

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): **November 2, 2007**

GRIFFON CORPORATION
(Exact Name of Company as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-6620
(Commission File Number)

11-1893410
(I.R.S. Employer Identification Number)

100 Jericho Quadrangle
Jericho, New York
(Address of Principal Executive Offices)

11753
(Zip Code)

(516) 938-5544
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company 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 Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Officers

On November 2, 2007, Eric P. Edelstein, Executive Vice President and Chief Financial Officer of the Company, notified the Board of Directors of his retirement. Mr. Edelstein will continue to serve as Executive Vice President and Chief Financial Officer until November 30, 2007.

On November 2, 2007, the Board of Directors of the Company appointed, effective November 30, 2007, Patrick L. Alesia (Age: 59) to serve as Chief Financial Officer of the Company. Mr. Alesia has served as the Company's Treasurer since April 1979, its Vice President since May 1990 and its Secretary since February 2005. In March 2005, Mr. Alesia was also appointed the Company's Ethics Officer. In addition to his new responsibilities as Chief Financial Officer, Mr. Alesia will continue to serve in his capacities as Treasurer and Secretary of the Company.

On November 2, 2007, the Board of Directors of the Company appointed, effective November 30, 2007, Franklin H. Smith, Jr. (Age: 56) to serve as Executive Vice President of the Company. Mr. Smith has served as the Chief Financial Officer of Clopay Corporation, a wholly-owned subsidiary of the Company, since 1998.

Mr. Smith entered into a Severance Agreement with the Company, dated November 2, 2007, and effective November 30, 2007 (the "Smith Agreement"). Mr. Alesia entered into a Severance Agreement with the Company, dated July 18, 2006, as amended August 3, 2007 (the "Alesia Agreement" and together with the Smith Agreement, the "Severance Agreements"). Set forth below is a summary of the pertinent terms of the Severance Agreements. Messrs. Smith and Alesia are each sometimes referred to herein individually as the "Executive" and collectively as the "Executives."

The Severance Agreements have an initial term expiring July 18, 2008, subject to automatic renewal unless a party gives 120 days prior written notice to the other of non-renewal; notwithstanding the foregoing, the Severance Agreements shall not terminate if a change in control occurs during the term of the Severance Agreements. During the term of their Severance Agreements, the Executives have agreed to continue to perform their regular respective duties as an executive of the Company.

The Severance Agreements provide that if within 24 months of a change in control (as defined in the Severance Agreements and summarized below) of the Company, the Executive's employment with the Company is terminated by the Company without Cause or by the Executive for Good Reason (as such terms are defined in the Severance Agreements), then the Executive will be entitled to, among other things, a lump sum payment of 2.5 times his base salary plus the average of the bonuses received by the Executive in the prior three fiscal years. If any payments or benefits payable to the Executive would be subject to the excise tax under Section 280G of the Internal Revenue Code (the "Code"), then such portion of the Executive's payments would be forfeited so that no such excise tax would be incurred. All benefits payable under the Severance Agreements will be subject to the six-month payment delay under Section 409A of the Code, if applicable, at the time of payment. Each Executive has agreed to a non-competition provision that extends for 24 months post-termination.

Change in control is defined in the Severance Agreements to include, among other things, the acquisition by a person or entity of more than 30% of the voting securities of the Company, the current Board of Directors no longer constituting a majority of the Board (directors approved by 2/3 of the Board will be considered a part of the current Board), and certain merger or sale of assets transactions.

The above is a brief summary of the Severance Agreements and does not purport to be complete. Reference is made to the Severance Agreements for each Executive for a full description of its terms, a copy of each of which is attached hereto as Exhibits 10.1 and 10.2 and 10.3, respectively, and incorporated herein by reference.

Directors

Effective November 2, 2007, Lester L. Wolff resigned as a member of the Board of Directors of the Company. At the time of his resignation, Mr. Wolff served as a Class I director whose term of office expires at the Company's annual meeting of stockholders in 2008. Effective with Mr. Wolff's resignation, the Board of Directors determined that Ronald J. Kramer, a director of the Company currently serving in Class II, shall serve as a Class I director to replace Mr. Wolff.

On November 2, 2007, upon the recommendation of the Nominating and Governance Committee of the Board of Directors, the Board of Directors appointed Lieutenant General Gordon E. Fomell and James A. Mitarotonda as members of the Board of Directors effective November 2, 2007, to fill the vacancy created by the resignation of Mr. Wolff and to fill a newly created directorship resulting from the increase in the authorized number of directors on the Board from thirteen to fourteen. General Fomell and Mr. Mitarotonda were elected as Class II directors, which class serves until the Company's 2009 annual meeting of stockholders. General Fomell and Mr. Mitarotonda will be submitted at the Company's 2008 annual meeting of stockholders as part of management's slate for election as members of the class of directors that will be up for re-election at the Company's 2009 annual meeting.

General Fomell, currently retired, served in the United States Air Force for over 35 years and his positions include having been the Commander of Electronic Systems Division, Air Force Systems Command, Hanscom Air Force Base, Massachusetts, and Commander of the Armament Division at Elgin Air Force Base.

Mr. Mitarotonda is the founder of and current Chairman of the Board, Chief Executive Officer and President of Barington Capital Group, L.P., an investment firm.

There are no transactions or series of transactions, since the beginning of the Company's last fiscal year, or any currently proposed transaction or series of transactions to which the Company was or is to be a party, in which the amount involved exceeds \$120,000 and in which either General Fomell or Mr. Mitarotonda had, or will have, a direct or indirect material interest.

As non-employee directors of the Company, General Fornell and Mr. Mitarotonda will each receive an annual fee of \$25,000 and a fee of \$1,500 for each Board of Directors meeting attended. In addition, under the Company's Outside Director Stock Award Plan, each non-employee director receives, at the time of the annual meeting of stockholders each year, shares of the Company's common stock having a market value of \$10,000.

A copy of the press release, dated November 2, 2007, announcing the foregoing changes in the executive officers and directors of the Company is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

- 10.1. Severance Agreement, dated November 2, 2007, between the Company and Franklin H. Smith, Jr.
- 10.2. Severance Agreement, dated July 18, 2006, between the Company and Patrick L. Alesia (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K (filed on July 21, 2006)).
- 10.3. Amendment No. 1, dated August 3, 2007, to the Severance Agreement, dated July 18, 2006, between the Company and Patrick L. Alesia (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K (filed on August 6, 2007)).
- 99.1. Press Release, dated November 2, 2007.

SIGNATURES

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

GRIFFON CORPORATION

By: /s/ Patrick L. Alesia

Name: Patrick L. Alesia
Title: Vice President, Treasurer and Secretary

Date: November 7, 2007

Exhibit Index

- 10.1. Severance Agreement, dated November 2, 2007, between the Company and Franklin H. Smith, Jr.
- 10.2. Severance Agreement, dated July 18, 2006, between the Company and Patrick L. Alesia (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K (filed on July 21, 2006)).
- 10.3. Amendment No. 1, dated August 3, 2007, to the Severance Agreement, dated July 18, 2006, between the Company and Patrick L. Alesia (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K (filed on August 6, 2007)).
- 99.1. Press Release, dated November 2, 2007.

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (this “Agreement”), made and entered into as of November 2, 2007, which shall be effective upon November 30, 2007 (“the Effective Date”), by and between Griffon Corporation, a Delaware corporation, with its principal office located at 100 Jericho Quadrangle, Jericho, New York 11753 (hereinafter, together with its subsidiaries, collectively referred to as “the Corporation”) and Frank Smith who resides at 6555 Adams Avenue, Cincinnati, OH 45243 (hereinafter referred to as “the Executive”).

WITNESSETH:

WHEREAS, the Executive has had extensive experience in the business and affairs of the Corporation and is a valuable member of the management team; and

WHEREAS, the Board of Directors of Griffon Corporation (the “Board”) has determined that it is appropriate to reinforce the continued attention of certain key management employees, including the Executive, to their assigned duties without distraction if the possibility should arise of a change in control of the Corporation;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. EMPLOYMENT. During the term of this Agreement, the Executive agrees to remain in the employ of the Corporation and to continue to perform the Executive’s regular duties as an executive of the Corporation.

2. CHANGE IN CONTROL. No benefits shall be payable hereunder unless there shall have been a Change in Control of the Corporation, as set forth below, and the Executive’s employment by Griffon Corporation shall thereafter have been terminated in accordance with Section 3 hereof. For purposes of this Agreement, a “Change in Control” shall mean the occurrence of any of the following events after the date of this Agreement:

2.1 the acquisition, directly or indirectly, by a “person” (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto (the “Exchange Act”) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 30% of the combined voting power of the voting securities of Griffon Corporation entitled to vote generally in the election of directors (the “Voting Securities”); provided, however, that the following acquisitions shall not constitute a Change in Control: (a) any acquisition by or from Griffon Corporation or any corporation or other entity in which the Griffon Corporation owns or controls directly or indirectly at least 50 percent of the total combined voting power represented by all classes of stock issued by such corporation, or in the case of a noncorporate entity, at least 50% of the profits or capital interest in such entity (a “Subsidiary,”) or by any employee benefit plan (or related trust) sponsored or maintained by Griffon Corporation or any Subsidiary, (b) any acquisition by an individual who as of the effective date of the Plan is a member of the Board, (c) any acquisition by any underwriter in any firm commitment underwriting of securities to be issued by Griffon Corporation, or (d) any acquisition by any corporation (or other entity) if, immediately following such acquisition, 65% or more of the then outstanding shares of common stock (or other equity unit) of such corporation (or other entity) and the combined voting power of the then outstanding voting securities of such corporation (or other entity), are beneficially owned, directly or indirectly, by all or substantially all of the individuals or entities who, immediately prior to such acquisition, were the beneficial owners of the then outstanding Voting Securities in substantially the same proportions, respectively, as their ownership immediately prior to the acquisition of the stock and Voting Securities; or

2.2 the following individuals cease for any reason to constitute a majority of the Board: individuals who, as of the date of the this Agreement, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation relating to the election of directors of Griffon Corporation) whose appointment or election by the Board or nomination for election by the stockholders of Griffon Corporation was approved and recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the effective date of the Plan or whose appointment, election or nomination for election was previously so approved or recommended; or

2.3 the consummation of the sale or other disposition of all or substantially all of the assets of Griffon Corporation, other than to an entity, at least 65% of the Voting Securities of which are owned by Persons in substantially the same proportions as their ownership of Griffon Corporation immediately prior to such sale; or

2.4 the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Corporation or any of its Subsidiaries that requires the approval of the Corporation's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination: (i) more than 65% of the total voting power of (x) the corporation resulting from such Business Combination (the "Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Corporation Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Voting Securities among the holders thereof immediately prior to the Business Combination; or

2.5 the consummation of a plan of complete liquidation or substantial dissolution of Griffon Corporation, other than a liquidation or substantial dissolution, which would result in the Voting Securities of the entity after such liquidation or dissolution, if any, continuing to represent (whether by remaining outstanding or by being converted to voting securities of the surviving entity) 65% or more of the Voting Securities or the voting power of the voting securities of such surviving entity outstanding immediately after such liquidation or dissolution, and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Voting Securities among the holders thereof immediately prior to the such liquidation or dissolution; or

2.6 the sale, transfer, assignment, distribution or other disposition by Griffon Corporation and/or one of its Subsidiaries, in one transaction, or in a series of related transactions within any period of 18 consecutive calendar months (including, without limitation, by means of the sale, transfer, assignment, distribution or other disposition of the capital stock of any Subsidiary or Subsidiaries), of assets which account for an aggregate of 50% or more of the consolidated revenues of Griffon Corporation and the Subsidiaries of Griffon Corporation, as applicable, as determined in accordance with U.S. generally accepted accounting principles, for the fiscal year most recently ended prior to the date of such transaction (or, in the case of a series of transactions as described above, the first such transaction); provided, however, that no such transaction shall be taken into account if substantially all the proceeds thereof (whether in cash or in kind) are used after such transaction in the ongoing conduct by Griffon Corporation and/or its Subsidiaries) of the business conducted by Griffon Corporation and/or its Subsidiaries prior to such transaction.

3. TERMINATION FOLLOWING A CHANGE IN CONTROL. If any of the events described in Section 2 hereof constituting a Change in Control of Griffon Corporation shall have occurred, the Executive, if terminated during the twenty four (24) months following such Change in Control, shall be entitled to the benefits provided in Section 4 hereof, unless such termination is due to the Executive's death or Disability, or is by Griffon Corporation for Cause, or is by the Executive for other than Good Reason. In the event that, upon the occurrence of a Change in Control, the Executive is eligible for retirement in accordance with the terms and conditions of any applicable corporate retirement plan or program in effect immediately preceding such Change in Control, the Executive's eligibility for immediate retirement benefits, and any request therefor, shall not preclude the Executive's receipt of severance benefits under Section 4 hereof as a result of any termination without Cause or for Good Reason. For purposes of this Agreement, the following definitions shall apply:

3.1 "Cause" shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties (other than any such failure resulting from incapacity due to physical or mental illness); or (ii) conviction of a felony or acts of dishonesty resulting in gain or personal enrichment at the expense of the Corporation; or (iii) the Executive's willful misconduct or insubordination which is materially injurious to the Corporation. With respect to (i) and (iii) "Cause" shall only be determined to exist until Griffon Corporation presents written notice to the Executive specifically identifying the alleged circumstances or actions giving rise to Cause (a "Cause Notice"), and the Executive fails to correct such action or circumstances within 20 days of receiving the Cause Notice. For purposes of this paragraph, no act or failure to act on the Executive's part shall be considered as willful unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the action or omission was in the best interests of the Corporation.

3.2 “Disability” shall mean the illness or other mental or physical disability of the Executive, as determined by a physician reasonably acceptable to the Corporation and the Executive, resulting in the Executive’s failure to perform substantially all of his applicable material duties for a period of six consecutive months and to return to the performance of such duties within 30 days after receiving written notice of termination.

3.3 “Good Reason” shall mean (i) reduction in the Executive’s (then) current base salary immediately preceding the Change in Control; (ii) diminution, reduction or other adverse change in the annual bonus opportunity or other incentive compensation opportunities available to the Executive immediately preceding the Change in Control; (iii) the Corporation’s failure to pay the Executive any amounts otherwise earned, vested or due under any compensation plan or human resources policy of the Corporation immediately preceding the Change in Control; (iv) diminution of the Executive’s title, position, authority or responsibility; (v) assignment to the Executive of duties incompatible with the position occupied by the Executive immediately preceding the Change in Control; (vi) a change in the organizational position to which the Executive directly reports; or (vii) relocation of the Executive’s position to a location more than 35 miles from the location to which the Executive was assigned immediately preceding the Change in Control.

4. **CERTAIN SEVERANCE BENEFITS ON TERMINATION.** If, after any Change in Control (as defined herein) shall have occurred, the Executive’s employment shall be terminated during the twenty-four (24) months following the date of such Change in Control (i) by the Corporation other than for death, Disability or Cause or (ii) by the Executive for Good Reason, the Executive shall be entitled to certain severance benefits (hereinafter “the Severance Benefits”) as provided below:

4.1 The Corporation shall pay the Executive’s full base salary through the date of termination at the rate which is the higher of the (then) current annual rate or the annual rate in effect immediately prior to the date of any Change in Control. The Corporation shall also pay the Executive the amount, if any, of any unpaid earned annual bonus for the preceding fiscal year, as well as a pro rata portion of the higher of (i) the earned annual bonus for the preceding fiscal year or (ii) the target or projected annual bonus for the fiscal year in which the termination of employment occurs. In addition, the Corporation shall continue in full force and effect through the date of termination the Executive’s participation in all stock ownership, stock purchase or stock option plans, all health and welfare benefit plans, and all insurance and disability plans as may be in effect at the date of the Change in Control.

4.2 Subject to Section 4.4 and 4.5 hereof, the Corporation shall pay as Severance Benefits to the Executive on or before the fifth (5th) day following the date of termination of employment, a lump sum payment (“the lump sum payment”) equal to two and fifty one hundredths (2.50) times the sum of (i) the Executive’s base salary at the rate which is the higher of the (then) current annual rate or the annual rate in effect immediately prior to the date of any Change in Control and (ii) the average of the annual bonuses received by the Executive for each of the last three fiscal years of the Corporation and its affiliates. Such lump sum payment shall be subject to all applicable Federal, state and local income and FICA taxes including all required withholding amounts.

4.3 For the continued benefit of the Executive and the Executive's eligible dependents, the Corporation shall maintain in full force and effect until the earlier of (i) December 31 of the second calendar year following the calendar year of termination or (ii) the Executive's commencement of full-time employment with a new employer, at the same cost as is paid by similarly-situated continuing employees all medical and health plans and programs for which the Executive was eligible immediately prior to the date of termination, provided that the Executive's continued participation is possible under the general terms and provisions of such plans and programs, and subject further to such periodic changes in such plans and programs as are generally applicable to all participants in such plans and programs. Any such claims for reimbursement of a proper medical or health expense shall be paid as soon as administratively feasible following the proper submission of such expense; provided however, that all such claims must be submitted and paid by the end of the year following the year in which such expense is incurred. The Executive will be responsible for any income tax liability arising out of any continued participation in such health and medical plans and programs, and notwithstanding the provision of this Section 4.3, no additional employment service credits shall be given for the period of such continued participation.

4.4 The Severance Benefits to be provided to the Executive hereunder and all other payments or benefits which are "parachute payments" (as defined in Section 280(G)(b)(2)(A) of the Code) payable to the Executive under other arrangements or agreements (the "Total Payments") shall be adjusted as set forth in this Section 4.4. If the Total Payments as a result of any Change in Control would (in the aggregate) result in an amount not being deductible under Code Section 280G or an excise tax under Section 4999, the Total Payments shall be reduced to the extent necessary so that the deductibility of the full amount of such reduced Total Payments is not limited by Code Section 280G or such Total Payment is not subject to an excise tax under Section 4999.

4.5 Notwithstanding anything herein to the contrary, if any payments due under this Agreement would subject Executive to any tax imposed under Section 409A of the "Code" if such payments were made at the time otherwise provided herein, then the payments that cause such taxation shall be payable in a single lump sum on the first day which is at least six months after the date of the Executive's "separation of service" as set forth in Code Section 409A and the regulations issued thereunder.

4.6 The Executive shall not be required to mitigate or offset the amount of any Severance Benefits or other benefits provided under this Section 4 by seeking employment or otherwise, nor shall the amount of any payment provided under this Section 4 be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination from the Corporation.

5. RESTRICTIVE COVENANTS.

5.1 Executive agrees at all times during Executive's employment with the Corporation and at all times thereafter (except as otherwise required by applicable law, regulation or legal process) that Executive shall hold in strictest confidence and not to use for his own benefit or the benefit of any other person, or to disclose to any person without authorization from the Corporation, any Confidential Information. "Confidential Information" means any and all confidential or proprietary business information of the Corporation or its affiliates, including, without limitation, information relating to the Corporation's or its affiliates' trade secrets, software and technology architecture, networks, business methodologies, facilities, financial and operational information, contracts, customer lists, marketing or sales prospect lists, "know how", and all copies, reproductions, notes, analyses, compilations, studies, interpretations, summaries and other documents in connection with the foregoing. Confidential Information does not include any information which (i) is or becomes publicly known or available other than as a result of wrongful disclosure by Executive, (ii) becomes available to Executive on a non-confidential basis from a source which, to Executive's knowledge, is not prohibited from disclosing such Confidential Information to Executive, or (iii) is generally known in the industry in which the Corporation or its affiliates operate and pertains to activities or business not specific to the Corporation or its affiliates.

5.2 From the Effective Date through the date that is twenty-four (24) months following the Executive's termination of employment (the "Restriction Period"), Executive will not, without the prior written consent of the Board, engage in "Competition" (as defined below) with the Corporation. For purposes of this Agreement, if Executive takes any of the following actions Executive will be engaged in "Competition": if Executive is engaging in or carrying on, directly or indirectly, any enterprise, whether as an advisor, principal, agent, partner, officer, director, employee, stockholder, associate or consultant to any person, partnership, corporation or any other business entity, that is engaged in a business that is competitive with any material business that the Corporation is engaged in at the time of the Executive's termination of employment. Notwithstanding anything herein to the contrary, "Competition" will not include the ownership of less than a one percent equity interest in a publicly held company and exercise of rights appurtenant thereto.

5.3 If a court or arbitrator holds that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the Corporation and the Executive agree that the maximum duration, scope, area or other restrictions reasonable under such circumstances will be substituted for the stated duration, scope, area or other restrictions.

5.4 The existence of any claim or cause of action of Executive against the Corporation, whether or not predicated upon the terms of this Agreement, will not constitute a defense to the enforcement of the provisions of this Section 5.

5.5 The parties acknowledge that any violation of this Section 5 can cause substantial and irreparable harm to the Corporation. Therefore, the Corporation will be entitled to pursue any and all legal and equitable remedies, including but not limited to any injunctions.

6. **PROPRIETARY INFORMATION.** Upon termination, except to the extent required to render services to or on behalf of the Corporation, the Executive will deliver to the Corporation any documents, files, copies which constitute Proprietary Information (whether in written, printed, electronic or other form). "Proprietary Information" means all information or data with respect to the conduct or details of the businesses of the Corporation and its affiliates (whether constituting a trade secret or not) including, without limitation, methods of operation, customers and customer lists, supplier lists, sales data, details of contracts with customers, consultants, suppliers or employees, products, proposed products, former products, proposed, pending or completed acquisitions of any company, division, product line or other business unit, prices and pricing policies, fees, costs, plans, designs, technology, inventions, trade secrets, know how, software, marketing methods, policies, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters of the Corporation, or any of its affiliates.

7. **TERM OF AGREEMENT.** This Agreement shall have an original term expiring on July 18, 2008, and shall thereafter be automatically renewed for successive one-year terms unless the Corporation has notified the Executive of its election not to renew the term of this Agreement not less than 120 days before the expiration of the (then) current term. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not terminate in the event that a Change in Control (as defined herein) shall have occurred.

8. **SUCCESSORS; BINDING AGREEMENT.** The Corporation shall require any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business, equity and/or assets of the Corporation to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. Failure of the Corporation to obtain such agreement prior to the effective date of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Corporation in the same amount and on the same terms as that which the Executive would be entitled to hereunder as if the Executive's employment by the Corporation were immediately terminated without Cause or for Good Reason. As referred to in this Agreement, "Corporation" shall mean the Corporation as herein defined and any successor to its business, equity and/or assets which becomes bound by the terms and conditions of this Agreement by operation of law. This Agreement shall inure to the benefit and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable hereunder, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's estate.

9. NOTICES. Any and all notices which may be given hereunder by either party to the other shall be sufficient if in writing and sent by registered mail to the respective party at its or their last known address.

10. MODIFICATIONS AND WAIVERS; ENTIRE AGREEMENT . No agreements or representations, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Chief Executive Officer of the Corporation. No waiver by either party hereto at any time of any breach by the other party hereto of 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 any prior or subsequent time. This Agreement shall supersede the Severance Agreement entered into by and between the Executive and the Corporation as of July 18, 2006 (the "Former Severance Agreement"); however, this Agreement shall not supersede or in any way limit the rights, duties or obligations the Executive may have under any written agreement other than the Former Severance Agreement with the Corporation including, without limitation, any employment agreement now in effect or subsequently entered into by and between the Executive and the Corporation.

11. GOVERNING LAW. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York without reference to principles of conflict of laws thereof.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

13. DISPUTES. Any dispute or controversy arising under, out of or in connection with this Agreement may be resolved in any court of competent jurisdiction.

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

GRIFFON CORPORATION:

By: /s/ Harvey R. Blau

Harvey R. Blau
Chairman and Chief Executive Officer

EXECUTIVE:

By: /s/ Franklin H. Smith

Name: Frank Smith

WITNESS:

Signature: /s/ Gary T. Moomjian

Name: Gary T. Moomjian

**GRIFFON CORPORATION ANNOUNCES
CHANGES IN SENIOR MANAGEMENT AND
BOARD OF DIRECTORS**

JERICHO, NY- NOVEMBER 2, 2007- Griffon Corporation (NYSE:GFF) announced today changes in its Senior Management and Board of Directors.

Franklin H. Smith, Jr. is being promoted to the position of Executive Vice President of Griffon Corporation, effective November 30, 2007. Mr. Smith joined the Griffon team in 1998 as Chief Financial Officer of Clopay Corporation, a wholly-owned subsidiary of Griffon.

Patrick L. Alesia, who presently serves as the Vice President, Treasurer and Secretary of Griffon Corporation, is being promoted to the position of Chief Financial Officer, effective November 30, 2007. Mr. Alesia has been employed by the Company for 34 years and has been an executive officer since 1979.

Griffon Corporation also announced the appointment of two new members to its Board of Directors, effective today, Lieutenant General Gordon E. Fomell, USAF (Ret) and James A. Mitarotonda. General Fomell and Mr. Mitarotonda will be submitted at the Company's 2008 annual meeting as part of the management slate for election as members of the class of directors that will be up for re-election at the Company's 2009 annual meeting.

General Fomell served in the United States Air Force for over 34 years and his positions include having been the Commander of Electronic Systems Division, Air Force Systems Command, Hanscom Air Force Base and Commander of the Armament Division at Elgin Air Force Base.

James A. Mitarotonda is a founder of and the current Chairman of the Board, Chief Executive Officer and President of Barington Capital Group, L.P., an investment firm.

Griffon Corporation also reported the retirement, effective today, of Lester L. Wolff from the Company's Board of Directors, after 20 years of outstanding service. Mr. Wolff, a former United States Congressman, shall remain as a Director Emeritus and Consultant to the Company.

Finally, Griffon Corporation also reported the retirement of Eric P. Edelstein, effective November 30, 2007, as Executive Vice President and Chief Financial Officer of Griffon. Mr. Edelstein joined the Company in 2005.

Harvey R. Blau, the Company's Chairman and Chief Executive Officer, stated "I am delighted with the additions to the Senior Management of the Company. Messrs. Smith and Alesia bring a breadth of experience to Griffon that is sure to contribute to the future success of the Company. In addition, we are pleased to add our two new Board members, General Fornell and Mr. Mitarotonda. In the process of selecting our two new directors we consulted closely with stockholders of the Company. We look forward to working with our Board of Directors to achieve the Company's goals and objectives. We thank Mr. Wolff and Mr. Edelstein for their dedicated service to the Company."

Griffon Corporation -

- is a leading manufacturer and marketer of residential, commercial and industrial garage doors sold to professional installing dealers and major home center retail chains;
- installs and services specialty building products and systems, primarily garage doors, openers, fireplaces and cabinets, for new construction markets through a substantial network of operations located throughout the country;
- is an international leader in the development and production of embossed and laminated specialty plastic films used in the baby diaper, feminine napkin, adult incontinent, surgical and patient care markets; and
- develops and manufactures information and communication systems for government and commercial markets worldwide.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release, including without limitation statements regarding the company's financial position, business strategy and the plans and objectives of the company's management for future operations, are forward-looking statements. When used in this release, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to the company or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of the company's management, as well as assumptions made by and information currently available to the company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, business and economic conditions, results of integrating acquired businesses into existing operations, competitive factors and pricing pressures for resin and steel, capacity and supply constraints. Such statements reflect the views of the company with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the company. Readers are cautioned not to place undue reliance on these forward-looking statements. The company does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.