

disability (after ten years' service) or death, unvested options will immediately vest, and the options will be exercisable until the earlier of three years after termination of employment and the expiration date of the options. Upon any other termination of employment, vested options at the time of termination may be exercised until the earlier of the expiration date of the options and 60 days after the date of the final payment of salary or severance from the Registrant to the employee.

Mr. Karpovich received options to purchase 15,000 shares. Mr. Kimick received options to purchase 20,000 shares. Mr. Michno received options to purchase 20,000 shares.

SEVERANCE

Each agreement provides that, although each employee is employed at will, the relevant employee will be entitled to receive severance payments upon termination of his employment by the Registrant without Cause (as defined in the relevant employment agreement). The severance payments will be paid over the 12-month period after termination in bi-weekly installments equal to the employee's base salary, and the employee will also be entitled to post-termination medical benefits under COBRA.

NON-COMPETITION AND NON-SOLICITATION

Each agreement contains a covenant by the employee not to engage or participate in the watch or jewelry business without the prior written consent of the Registrant during the period of employment and the six months thereafter. Each employee also agreed, during the period of employment and the 12 months thereafter, not to employ any current employees of the Registrant (or employees of the Registrant who were employees of the Registrant in the six months prior to termination of employment) and not to induce clients or prospective clients to withdraw or curtail business with the Registrant.

CONFIDENTIALITY

Each agreement also contains customary confidentiality provisions applicable to the employee.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned, hereunto duly authorized.

Dated: September 1, 2004

MOVADO GROUP, INC.

By: /s/ Timothy F. Michno

Name: Timothy F. Michno
Title: General Counsel