment and the denominator of which is 12.

The Executive shall be entitled to participate in any other annual bonus plan maintained by the Employer for its senior executives on such terms and conditions as may be determined from time to time by the Compensation Committee of the Board of Directors of the Employer.

(c) Annual Individual Goal Bonus. For each year during the Agreement, commencing with the year ending December 31, 2009, the Executive shall be entitled to receive an Annual Individual Goal Bonus equal to 10% of his Salary for such year based on meeting individual measurable objectives set by the Chief Executive Officer and monitored by the Compensation Committee of the Board of Directors. If the Executive meets at least 50% of such objectives, he shall be entitled to an Annual Individual Goal Bonus equal to 5% of his Salary for such year. If the Executive meets less than 50% of such objectives, he shall not be entitled to receive any Annual Individual Goal Bonus for such year.

d) Option Grants. The Employer has granted, effective August 10, 2009, an option to Executive to purchase 125,000 shares of the Employer's common stock (the "Stock") pursuant to the Employer's 2000 Long-Term Incentive Plan, as it may be amended from time to time, equal to the closing price of the common stock on August 10, 2009. The options are exercisable no more than five (5) years from the date of grant. Twenty Five percent (25%) of the options vest and become exercisable on December 31, 2009, and the balance shall vest and become exercisable in three equal annual installments thereafter commencing on December 31, 2010. Such options shall be subject to earlier vesting as provided elsewhere in this Agreement.

(e) Expenses.

(i) The Employer shall promptly reimburse the Executive for all reasonable out-of-pocket expenses incurred by the Executive in connection with his employment hereunder upon submission of appropriate documentation or receipts in accordance with the policies and procedures of the Employer as in effect from time to time.

(ii) The Employer agrees to reimburse, upon submission of appropriate documentation in accordance with the policies and procedures of the Employer as in effect from time to time, the Executive in full for services paid by the Executive, or pay directly, upon submission by the Executive to the Corporation of statements for services payable by the Executive, rendered by any person or persons of the Executive's choice that the Executive retains to advise the Executive with regard to legal, financial, investment and/or tax advice, and the drafting of wills and trusts in connection with estate planning; provided however such reimbursement or payment shall not in the aggregate exceed fifteen thousand dollars (\$15,000) during any calendar year beginning with the calendar year 2009.

(f) Pension, Welfare and Fringe Benefits. During the Term, the Executive shall be eligible to participate in the pension, medical, disability and life insurance plans applicable to senior executives of the Employer generally in accordance with the terms of such plans as in effect from time to time. The foregoing shall not be construed to limit the ability of the Employer or any of its affiliates to amend, modify or terminate any such benefit plans, policies or programs at any time and from time to time.

(g) Life Insurance. The Employer shall reimburse, upon submission of appropriate documentation in accordance with the policies and procedures of the Employer as in effect from time to time, the Executive for the first \$60,000 of total premiums per year with respect to a life insurance policy on the life of the Executive which policy shall be purchased by Executive and owned by the Executive and the benefits of which shall be payable to the Executive's beneficiaries.

(h) Vacation. During each year of the Term the Executive shall be eligible for thirty (30) days paid vacation, in accordance with the policies periodically established by the Board for similarly situated senior executives of the Employer.

(i) Automobile Use. During the term of Executive's employment hereunder, Employer shall provide the Executive with an Audi A8L or similar vehicle and reimbursement of expenses incurred in connection therewith.

4. Termination of Employment. Subject to the notice and other provisions of this Section 4, the Employer shall have the right to terminate the Executive's employment hereunder, and the Executive shall have the right to resign, at any time for any reason or for no stated reason.

(a) Termination for Cause; Resignation Without Good Reason.

(i) If, prior to the expiration of the Term, the Executive's employment is terminated by the Employer for "Cause" (as defined below) or if the Executive resigns from his employment hereunder other than for "Good Reason" (as defined below), the Executive shall be entitled to the following amounts only: (A) payment of his Salary accrued up to and including the date of termination or resignation of his employment, (B) payment in lieu of any accrued but unused vacation time, and (C) payment of any unreimbursed expenses (collectively, the "Accrued Obligations"). Except to the extent required by the terms of the programs described in Section 3(e) or applicable law, the Executive shall have no further right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination or resignation of employment. Notwithstanding anything to the contrary in this Agreement, the Executive shall be entitled to exercise any then-outstanding stock options granted to the Executive that shall have vested on or prior to such termination or resignation of employment.

(ii) "Cause" means (i) the Executive is convicted of a felony involving moral turpitude or (ii) the Executive is guilty of willful gross neglect or willful gross misconduct in carrying out his duties under this Agreement, resulting, in either case, in material economic harm to the Employer.

(iii) "Good Reason" means the occurrence of any of the following without the Executive's prior written consent: (a) a reduction in the Executive's salary unless such reduction is in connection with a company-wide reduction in officers' salaries; (b) a material diminution in the Executive's duties, or the assignment to the Executive of duties materially inconsistent with his authority, responsibilities and reporting requirements as set forth in Section 1 of this Agreement; (c) the failure of the Board or a nominating committee thereof to nominate the Executive for election to the Board or as Vice-Chairman of the Board and Chief Operating Officer, (d) the Employer, the Board or any person controlling the Employer requires the Executive to relocate his principal place of employment to a location other than New York, New Jersey or Connecticut unless such relocation is temporary or the result of exigent circumstances; or (e) the failure of the Employer to obtain the assumption in writing of its obligations to perform this Agreement by any successor to all or substantially all of the business or assets of the Employer not later than the effective date of such transaction; or (f) a material breach of this Agreement by the Employer. In the event that Executive elects to terminate the Agreement for Good Reason, he shall notify the Employer in writing of the grounds for such termination within thirty (30) days of the commencement of such condition and the Employer shall have twenty (20) days from receipt of such notice to cure such condition.

(iv) Termination of the Executive's employment for Cause shall be communicated by delivery to the Executive of a written notice from the Employer stating that the Executive will be terminated for Cause, specifying the particulars thereof and the effective date of such termination; provided, however, that no such written notice shall be effective unless the cure period specified in Section 4(a)(ii)(B) or (C) (if applicable) has expired without the Executive having corrected the event or events subject to cure. The date of a resignation by the Executive without Good Reason shall be the date specified in a written notice of resignation from the Executive to the Employer; provided, however, that the Executive shall provide at least 30 days' advance written notice of resignation without Good Reason.

(b) Involuntary Termination.

(i) If, prior to the expiration of the Term, the Executive's employment is terminated (w) by the Employer for any reason other than Cause, (x) by the Executive for Good Reason, (y) by the Employer or the Executive due to the Executive's Disability or (z) by reason of the Executive's death (such a resignation or termination being hereinafter referred to as an "Involuntary Termination"), the Executive shall be entitled to payment of the Accrued Obligations. In addition, in the event of the Executive's Involuntary Termination, the Employer shall, conditioned upon the Executive's execution of a customary release of all claims against the Employer and its officers, directors, shareholders and affiliates, if any, in a form prescribed by the Employer, pay to the Executive as severance (the "Severance Payments") the following amounts:

- (x) 3.0 times the Salary,
- (y) 3.0 times the average annual bonus paid by the Employer to the Executive with respect to the two immediately preceding years and
- (z) the Annual Adjusted IBIT Performance Bonus accrued to the date of Termination calculated in accordance with Section 3(b).

The Employer shall pay to the Executive (1) the amounts referred to in clauses (x) and (y) in cash, in lump sum within 30 days of such termination and (2) the amount referred to in clause (z) within 10 days of the Employer filing with the Securities and Exchange Commission its Annual Report on Form 10-K for the year in which such termination occurs.; provided, however if the date established by the Internal Revenue Service (the "IRS Payment Date") by which such payment must be made in order for the Employer to deduct the amount of the Adjusted IBIT Performance Bonus for such year is earlier, the Employer shall pay, (i) if the Employer can determine such amount by the IRS Payment Date, such amount prior to the IRS Payment date or (ii) if the Employer cannot determine such amount by the IRS Payment Date, 90% of the Employer's good faith estimate of such amount by the IRS Payment Date and the balance, if any, as soon thereafter as the Employer can determine such amount. If, however, 90% of the Employer's good faith estimate of such amount is more than the Adjusted IBIT Performance Bonus for such year, the Executive shall promptly return such excess to the Employer as soon as the Employer shall notify the Executive of the amount of such excess. In addition, in the event of the Executive's Involuntary Termination, all of the Executive's then-outstanding

stock options shall be immediately vested and exercisable. Anything in this Agreement to the contrary notwithstanding, no Severance Payments shall be payable under this Section 4(b) if the Executive's employment with the Employer ends at the expiration or non-renewal of the Term in accordance with Section 2.

(ii) In the event of the Executive's Involuntary Termination, the Executive shall continue to participate on the same terms and conditions as are in effect immediately prior to such termination or resignation and at the Employer's expense in the Employer's health and medical plans and any other benefits provided to the Executive pursuant to Section 3(e) above at the time of such Involuntary Termination until the end of the Term or until the Executive obtains other employment, whichever occurs first. Anything herein to the contrary notwithstanding, the Employer shall have no obligation to continue to maintain any plan, program or level of benefits solely as a result of this Agreement.

(iii) The date of termination of employment without Cause shall be the date specified in a written notice of termination to the Executive. The date of resignation for Good Reason shall be the date specified in a written notice of resignation from the Executive to the Employer, provided, however, that no such written notice shall be effective unless the cure period specified in Section 4(a)(iii) (if applicable) above has expired without the Employer having corrected the event or events subject to cure.

(c) Involuntary Termination in Connection with Certain Changes in Control.

If, during the Term, the Employer undergoes a "Change in Control" (as defined below), and either (x) the Executive's employment is thereafter terminated under circumstances that would constitute an Involuntary Termination or (y) the Executive undergoes an Involuntary Termination and within 90 days of the Involuntary Termination, the Employer executes a definitive agreement to enter into a transaction the consummation of which would result in a "Change in Control" and such transaction is actually consummated, all of the Executive's then-outstanding stock options shall be immediately vested and exercisable and the Executive shall be entitled to payment of the Accrued Obligations and, conditioned upon his execution of a customary release of all claims against the Employer, successor, officers, directors, employees and its affiliates, if any, in a form prescribed by the Employer, the Severance Payments. In addition, the Executive shall be entitled to the continuation of benefits in accordance with the terms of Section 3(e). The Employer shall make the payments and provide the benefits to be paid and provided under this Agreement; provided, however, if all or any portion of the payments and benefits provided under this Agreement, either alone or together with other payments and benefits which the Executive receives or is then entitled to receive from the Employer or otherwise, would constitute a "parachute payment" within the meaning of Section 280G of the Code (or a similar or successor provision), the Employer shall reduce such payments hereunder and such other payments to the extent necessary so that (A) no portion thereof shall be subject to the excise tax imposed by Section 4999 of the Code (or a similar or successor provision); and, (B) by reason of such reduction, the net after-tax benefit to the Executive shall exceed the net after-tax benefit if such reduction

were not made. The determination of whether the payments shall be reduced as provided in this Section 4(c) and the amount of such reduction shall be made at the Employer's expense by a public accounting firm retained by the Employer at the time the calculation is to be performed, the selection of which is agreed to by the Executive, such agreement not to be unreasonably withheld (the "Accounting Firm"). The Accounting Firm shall provide its determination, together with detailed supporting calculations and documentation to the Employer and the Executive within twenty (20) business days of the payment of the initial installment of the Change in Control Severance Payment, or within such time as is administratively practical. The Executive may review these calculations for a period of twenty days and may retain another accounting firm (at his own expense) for such review and submit objections during such twenty-day review period.

(i) "Change in Control" means (A) the consummation of a merger or consolidation of the Employer with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's issued shares or securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Employer 180 days prior to such merger, consolidation or other reorganization; (B) the sale, transfer or other disposition of all or substantially all of the Employer's assets; (C) a change in the composition of the Board, as a result of which fewer than 50% of the incumbent directors are directors who had been directors of the Employer on the date 24 months prior to the date of the event that may constitute a Change in Control (for example, the current Board has eight directors, a change of five Directors shall constitute a Change in Control); (D) any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), directly or indirectly, of securities of the Employer representing at least 50% of the total voting power represented by the Employer's then outstanding voting securities (e.g., issued shares). The term "person" shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Employer or of any subsidiary of the Employer and (ii) a company owned directly or indirectly by the shareholders of the Employer in substantially the same proportions as their ownership of the ordinary shares of the Employer.

(d) Termination Due to Disability. In the event of the Executive's Disability, either the Employer or the Executive shall be entitled to terminate Executive's employment. In the event that Executive elects to terminate his employment due to disability, such termination nevertheless shall be deemed to be an Involuntary Termination and the Executive shall be entitled to payment of the Accrued Obligations, the Severance Payments and any disability benefits that are provided under the terms of any plan, program or arrangement referred to in Section 3(e) applicable to the Executive at the time of his Disability. In addition, in the event the Executive's employment is terminated due to Disability, all of the Executive's then-outstanding stock options shall be immediately vested and exercisable.

“Disability” shall mean any physical, mental, emotional, physiological or other condition that restricts or threatens to restrict the Executive’s ability substantially to perform his duties and responsibilities under this Agreement. Any dispute as to whether or not the Executive is disabled within the meaning of the preceding sentence shall be resolved by a physician or other health care professional selected in good faith by the Executive, and approved by the Employer’s Board of Directors, which approval shall not be unreasonably withheld, and the determination of such physician or other health care professional shall be final and binding upon both the Executive and the Employer.

(e) Death. Except as provided in Sections 4(b)(ii), 4(c)(ii) and this Section 4(e), no Salary or benefits shall be payable under this Agreement following the date of the Executive's death. In the event of the Executive's death, the Accrued Obligations and the Severance Payments shall be paid to the Executive's Beneficiary within 30 days of such termination. The Executive's Beneficiary shall also be entitled to any death benefits that are provided under the terms of any plan, program or arrangement referred to in Section 3(e) applicable to the Executive at the time of death. In addition, in the event of the Executive’s death, all of the Executive’s then-outstanding stock options shall be immediately vested and exercisable.

(f) Beneficiary. For purposes of this Agreement, "Beneficiary" shall mean the person or persons designated in writing by the Executive to receive benefits under a plan, program or arrangement or to receive the Severance Payments, if any, in the event of the Executive's death, or, if no such person or persons are designated by the Executive, the Executive's estate. No Beneficiary designation shall be effective unless it is in writing and received by the Employer prior to the date of the Executive's death.

(g) No Mitigation; No Offset. In the event of any termination of his employment hereunder, by the Employer without Cause or by the Executive for Good Reason, the Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation provided to the Executive in any subsequent employment.

5. Protection of the Employer's Interests.

Restrictive Covenants; Injunctive Relief. The Executive acknowledges and agrees that (i) the principal business of the Employer is the design, importation and distribution of a broad range of household cutlery, kitchenware, tabletop, cutting boards, pantryware and bakeware products; (ii) he is one of the limited number of persons who has developed, and will continue to develop, that business; (iii) the business of the Employer is conducted throughout the United States; (iv) his work for the Employer has included the identification and solicitation of present and prospective suppliers and customers and the maintenance of supplier and customer relationships and goodwill; (v) the suppliers and customers of the Employer are engaged in supplying and purchasing various types of houseware products including cutlery, kitchenware, tabletop, cutting boards, pantryware and bakeware products; (vi) his work for the Employer has provided

him, and will continue to provide him, with confidential and proprietary information including customer and supplier lists and marketing strategies; and (vii) the business of the Employer and the potential for its continued success have been, and will continue to be, dependent on unique personal skills of the Executive and his diligent efforts in implementing those skills on behalf of the Employer and in this regard the services to be provided by him are special, unique and extraordinary. Accordingly, in order to induce the Employer to enter into this Agreement, the Executive covenants and agrees that:

(a) During the Term and for a period of five years thereafter (together, the "Restricted Period"), the Executive shall not:

(i) engage in the business of importing or distributing any cutlery, kitchenware, tabletop, cutting boards, pantryware or bakeware products whatsoever or any other houseware products related to or competitive with the products distributed by the Employer or any of its subsidiaries or engage in any other business engaged in by the Employer or any of its subsidiaries at the time or at any time during the immediately preceding twelve-month period (the "Prohibited Activity") in the United States for his own account; (b) directly or indirectly enter the employ of, or render any services to, any Person engaged in any Prohibited Activity in the United States; (c) have an interest in any Person engaged in any Prohibited Activity in the United States, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, employee, trustee, consultant or in any other relationship or capacity; provided, however, that the Executive may own directly, or indirectly, solely as an investment, securities of any Person which are traded on any national securities exchange or in the over-the-counter market if the Executive (x) is not a controlling Person of, or a member of a group that controls, the Person or (y) does not directly or indirectly, own 5% or more of any class of securities of the Person;

(ii) directly or indirectly hire, engage or retain any Person who at any time within the immediately preceding two (2) year period was a supplier, client or customer of the Employer or any of its subsidiaries, or directly or indirectly solicit, entice or induce any Person to become, a supplier, client or customer of any other Person engaged in any Prohibited Activity; or

(iii) directly or indirectly hire, employ or retain any person who at any time within the immediately preceding two (2) year period was an employee of the Employer or any of its subsidiaries or directly or indirectly solicit, entice, induce or encourage any such person to become employed by any other Person.

(b) During the Restricted Period, the Executive shall keep secret and retain in strictest confidence, and shall not use for the benefit of himself or any other Person except in connection with the business and affairs of the Employer, all confidential or proprietary information of the Employer and its subsidiaries, including, without limitation, trade "know-how", secrets, consultant contracts, supplier lists, customer lists, pricing policies, cost information, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, new personnel plans, methods of manufacture, technical processes, designs and design projects and other

business affairs of the Employer and its subsidiaries learned by the Executive heretofore or during the Term of this Agreement, and shall not disclose them to anyone outside the Employer and its subsidiaries, either during or after his employment by the Employer, except as required in the course of performing duties hereunder or with the Employer's express written consent; provided, however, that the Executive shall not be bound by the restrictive obligations of this Section 5(b) with respect to any matter that is or becomes publicly known through no act of the Executive or that is permitted by Section 5(a). All memoranda, reports, notes, customer or supplier lists, correspondence, records and other documents (and all copies) made or compiled by the Executive, or made available to the Executive, concerning the business of the Employer or any of its subsidiaries shall be the Employer's property and shall be delivered to the Employer promptly upon the termination of the Term.

(c) The Executive hereby acknowledges that the covenants of the Executive contained in Sections 5(a) and (b) (the "Restrictive Covenants") are reasonable and valid in all respects and that the Employer is entering into this Agreement in reliance, inter alia, on his acknowledgment. If the Executive breaches, or threatens to commit a breach of, any of the Restrictive Covenants, the Employer shall have the right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any breach or threatened breach will cause irreparable injury to the Employer and that money damages will not provide an adequate remedy to the Employer. If any court determines that any of the Restrictive Covenants, or any part is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions; and if any court construes any of the Restrictive Covenants, or any part to be unenforceable because of the duration of the provision, the scope of the restrictions, or the area covered thereby, the court shall have the power to reduce the duration or area of the provision and, in its reduced form, the provision shall then be enforceable and shall be enforced.

(d) For purposes of this Section 5, the term "Person" shall mean an individual, partnership, joint venture, corporation, trust, unincorporated association, other business entity or government or department, agency or instrumentality (whether domestic or foreign).

6. Indemnification; Insurance.

(a) The Employer agrees that if the Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Employer or is or was serving at the request of the Employer as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, the Executive shall be indemnified and held harmless by the Employer to the fullest extent legally permitted or authorized by the Employer's certificate of incorporation or bylaws or resolutions of the Employer's Board against all cost, expense,

liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or other liabilities or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if he has ceased to be a director, member, employee or agent of the Employer or other entity and shall inure to the benefit of the Executive's heirs, executors or administrators (the "Indemnified Claims"). Provided that the Executive provides the Employer with prompt notice of any such Proceeding or Indemnified Claim, then the Employer shall advance to the Executive all reasonable attorneys fees and expenses incurred by him in connection with a Proceeding or Indemnified Claim within a reasonable time after submission of reasonable documentation of such fees and expenses. Such request shall include an undertaking by the Executive to repay the amount of such advance if it shall ultimately be determined that he is not entitled by law to be indemnified against such fees and expenses.

(b) Participation by the Employer. The Employer shall be entitled to participate in any litigation or Proceeding relating to any Indemnified Claims, and after notice from the Employer to the Executive, to assume the defense of such litigation or Proceeding and Indemnified Claim with counsel of its choice at its expense; provided, that such notice shall include an acknowledgment of the Employer's obligation to indemnify the Executive with respect to such Proceeding and Indemnified Claim.

(c) Right to Settle. The Employer shall have the right to settle any litigation, proceeding or claim against the Executive exclusively for money damages as, and to the extent, to which the Employer is liable for indemnification as long as the Executive receives a release from all parties to such litigation. Notwithstanding the foregoing, neither the Employer nor the Executive may settle or compromise any claim over the objection of the other unless the settling party settles such claim at no cost to the other party and obtains a full and unconditional release of the other party; provided, that the consent to settlement or compromise shall not be unreasonably withheld.

(d) The Employer shall furnish the Executive with coverage under the Employer's customary director and officer indemnification arrangements in accordance with the Employer's by-laws and its D&O insurance policies, as in effect from time to time for Executives or Directors at his level.

7. General Provisions.

(a) No Other Severance Benefits. Except as specifically set forth in this Agreement, the Executive covenants and agrees that he shall not be entitled to any other form of severance benefits from the Employer, including, without limitation, benefits otherwise payable under any of the Employer's regular severance plans or policies, in the event his employment ends for any reason and, except with respect to obligations of the Employer expressly provided for herein, the Executive unconditionally releases the Employer and its subsidiaries and affiliates, and their respective directors, officers, employees and stockholders, or any of them, from any and all claims, liabilities or

obligations under any severance or termination arrangements of the Employer or any of its subsidiaries or affiliates.

(b) Tax Withholding, Section 409A. All amounts paid to Executive hereunder shall be subject to all applicable federal, state and local wage withholding. This Agreement is intended to comply with the requirements of Section 409A of the Code (“409A”) and shall in all respects be administered in accordance with 409A. The parties agree that if any payment or the provision of any amount, benefit or entitlement hereunder at the time specified in this Agreement would subject Executive to any additional tax or interest or penalties under 409A and its implementing regulations or guidance, the payment or provision of such amount, benefit or entitlement shall be postponed to the earliest commencement date on which the payment or the provision of such amount, benefit or entitlement could be made without incurring such additional tax, interest or penalties (including delaying payment of any severance to the earliest possible payment date which is consistent with 409A). In addition, to the extent that any regulations or guidance issued under 409A (after application of the previous provision of this paragraph) would result in Executive being subject to the payment of interest, penalties or any additional tax under 409A, the Employer and Executive agree, to the extent reasonably possible, to amend this Agreement in order to avoid the imposition of any such interest, penalties or additional tax under 409A, which amendment shall be reasonably determined in good faith by the Employer and Executive and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Employer of the applicable provision without violating the provisions of 409A. Notwithstanding anything in this Agreement to the contrary, payments or distributions may only be made under this Agreement upon an event and in a manner permitted by 409A or an applicable exemption. All payments not otherwise exempt from 409A which are to be made after a termination of employment under this Agreement may only be made after a “separation from service” under 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment hereunder. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of 409A, including, where applicable, the requirement that (i) any reimbursement shall be for expenses incurred during Executive’s lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. If upon Executive’s “separation from service” (within the meaning of 409A) from the Employer, Executive is then a “specified employee” (as defined by and determined in accordance with 409A), then solely to the extent necessary to comply with 409A and avoid the imposition of taxes under 409A, the Employer shall defer payment of “nonqualified deferred compensation,” subject to 409A, which is payable as a result of and would otherwise be paid within six (6) months following such separation from service, until the earlier of (a) the first business day of the seventh month after Executive’s separation from service, or

(b) ten (10) days after the Employer receives written notice of Executive's death. All such delayed payments shall be paid in a lump sum without accrual of interest. To the extent permissible by law, each payment and each installment described in this Agreement shall be considered a separate payment from each other payment or installment for purposes of 409A.

(c) Notices. Any notice hereunder by either party to the other shall be given in writing by personal delivery, or certified mail, return receipt requested, or (if to the Employer) by telex or facsimile, in any case delivered to the applicable address set forth below:

(i) To the Employer:

Chief Executive Officer
Lifetime Brands, Inc.
1000 Stewart Avenue
Garden City, NY 11530-4814

(ii) To the Executive:

36 East River Road
Rumson, New Jersey 07760

or to such other persons or other addresses as either party may specify to the other in writing.

(d) Representation by the Executive. The Executive represents and warrants that his entering into this Agreement does not, and that his performance under this Agreement will not, violate the provisions of any agreement or instrument to which the Executive is a party or any decree, judgment or order to which the Executive is subject, and that this Agreement constitutes a valid and binding obligation of the Executive in accordance with its terms. Breach of this representation will render all of the Employer's obligations under this Agreement void ab initio.

(e) Representation by the Employer. The Employer represents that (i) the execution of this Agreement and the provision of all benefits and grants provided herein have been duly authorized by the Employer, including, where necessary, by the Board and its Compensation Committee, (ii) to the best of its knowledge, the execution, delivery and performance of this Agreement does not violate any law, regulation, order, decree, agreement, plan or corporate governance document of the Employer, and (iii) upon the execution and delivery of this Agreement, it shall be the valid and binding obligation of the Employer enforceable in accordance with its terms.

(f) Assignment; Assumption of Agreement. No right, benefit or interest hereunder shall be subject to assignment, encumbrance, charge, pledge, hypothecation or

setoff by the Executive in respect of any claim, debt, obligation or similar process, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representatives. This Agreement shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns. The Employer will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation, operation of law or otherwise) to all or substantially all of the business or assets of the Employer to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place. The term "the Employer" as used herein shall include any such successors and assigns.

(g) Amendment. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in writing and signed by the parties hereto. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(h) Severability. If any term or provision hereof is determined to be invalid or unenforceable in a final court or arbitration proceeding, (i) the remaining terms and provisions hereof shall be unimpaired and (ii) the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (determined without regard to the choice of law provisions thereof), and the parties consent to jurisdiction in the United States District Court for the Southern District of New York.

(j) Entire Agreement. This Agreement contains the entire agreement of the Executive, the Employer and any predecessors or affiliates thereof with respect to the subject matter hereof and all prior agreements, term sheets, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof are superseded hereby.

(k) Counterparts. This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but both such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first written above.

LIFETIME BRANDS, INC.

By: /s/ Jeffrey Siegel

Name: Jeffrey Siegel

Title: CEO and President

EXECUTIVE

/s/ Ronald Shifan

Ronald Shifan