

**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): September 1, 2023**

**BRADY CORPORATION**  
(Exact name of registrant as specified in its charter)

**Commission File Number 1-14959**

**Wisconsin**  
(State or other jurisdiction of incorporation or organization)

**39-0178960**  
(IRS Employer Identification No.)

**6555 West Good Hope Road  
Milwaukee, Wisconsin 53223**  
(Address of principal executive offices and Zip Code)

**(414) 358-6600**  
(Registrant's Telephone Number)

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Nonvoting Common Stock, par value \$0.01 per share	BRC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On September 1, 2023, by unanimous written consent, the holders of 100% of the 3,538,628 outstanding shares of Class B Voting Common Stock of Brady Corporation (the “Company”) approved the Brady Corporation 2023 Omnibus Incentive Plan (the “2023 Plan”), with an effective date of September 5, 2023. The Company previously maintained the Brady Corporation 2017 Omnibus Plan (the “2017 Plan”). Upon the effective date, the 2023 Plan superseded the 2017 Plan, and the 2017 Plan was terminated.

The 2023 Plan is intended to (i) provide incentives for directors and employees of the Company and its affiliates to improve corporate performance on a long-term basis, (ii) attract and retain directors and employees and (iii) align the long-term interests of participants with those of the Company and its shareholders. The 2023 Plan is a stock and cash-based incentive plan and includes provisions by which the Company may grant stock options, stock appreciation rights (“SARs”), restricted stock, restricted stock units (“RSUs”), unrestricted stock and cash incentive awards. Certain awards may be subject to pre-established performance goals. A total of up to 5,000,000 shares of the Company’s Class A Non-Voting Common Stock (“Class A Common Stock”) have been authorized for issuance pursuant to the 2023 Plan, subject to adjustment as provided in the 2023 Plan.

The summary provided above is qualified in its entirety by reference to the text of the 2023 Plan, which is filed as Exhibit 10.1 to the Current Report on Form 8-K and is incorporated herein by reference.

In conjunction with the approval of the 2023 Plan, the Management Development and Compensation Committee of the Board of Directors of the Company approved the form of award agreements for grants of nonqualified stock options and restricted stock units under the 2023 Plan. The forms of award agreements are included as Exhibits 10.2 and 10.3 to this Form 8-K and are incorporated herein by reference.

Item 5.07 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The information set forth above under Item 5.02 is incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
10.1	<a href="#">Brady Corporation 2023 Omnibus Incentive Plan.</a>
10.2	<a href="#">Form of Nonqualified Stock Option Agreement under the Brady Corporation 2023 Omnibus Incentive Plan.</a>
10.3	<a href="#">Form of Restricted Stock Unit Agreement under the Brady Corporation 2023 Omnibus Incentive Plan.</a>
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

SIGNATURE

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

BRADY CORPORATION

Date: September 5, 2023

/s/ ANN E. THORNTON

---

Ann E. Thornton

Chief Financial Officer, Chief Accounting Officer and Treasurer

**BRADY CORPORATION  
2023 OMNIBUS INCENTIVE  
PLAN**

**I. INTRODUCTION**

1.01. Purpose. This Plan shall be known as the Brady Corporation 2023 Omnibus Incentive Plan. The purpose of the Plan is to provide an incentive for Directors and employees of Brady Corporation and its Affiliates to improve corporate performance on a long term basis, and to attract and retain Directors and employees by enabling them to participate in the future successes of the Corporation, and by associating the long term interests of Directors and employees with those of the Corporation and its shareholders. It is intended that the Plan and its operation comply with the provisions of Rule 16b3 under the Exchange Act. The Plan is intended to permit the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Shares of Restricted Stock, Restricted Stock Units, Shares of Unrestricted Stock and Cash Incentive Awards. The proceeds received by the Corporation from the sale of Shares pursuant to the Plan shall be used for general corporate purposes.

1.02. Effective Date. The effective date of the Plan shall be September 5, 2023, subject to approval of the Plan by holders of a majority of the outstanding voting common stock of the Corporation. Any Award granted prior to such shareholder approval shall be expressly conditioned upon shareholder approval of the Plan.

1.03. Effect on Prior Plans. After September 5, 2023, no further awards or grants will be made under the Brady Corporation 2017 Omnibus Incentive Stock Plan.

**II. PLAN DEFINITIONS**

For Plan purposes, except where the context clearly indicates otherwise, the following terms shall have the meanings set forth below:

2.01. “Administrator” means the administrator as described in Section 4.01.

2.02. “Affiliate” means any “subsidiary corporation” or “parent corporation” as such terms are defined in Section 424 of the Code.

2.03. “Agreement” means a written or electronic agreement (including any amendment or supplement thereto) between the Corporation and a Participant or a written or electronic statement issued by the Corporation to a Participant, which in either case specifies the terms and conditions of an Award.

2.04. “Applicable Exchange” means the national securities exchange or automated trading system on which the Shares is principally traded at the applicable time.

2.05. “Award” means the grant of any form of Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Unrestricted Stock or Cash Incentive Award.

2.06. “Board” means the Board of Directors of the Corporation.

2.07. “Cash Incentive Award” means a cash incentive award under Article X of the Plan.

2.08. “Cause” means what the term is expressly defined to mean in an Award Agreement, or if none, then in any other then-effective written agreement between a Participant and the Corporation or any Affiliate or, in the absence of any such then-effective agreement or definition, means (a) a Participant’s material breach of any employment, confidentiality, nonsolicitation, noncompetition, unfair competition, restrictive covenant, invention assignment or other agreement with the Corporation or any Affiliate, (b) an act or acts of dishonesty undertaken by a Participant attempting to gain monetary or personal enrichment of the Participant at the expense of the Corporation or any Affiliate, whether the monetary gain or personal enrichment is realized or not, (c) persistent

failure by a Participant to perform the duties associated with Participant's employment or status as a Director (other than by reason of Disability), (d) any failure by the Participant to materially conform to the Corporation's business conduct or ethics code, or (e) the indictment or conviction of the Participant for a felony or entering the plea of nolo contendere to a felony.

2.09. "Change in Control" means, unless otherwise provided in an Award Agreement, the occurrence of any one of the following events:

- (a) A direct or indirect acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of voting securities of the Company where such acquisition causes any such Person to own more than 50% of the combined voting power of the Company's voting securities entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following shall not be deemed to result in a Change in Control, (i) any acquisition or holding by the members of the family of William H. Brady Jr. and their descendants or trusts for their benefit, and the William H. Brady III Living Trust, (ii) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (iii) any acquisition by the Company or a wholly owned Subsidiary, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, (v) any underwriter temporarily holding securities pursuant to an offering of such securities, or (vi) any acquisition by any entity pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; or
- (b) A change in the composition of the Board such that the individuals who, as of the effective date of the Plan constitute the Board (the "Incumbent Board") cease for any reason to constitute a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the effective date of the Plan, whose election, or nomination for election by the Company's shareholders, was approved by a vote of a majority of those individuals then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; provided, further, however, that a director who has been approved by members of the family of William H. Brady Jr. and their descendants or trusts for their benefit, and the William H. Brady III Living Trust while they beneficially own collectively more than 50% of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors shall be deemed to be an Incumbent Director; or
- (c) Approval by the shareholders of the Company and the subsequent consummation of a reorganization, merger or consolidation (a "Business Combination"), in each case, unless, following such Business Combination: (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the total number of outstanding shares of both Class A Common Stock and Class B Common Stock (the "Outstanding Company Common Stock") and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either

directly or through one or more subsidiaries); (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, fifty percent (50%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

- (d) Approval by the shareholders of the Company and the subsequent consummation of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, unless the sale or other disposition is to a corporation, with respect to which following such sale or other disposition, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the total number of outstanding shares of both Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other disposition beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of such other corporation, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation) beneficially owns, directly or indirectly, fifty percent (50%) or more of, respectively, the then outstanding shares of common stock of such corporation or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the sale or other disposition, and (C) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such sale or other disposition of assets of the Company or were elected, appointed or nominated by the Board.

Notwithstanding the foregoing, for purposes of any Award subject to Section 409A of the Code, no Change in Control shall be deemed to have occurred upon an event described in this definition unless the event constitutes a change in ownership of the Company, a change in effective control of the Company, a change in ownership of a substantial portion of the Company's assets, each under Section 409A of the Code or otherwise constitutes a change in control within the meaning of Section 409A of the Code; provided, however, if the Company treats an event as a Change in Control that does not meet the requirements of Section 409A of the Code, such Award shall be paid when it would otherwise have been paid but for the Change in Control.

2.10. "Code" means the Internal Revenue Code of 1986, as amended, or any successor act thereto. All references to a specific provision of the Code shall include any successor provision thereto and any regulations promulgated thereunder.

2.11. "Committee" means the committee described in Section 4.01.

2.12. "Corporation" means Brady Corporation, a Wisconsin corporation, and any successor thereto.

2.13. "Director" means any individual who is a member of the Board.

2.14. "Disability" means a mental or physical condition which, in the opinion of the Administrator, renders a Participant unable or incompetent to carry out the job responsibilities which such Participant held or tasks to which such Participant was assigned at the time the disability was incurred and which is expected to be permanent or for an indefinite period. With respect to any Award that constitutes deferred compensation under

Code Section 409A and is subject to Code Section 409A, the Administrator may not find that a Disability exists with respect to the applicable Participant unless, in the Administrator's opinion, such Participant is also "disabled" within the meaning of Code Section 409A.

2.15. "Eligible Individual" means any Director or regular employee of the Corporation or an Affiliate, who satisfies the requirements of Section 5.01.

2.16. "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor act thereto. All references to a specific provision of the Exchange Act shall include any successor provision thereto and any regulations promulgated thereunder.

2.17. "Exercise Period" means the period of time provided pursuant to Section 6.05 or Section 7.06 within which a Stock Option or SAR may be exercised.

2.18. "Fair Market Value" per Share on any date means the average of the high and low sale prices of such Share recorded in composite transactions for such date (rounding up to the nearest cent) on the Applicable Exchange or, if such date is not a business day or if no sales of Shares shall have been reported with respect to such date, the next preceding business day with respect to which sales were reported. In the absence of reported sales or if the stock is not so listed or quoted, but is traded in the over-the-counter market, Fair Market Value shall be the average of the closing bid and asked prices for a Share on the relevant date. Notwithstanding the foregoing, the Administrator may determine that Fair Market Value shall instead mean the price of a Share that is based on the opening, closing, actual, high, low or average selling prices of a Share reported on the Applicable Exchange on the applicable date, the next succeeding trading day, or an average of trading days, as determined by the Administrator its discretion. The method of determining Fair Market Value with respect to an Award shall be determined by the Administrator and may differ depending on whether Fair Market Value is in reference to the grant, exercise, vesting, settlement, or payment of an Award. If the Stock is not traded on an established stock exchange, the Administrator shall determine in good faith the Fair Market Value in whatever manner it considers appropriate, but based on objective criteria; provided that, to the extent required to secure an exemption from Code Section 409A, Fair Market Value shall be determined using a reasonable application of a reasonable valuation method. Notwithstanding the foregoing, in the case of an actual sale of Shares, the actual sale price shall be the Fair Market Value of such Shares.

2.19. "Grant Date" means the date on which the Administrator approves the grant of an Award, or such later date as may be specified by the Administrator on the date the Administrator approves the Award.

2.20. "Grant Price" means the per Share price established at the time of grant of a Stock Option or SAR that is used to determine the price at which a Share covered by a Stock Option may be purchased or the amount of any payment due upon exercise of an SAR.

2.21. "Incentive Stock Option" or "ISO" means a Stock Option that is intended to meet the requirements of Section 422 of the Code and regulations thereunder.

2.22. "Insider" means an individual who is, on the relevant date, an officer (as defined in Exchange Act Rule 16a1(f)) or Director of the Corporation, or a more than ten percent (10%) beneficial owner (within the meaning of Exchange Act Rule 13d3) of any class of the Corporation's equity securities that is registered pursuant to Section 12 of the Exchange Act.

2.23. "Non-Qualified Stock Option" or "NSO" means a Stock Option other than an Incentive Stock Option.

2.24. "Participant" means an Eligible Individual who has been granted an Award under this Plan.

2.25. "Performance Goal" means a performance goal established by the Committee that is based on the attainment of goals relating to one or more Performance Measures.

2.26. "Performance Measures" means the following measures on which Performance Goals are based: (a) net earnings or net income (before or after taxes); (b) earnings per Share; (c) sales, net sales, or revenue; (d) net operating income or profit; (e) return measures (including, but not limited to, return on assets, capital, invested

capital, equity, sales, or revenue); (f) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, cash flow return on investment and cash flow per Share); (g) earnings before or after any one or more of taxes, interest, depreciation, and/or amortization; (h) gross or operating margins; (i) productivity ratios; (j) Share price or relative Share price (including, but not limited to, growth measures and total shareholder return); (k) expense targets; (l) margins; (m) operating efficiency; (n) market share or change in market share; (o) customer retention or satisfaction; (p) working capital targets; and (q) economic value added (or an equivalent metric); (r) improvement in or attainment of expense levels; (s) improvement in or attainment of working capital levels; (t) debt reduction; (u) acquisitions and divestitures; (v) strategic and leadership goals; or (w) any other goals determined by the Administrator in its sole discretion.

Any Performance Measure(s) may, as the Administrator, in its sole discretion deems appropriate, (i) relate to the performance of the Corporation, any Affiliate, or any business unit or division of the Corporation, or any combination thereof, (ii) be compared to the performance of a group of comparator companies, or published or special index, (iii) be based on change in the Performance Measure over a specified period of time and such change may be measured based on an arithmetic change over the specified period (e.g., cumulative change or average change), or percentage change over the specified period (e.g., cumulative percentage change, average percentage change or compounded percentage change), (iv) relate to or be compared to one or more other Performance Measures, or (v) any combination of the foregoing.

The Administrator reserves the right to adjust Performance Goals, or modify the manner of measuring or valuing a Performance Goal (including changing the Performance Period) for any reason the Administrator determines is appropriate, including but not limited to by including or excluding the impact, if any, on reported financial results of any of the following events that occurs during a Performance Period: (i) asset write-downs, (ii) changes in tax laws, accounting principles or other laws or provisions, (iii) reorganization or restructuring programs, (iv) acquisitions or divestitures, (v) foreign exchange gains and losses or (vi) gains and losses that are treated as unusual or infrequently recurring items under Accounting Standards Codification Topic 225. The inclusion in an Award agreement of specific adjustments or modifications shall not be deemed to preclude the Administrator from making other adjustments or modifications, in its discretion, as described herein, unless the Award agreement provides that the adjustments or modifications described in such agreement shall be the sole adjustments or modifications.

2.27. “Performance Period” means the period of time during which the Performance Goals must be achieved in order to determine the amount payable to, and/or the vested interest of, a Participant with respect to an Award.

2.28. “Person” means any individual or entity, and the heirs, personal representatives, executors, administrators, legal representatives, successors and assigns of such Person as the context may require.

2.29. “Plan” means the Brady Corporation 2023 Omnibus Incentive Plan, as set forth herein, as it may be amended from time to time.

2.30. “Restricted Stock” means Shares granted to a Participant under Article VIII.

2.31. “Restricted Stock Unit” means an Award granted to a Participant under Article VIII.

2.32. “Retirement” means, unless otherwise provided in an Award Agreement:

- (a) for an employee means a termination of employment from the Corporation and its Affiliates, other than for Cause, at or after age 60, after a minimum of five (5) years of uninterrupted employment with the Corporation and its Affiliates; and
- (b) for a non-employee Director means a termination of Board service, other than for Cause, after a minimum of three (3) years of uninterrupted Board service with the Corporation.

For purposes of determining whether an employee has satisfied the service requirement for Retirement, employment with an entity or business acquired by the Corporation or an Affiliate does not constitute employment with the Corporation or an Affiliate unless otherwise determined by the Administrator.



2.33. “Share” means a share of the Corporation’s Class A Non-Voting Common Stock, \$.01 par value, or such other stock and securities as may be substituted therefore pursuant to Section 3.02.

2.34. “Stock Appreciation Right” or “SAR” means an Award granted to a Participant under Article VII.

2.35. “Stock Option” means an Award granted to a Participant under Article VI. A Stock Option may be either a Nonqualified Stock Option or an Incentive Stock Option.

2.36. “Unrestricted Stock” means Shares granted to a Participant under Article IX.

### **III. SHARES SUBJECT TO AWARD AND AWARD LIMITS**

#### **3.01. Available Shares.**

- (a) Subject to adjustments under Section 3.02, the total number of Shares authorized for issuance under the Plan shall not exceed five million (5,000,000) Shares (the “Share Reserve”), all of which may be issued in the form of Incentive Stock Options. The Shares authorized for issuance under the Plan may consist, in whole or in part, of authorized but unissued Shares, or of treasury stock of the Corporation.
- (b) At the time an Award is granted, the Share Reserve shall be depleted by the maximum number of Shares, if any, that may be issued under such Award. Thereafter, the Share Reserve shall be re-credited with:
  - (i) Any Shares subject to an Award that terminates by expiration, forfeiture, cancellation or otherwise without the issuance of the Shares (or with the forfeiture of Shares in connection with a Restricted Stock Award), is settled in cash in lieu of Shares, or is exchanged with the Administrator’s permission, prior to the issuance of Shares, for an Award not involving Shares.
  - (ii) Any Shares withheld by the Corporation or tendered by a Participant (by either actual delivery or attestation) to satisfy tax withholding obligations associated with an Award.
  - (iii) Any Shares that are withheld by the Corporation or tendered by a Participant (by either actual delivery or attestation) to pay the Grant Price of a Stock Option.
  - (iv) Any Shares issued under an Award that the Corporation reacquires pursuant to rights reserved upon the issuance of Shares, such as pursuant to a recoupment policy or repurchase rights for Restricted Stock; provided that the Shares re-credited pursuant to this clause (iv) shall not be available for the grant of Incentive Stock Options.

#### **3.02. Changes in Shares.**

- (a) In the event of any equity restructuring (within the meaning of FASB ASC Topic 718) that causes the per share value of Shares to change, such as a stock dividend, stock split, reverse stock split, split up, spinoff, rights offering or recapitalization through an extraordinary dividend, or if the Corporation shall at any time be involved in a merger or other transaction in which the Shares are changed or exchanged, the Administrator, in order to prevent dilution or enlargement of Participants’ rights under the Plan, shall substitute or adjust, as applicable, (i) the number and kind of Shares or other securities that may be issued under the Plan or under particular forms of Award Agreements, (ii) the number and kind of Shares or other securities subject to outstanding Awards, (iii) the Grant Price applicable to outstanding Awards, and (iv) other value determinations applicable to outstanding Awards. In the event of any other change in corporate capitalization (including, but not limited to, a merger, consolidation, any reorganization (whether or not

such reorganization comes within the definition of such term in Section 368 of the Code), or any partial or complete liquidation of the Corporation to the extent such events do not constitute equity restructurings or business combinations within the meaning of FASB ASC Topic 718, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Administrator to prevent dilution or enlargement of rights. Unless otherwise determined by the Administrator, the number of Shares subject to an Award shall always be a whole number.

Notwithstanding the foregoing, in the case of a stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend) or subdivision or combination of the Shares (including a reverse stock split), if no action is taken by the Administrator, adjustments contemplated by this subsection that are proportionate shall nevertheless automatically be made as of the date of such stock dividend or subdivision or combination of the Shares.

- (b) In addition to the adjustments permitted under paragraph (a) above, the Administrator, in its sole discretion, may make such other adjustments or modifications in the terms of any Awards that it deems appropriate to reflect any of the events described in paragraph (a) above, including, but not limited to, (i) modifications of Performance Goals and changes in the length of Performance Periods, or (ii) the substitution of other property of equivalent value (including, without limitation, cash, other securities and securities of entities other than the Corporation that agree to such substitution) for the Shares available under the Plan or the Shares covered by outstanding Awards, including arranging for the assumption, or replacement with new awards, of Awards held by Participants and (iii) in connection with any sale of an Affiliate or business unit, arranging for the assumption, or replacement with new awards, of Awards held by Participants employed by the affected Affiliate or business unit by the Affiliate or an entity that controls the Affiliate or business unit following the sale thereof.
- (c) The determination of the Administrator as to the foregoing adjustments set forth in this Section 3.02, if any, shall be conclusive and binding on Participants under the Plan.

3.03. Effect of Plans Operated by Acquired Companies. If a company acquired by the Corporation or any Affiliate or with which the Corporation or any Affiliate combines has shares available under a preexisting plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such preexisting plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) shall be added to the Share Reserve and may thereafter be used for Awards ; provided, however, that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the preexisting plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Directors prior to such acquisition or combination.

#### **IV. ADMINISTRATION**

4.01. Administration. For purposes of the power to grant Awards to Directors, the Administrator shall consist of the entire Board, which may delegate any or all of its authority to a committee of the Board. For purposes of the power to grant Awards to employees, the Administrator shall be a committee designated by the Board to administer the Plan and shall initially be the Management Development and Compensation Committee of the Board. The Committee shall be constituted to permit the Plan to comply with the provisions of Rule 16b3 under the Exchange Act. A majority of the members of the Committee shall constitute a quorum. The approval of such a quorum, expressed by a majority vote at a meeting held either in person or by conference telephone call, or the unanimous consent of all members in writing without a meeting, shall constitute the action of the Committee and shall be valid and effective for all purposes of the Plan.

4.02. Delegation. To the extent not inconsistent with applicable law or Applicable Exchange rules, the Committee may delegate all or any portion of its authority under the Plan to one or more of its members or, with respect to Awards to employees who are not Insiders, to the Corporation's Chief Executive Officer (who will be deemed the Administrator with respect to such Awards). The Committee may also delegate to one or more employees, agents or advisors such nondiscretionary administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan.

4.03. Administrator Powers. Subject to Section 12.07 and Section 12.08, the Administrator is empowered to adopt, amend and rescind such rules, regulations and procedures and take such other action as it shall deem necessary or proper for the administration of the Plan and, in its discretion, may modify, extend or renew any Award theretofore granted; provided, however, that the term of a Stock Option or SAR may not be extended beyond the date that is ten (10) years from the Grant Date of the Award. The Administrator shall also have authority to interpret the Plan and any Agreement, and the decision of the Administrator on any questions concerning the interpretation of the Plan or any Agreement shall be final and conclusive. The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator. The Administrator shall not incur any liability for any action taken in good faith with respect to the Plan or any Award.

Subject to the provisions of the Plan, in addition to the authority specifically granted to the Administrator in other sections of the Plan, the Administrator shall have full and final authority to:

- (a) designate the Eligible Individuals to whom Awards shall be granted;
- (b) grant Awards in such form and amount as the Administrator shall determine;
- (c) impose such limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate, including conditions (in addition to those contained in this Plan) (i) on the exercisability of all or any portion of a Stock Option or SAR, (ii) on the transferability or forfeitability of Restricted Stock or (iii) requiring an Eligible Individual to retain all or a portion of the Shares for a period of time following the exercise of a Stock Option or SAR, the vesting of Restricted Stock or the payment of Restricted Stock Units;
- (d) prescribe the form of Agreement with respect to each Award;
- (e) waive in whole or in part any limitations, restrictions or conditions imposed upon any such Award as the Administrator shall deem appropriate (including accelerating the time at which any Stock Option or SAR may be exercised, the time at which Restricted Stock may become transferable or nonforfeitable or accelerating the vesting of any Restricted Stock Units); and
- (f) determine the extent to which leaves of absence for governmental or military service, illness, temporary disability and the like shall not be deemed interruptions of continuous service.

## **V. PARTICIPATION**

5.01. Eligibility. An Eligible Individual who, in the sole opinion of the Administrator, has contributed or can be expected to contribute to the profits, growth and success of the Corporation shall be eligible for Awards under the Plan. From among all such Eligible Individuals, the Administrator shall determine from time to time those Eligible Individuals to whom Awards shall be granted. No Eligible Individual shall have any right whatsoever to receive an Award unless so determined by the Administrator.

5.02. No Employment or Service Rights. The Plan shall not be construed as conferring any rights upon any Eligible Individual for a continuation of employment or service, nor shall it interfere with the rights of the

Corporation or any Affiliates to terminate the employment or service of any Eligible Individual or to take any other action affecting such Eligible Individual.

## **VI. STOCK OPTIONS**

6.01. Stock Options; General. Subject to the terms and conditions of this Plan, Stock Options may be granted to an Eligible Individual at any time and from time to time in such number, and upon such terms, as shall be determined by the Administrator, in its sole discretion. Stock Options granted under the Plan shall be in the form of Nonqualified Stock Options or Incentive Stock Options, or a combination thereof; provided that Incentive Stock Options may only be granted to individuals who are employed by the Corporation or an Affiliate. A Stock Option grants the holder the right to purchase a stated number of shares at a fixed price over a fixed period of time pursuant to terms and conditions consistent with this Article VI and the provisions of the Plan. A Stock Option shall not be treated as an Incentive Stock Option unless the Stock Option Agreement specifically designates the Stock Option as an Incentive Stock Option.

6.02. Stock Option Holder's Rights as a Shareholder. The holder of a Stock Option shall not have any rights as a shareholder with respect to the Shares covered by a Stock Option until such Shares have been delivered to the holder.

6.03. Grant Price. The price at which each Share covered by a Stock Option may be purchased shall be not less than 100% of the Fair Market Value of a Share on the Grant Date of such Stock Option. The Grant Price shall be subject to adjustment as provided in Section 3.02 hereof.

6.04. Stock Option Agreement. Each Stock Option shall be evidenced by an Award Agreement which shall contain the terms and conditions required by this Article VI, and such other terms and conditions, not inconsistent herewith, as the Administrator may deem appropriate in each case.

6.05. Exercise Period. The Administrator shall have the power to set the time or times within which each Stock Option shall be exercisable, and to accelerate the time or times of exercise; provided, however, that no Stock Option shall be exercisable after the expiration of ten (10) years from the Grant Date. Each Award Agreement with respect to a Stock Option shall state the period or periods of time within which the Stock Option may be exercised by the Participant, in whole or in part. Subject to the foregoing, unless the Award Agreement with respect to a Stock Option expressly provides otherwise, a Stock Option shall be exercisable in accordance with the following schedule, subject to the Participant's continuous service through the vesting date:

<u>Years After Date of Grant</u>	<u>Cumulative Percentage of Shares</u>
Less than 1	0%
At least 1 but less than 2	33-1/3%
At least 2 but less than 3	66-2/3%
3 or more	100%

6.06. Termination of Service. Unless the Award Agreement with respect to a Stock Option expressly provides otherwise, a Stock Option shall be exercisable following a Participant's termination of service as set forth in Section 12.04.

6.07. Method of Exercise. Subject to Section 6.05, each Stock Option may be exercised in whole or in part from time to time as specified in the Award Agreement provided, however, that each Participant may exercise a Stock Option in whole or in part by giving written notice of the exercise to the Corporation, specifying the number of Shares to be purchased by payment in full of the Grant Price therefore. The Grant Price of any exercised Stock Option shall be payable to the Corporation in accordance with one of the following methods to the extent permitted under a Participant's applicable Award Agreement: (a) in cash, (b) by check, (c) by tendering (either by actual delivery or by attestation) previously acquired Shares ("Delivered Stock"), (d) by surrendering to the Corporation Shares otherwise receivable upon exercise of the Stock Option (a "Net Exercise"), (e) by a cashless (broker-assisted) exercise, (f) by any combination of the foregoing or (g) by any other method approved or accepted by the Administrator. For purposes of the foregoing, Delivered Stock shall be valued at its Fair Market Value determined

as of the business day immediately preceding the date of exercise of the Stock Option and Shares used in a Net Exercise shall be valued at their Fair Market Value determined as of the date of exercise of the Stock Option. No Participant shall be under any obligation to exercise any Stock Option hereunder.

6.08. Dissolution or Liquidation. Anything contained herein to the contrary notwithstanding, on the effective date of any dissolution or liquidation of the Corporation, any unexercised Stock Options shall be deemed canceled, and the holder of any such unexercised Stock Options shall be entitled to receive payment as calculated under Section 12.05.

6.09. Special Rules for Incentive Stock Options. Notwithstanding any provision of the Plan to the contrary and for so long as Section 422 of the Code so provides:

- (a) The aggregate Fair Market Value of Shares (determined as of the date the Stock Option is granted) with respect to which ISOs are exercisable for the first time during a calendar year may not exceed \$100,000. To the extent that the value of the Shares subject to options exceeds that amount, the excess shall be considered to be NSOs, with the determination to be made in the order the options are granted.
- (b) Employees who own, directly or indirectly, within the meaning of Section 425(d) of the Code, more than 10% of the voting power of all classes of stock of the Corporation or any parent or subsidiary corporation shall not be eligible to receive an ISO hereunder unless the Grant Price per Share under such option is at least 110% of the Fair Market Value of the stock subject to the option and such option by its terms is not exercisable after the expiration of five (5) years from the Grant Date.
- (c) To obtain favorable ISO tax treatment, the option must be exercised while the Participant is an employee, or within three months after the Participant's termination as an employee; provided that, in the case of termination on account of disability (as defined in Section 22(e)(3) of the Code), the Exercise Period may be extended to one year; and further provided that the employment requirement is waived in the case of the Participant's death.

## **VII. STOCK APPRECIATION RIGHTS**

7.01. SARs; Generally. Subject to the terms and conditions of this Plan, SARs may be granted to an Eligible Individual at any time and from time to time in such number, and upon such terms, as shall be determined by the Administrator, in its sole discretion. An SAR grants the holder the right to receive in cash, Shares or a combination of both, as determined by the Administrator, an amount equal to the appreciation in value, if any of a specified number of Shares between the Grant Date of the SAR and its exercise date on terms and conditions consistent with this Article VII and the provisions of the Plan.

7.02. SAR Holder's Rights as a Shareholder. The holder of a SAR shall not have any rights as a shareholder with respect to the Shares covered by the SAR until such Shares, if any, have been delivered to the holder.

7.03. Grant Price. The Grant Price for each Share covered by an SAR shall be determined by the Administrator and shall be specified in the Award Agreement; provided, however, the Grant Price must be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date. The Grant Price shall be subject to adjustment as provided in Section 3.02 hereof.

7.04. SAR Agreement. Each SAR granted under the Plan shall be evidenced by an Award Agreement which shall contain the terms and conditions required by this Article VII, and such other terms and conditions, not inconsistent herewith, as the Administrator may deem appropriate in each case.

7.05. Term of SAR. The term of a SAR granted under this Plan shall be determined by the Administrator, as specified in the Award Agreement; provided, however, that no SAR shall be exercisable later than the tenth (10th) anniversary of its Grant Date.

7.06. Exercise Period. SARs granted under this Article VII shall be exercisable at such times and be subject to such restrictions and conditions as the Administrator shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant. Subject to the foregoing, unless the Award Agreement with respect to a SAR expressly provides otherwise, an SAR shall be exercisable in accordance with the following schedule, subject to the Participant's continuous service through the vesting date:

<u>Years After Date of Grant</u>	<u>Cumulative Percentage of Shares</u>
Less than 1	0%
At least 1 but less than 2	33-1/3%
At least 2 but less than 3	66-2/3%
3 or more	100%

7.07. Settlement of SAR Amount. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Corporation in an amount determined by multiplying:

- (a) The excess of the Fair Market Value of a Share on the date of exercise over the Grant Price; by
- (b) The number of Shares with respect to which the SAR is exercised.

At the discretion of the Administrator, the payment upon SAR exercise may be made in cash, Shares, or any combination thereof, or in any other manner approved by the Administrator in its sole discretion. The Administrator's determination regarding the form of a SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR. The Administrator may also determine that any payment in cash to a Participant shall be made by the Affiliate that employs such Participant, in which case payment by such Affiliate shall satisfy the Corporation's payment obligation hereunder.

7.08. Termination of Service. Unless the Award Agreement with respect to the SAR expressly provides otherwise, the SAR shall be exercisable following a Participant's termination of service as set forth in Section 12.04.

## **VIII. RESTRICTED STOCK AND RESTRICTED STOCK UNITS**

8.01. Administration. Subject to the terms of the Plan, the Administrator shall determine the Eligible Individuals to whom and the time or times at which grants of Restricted Stock and Restricted Stock Units will be made, the number of Shares to be granted, the time or times within which such Awards may be subject to forfeiture or otherwise restricted and any other terms and conditions of the Awards. The restrictions may be based upon specified Performance Measures, the Participant's continued service with the Corporation or its Affiliates or such other factors or criteria as the Administrator shall determine. Subject to Sections 8.02 and 8.03 hereof the provisions of Restricted Stock Awards and Restricted Stock Unit Awards need not be the same with respect to each recipient. Subject to the foregoing, unless the Agreement expressly provides otherwise, a Restricted Stock or Restricted Stock Unit Award that is based upon the Participant's continued service with the Corporation and its Affiliates shall become vested in accordance with the following schedule:

<u>Years After Date of Grant</u>	<u>Cumulative Percentage of Shares</u>
Less than 1	0%
At least 1 but less than 2	33-1/3%
At least 2 but less than 3	66-2/3%
3 or more	100%

8.02. Terms and Conditions for Restricted Stock Awards. Shares of Restricted Stock shall be subject to the following terms and conditions:

- (a) Any Restricted Stock Award granted hereunder may be evidenced in such manner as the Administrator may deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates.
- (b) Until the applicable restrictions lapse, the Participant shall not be permitted to sell, assign, transfer, exchange, pledge, hypothecate or otherwise dispose of or encumber Shares of Restricted Stock.
- (c) Unless and until a forfeiture of the Restricted Stock, the Participant shall have, with respect to the Shares of Restricted Stock, all of the rights of a shareholder of the Corporation, including the right to vote the Shares (if applicable). Any cash dividends on Restricted Stock shall be treated as provided in Section 12.01.
- (d) Except to the extent otherwise provided in the applicable Restricted Stock Agreement and paragraph (e) below, all Shares still subject to restriction shall be forfeited by the Participant upon termination of a Participant's service for any reason.
- (e) If and when the applicable restrictions lapse, any legend placed on the certificates for such Shares shall be removed.

8.03. Terms and Conditions for Restricted Stock Unit Awards. Restricted Stock Unit Awards shall be subject to the following terms and conditions:

- (a) Until the applicable restrictions lapse or the conditions are satisfied, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber the Restricted Stock Unit Award.
- (b) Except to the extent otherwise provided in the applicable Award Agreement and paragraph (c) below, the portion of the Award still subject to restriction shall be forfeited by the Participant upon termination of a Participant's service for any reason.
- (c) If and when the applicable restrictions lapse, the Corporation shall issue Shares of Common Stock to the Participant or pay to Participant an amount equal to the Fair Market Value of a Share of Common Stock multiplied by the number of Shares covered by the Award for which the restrictions have then lapsed. The Administrator may also determine that any payment in cash to a Participant shall be made by the Affiliate that employs such Participant, in which case payment by such Affiliate shall satisfy the Corporation's payment obligation hereunder.

8.04. Termination of Service. Unless the Agreement with respect to a Restricted Stock Award or Restricted Stock Unit Award expressly provides otherwise, the right to retain Restricted Stock and/or Restricted Stock Units following a Participant's termination of service shall be as set forth in Section 12.04.

8.05. Section 83(b) Election. The Administrator may provide in an Award Agreement that the Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Code Section 83(b). If a Participant makes an election pursuant to Code Section 83(b) concerning a Restricted Stock Award, the Participant shall be required to promptly provide to the Corporation a copy of such election.

## **IX. UNRESTRICTED STOCK**

9.01. Administration. Shares of Unrestricted Stock may be issued either alone or in addition to other Awards granted under the Plan. The Administrator shall determine the Eligible Individuals to whom and the time or times at which grants of Unrestricted Stock will be made, the number of Shares to be granted, and any other terms

and conditions of the Awards. It is anticipated that Shares of Unrestricted Stock will only be granted to Directors, or to Eligible Individuals who are employees in lieu of cash compensation to which they are otherwise entitled.

## **X. CASH INCENTIVE AWARDS.**

10.01. Administration. The Administrator shall determine the Eligible Individuals to whom and the time or times at which Cash Incentive Awards will be made and the terms and conditions of the Awards. Cash Incentive Awards may be based upon specified Performance Measures or such other factors or criteria as the Administrator shall determine.

10.02. No Limitation on Authority to Award Bonuses or other Compensation. This Plan does not limit the authority of the Corporation, the Board or the Administrator, or any Affiliate, to award bonuses or authorize any other compensation to any employee outside of the Plan.

## **XI. WITHHOLDING TAXES**

11.01. General Rule. If, pursuant to applicable law, the Corporation is obligated to collect withholding taxes in connection with the grant, vesting, exercise, settlement or payment of an Award pursuant to applicable law, then the Corporation may satisfy such obligation by:

- (a) If cash is payable under an Award, deducting (or requiring an Affiliate to deduct) from such cash payment the amount needed to satisfy such obligation;
- (b) If Shares are issuable under an Award, then to the extent previously approved by the Administrator (which approval may be set forth in an Award agreement or in administrative rules) (i) withholding Shares having a Fair Market Value not less than such obligation; or (ii) allowing the Participant to elect to (A) have the Company or its Affiliate withhold Shares otherwise issuable under the Award, (B) tender back Shares received in connection with such Award or (C) deliver other previously owned Shares, in each case having a Fair Market Value not less than the amount to be withheld; provided that the amount to be withheld under this clause (ii) may not exceed the total maximum statutory tax withholding obligations associated with the transaction to the extent needed for the Company and its Affiliates to avoid an accounting charge. If an election is provided, the election must be made on or before the date as of which the amount of tax to be withheld is determined and otherwise as the Administrator requires; or
- (c) Deducting (or requiring an Affiliate to deduct) the amount needed to satisfy such obligation from any wages or other payments owed to the Participant, requiring such Participant to pay to the Company or its Affiliate, in cash, promptly on demand, or make other arrangements satisfactory to the Company or its Affiliate regarding the payment to the Company or its Affiliate of the amount needed to satisfy such obligation.

11.02. Special Rule for Insiders. Any such request or election (to satisfy a withholding obligation using Shares) by an individual who is subject to the provisions of Section 16 of the Exchange Act shall be made in accordance with the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

## **XII. GENERAL**

12.01. Dividends and Dividend Equivalents.

- (a) A Participant will be entitled to receive cash dividends on Shares issued under a Restricted Stock Award only if and to the same extent that the Shares of Restricted Stock vest, unless otherwise determined by the Administrator and set forth in the Agreement governing such Award.
- (b) The Administrator may grant dividend equivalents with respect to a Restricted Stock Unit Award which will either, at the discretion of the Administrator, be (i) accumulated and



paid, in cash or Shares in the Administrator's discretion, at the same time and to the same extent that the Restricted Stock Unit Award vests or is earned or (ii) reinvested in additional units that are subject to the same terms and conditions (including vesting and forfeiture) as the Restricted Stock Unit Award to which the relate. The Administrator will determine all other terms and conditions of each award of dividend equivalents.

- (c) No cash dividends or dividend equivalents shall be permitted for Stock Option or SAR Awards.

12.02. Nontransferability. No Award granted under the Plan shall be transferable or assignable (or made subject to any pledge, lien, obligation or liability of a Participant) except by last will and testament or the laws of descent and distribution. During the Participant's lifetime, Stock Options shall be exercisable only by the Participant or by the Participant's guardian or legal representative. Notwithstanding the foregoing, NSOs may be transferred by a Participant to the Participant's spouse, children or grandchildren or to a trust for the benefit of such spouse, children or grandchildren pursuant to such rules as may be required by the Administrator; provided that the terms of any such transfer prohibit the resale of Shares acquired upon exercise of the option at a time during which the transferor would not be permitted to sell such Shares under the Corporation's policy on trading by Insiders.

12.03. General Restriction. Each Award shall be subject to the requirement that if at any time the Administrator shall determine, in its discretion, that the listing, registration, or qualification of securities upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the issue or purchase of securities thereunder, no Shares shall be issued under such Award unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Administrator. The Administrator shall have the right to rely on an opinion of its counsel as to whether any such listing, registration, qualification, consent or approval shall have been effected or obtained.

12.04. Effect of Termination of Service, Disability or Death. Except as otherwise provided by the Administrator in the applicable Award Agreement, all rights under any Award granted to a Participant shall be forfeited on the date such Participant's service with the Corporation or its Affiliates terminates, except that:

- (a) With respect to Stock Options or SARs:

- (i) if the Participant's service is terminated by the death of the Participant, any unexercised, unexpired Stock Options or SARs shall be 100% vested upon such termination and fully exercisable, in whole or in part, at any time within one year after the date of death, by the Participant's personal representative or by the Person to whom the Stock Options or SARs are transferred under the Participant's last will and testament or the applicable laws of descent and distribution;
- (ii) if the Participant's service is terminated as a result of the Disability of the Participant, any unexercised, unexpired Stock Options or SARs shall become 100% vested upon such termination and fully exercisable, in whole or in part, at any time within one year after the date of termination due to Disability;
- (iii) if the Participant's service is terminated through Retirement, any unexercised, unexpired Stock Options or SARs shall continue to vest and may be exercised in whole or in part prior to the expiration date of such Stock Option or SAR, subject to any conditions imposed by the Administrator on such continued vesting and exercisability in the Award Agreement; and
- (iv) if the Participant's service is terminated by the Corporation or an Affiliate for any reason other than the Participant's death, Disability or Retirement or for Cause, any unexercised, unexpired Stock Options or SARs exercisable as of the date of such termination of service shall be exercisable in whole or in part at any time within 90

days after such date of termination and all Stock Options or SARs that are not exercisable as of the date of such termination shall be forfeited.

- (b) With respect to unvested Shares issued under a Restricted Stock Award and any unvested Restricted Stock Units that are subject only to a service-based vesting condition:
  - (i) if the Participant's service is terminated as a result of the death or Disability of the Participant, any such Shares or Restricted Stock Units shall become 100% vested upon such termination;
  - (ii) if the Participant's service is terminated as a result of Retirement, any such Shares or Restricted Stock Units shall continue to vest, subject to any conditions imposed by the Administrator on such continued vesting in the Award Agreement; and
  - (iii) if the Participant's service is terminated for any reason other than the Participant's death or Disability, any such Shares or Restricted Stock Units shall be forfeited upon such termination.
- (c) With respect to Awards that are subject to a performance-based vesting condition:
  - (i) if the Participant's service is terminated prior to the end of the applicable Performance Period as a result of the death, Disability or Retirement of the Participant, the Award shall vest, if at all, based on the level of achievement of the performance goal(s) for such Award, but pro-rated based on the number of full months that the Participant was employed during the Performance Period; and divided by the number of months in the Performance Period; and
  - (ii) if the Participant's service is terminated after the end of the applicable Performance Period, but prior to the vesting date, due to death, Disability or Retirement, the Award shall vest, if at all, in full based on the level of achievement of the performance goal(s) for such Award; and
  - (iii) if the Participant's service is terminated for any reason other than the Participant's death, Disability or Retirement, the Award shall be forfeited upon such termination.

Any Award that becomes vested under this subsection (c) shall be settled or paid on the date that such Award would have been settled or paid had no termination of employment occurred.

If a Participant dies after termination of employment while a Stock Option or SAR is outstanding, then any unexercised Stock Options or SARs granted hereunder to the Participant and exercisable as of the date of death shall be exercisable, in whole or in part, at any time within one year after the date of death, by the Participant's personal representative or by the Person to whom the Stock Options or SARs are transferred under the Participant's last will and testament or the applicable laws of descent and distribution.

Notwithstanding anything to the contrary herein, if a Participant's service is terminated for Cause, all of the Participant's Awards shall expire and be forfeited.

Notwithstanding the foregoing, no Stock Option or SAR shall be exercisable after the date of expiration of its term.

12.05. Change in Control. Except to the extent an Award Agreement provides otherwise, in the event of a Change in Control, all (i) then-unexercised Stock Options and SARs shall become fully exercisable, (ii) restrictions imposed on any then-outstanding Restricted Stock that are subject only to a service-based vesting condition shall terminate such that any Restricted Stock shall become fully vested and transferable immediately prior to such Change in Control, (iii) restrictions imposed on any then-outstanding Restricted Stock Units that are subject only to a service-based vesting condition shall terminate such that any Restricted Stock Unit shall become fully vested

immediately upon the Change in Control , and (iv) any Award that is subject to a performance-based vesting condition shall (A) become 100% vested at target upon the Change in Control if such Change in Control occurs prior to the end of the Performance Period, or (B) shall vest based on the level of achievement of the Performance Goals if the Change in Control occurs on or after the last day of the Performance Period. If an Award of Restricted Stock Units or a Cash Incentive Award becomes vested upon a Change in Control then such award shall be settled within thirty (30) days of the Change in Control event, except to the extent that settlement of the Award must be made pursuant to its original schedule in order to comply with Code Section 409A.

The Administrator may elect to cancel any then-unexercised Stock Options and SARs effective on the date of the Change in Control. If any Stock Option or SAR is so canceled, the Corporation, or the corporation assuming the obligations of the Corporation hereunder, shall pay the Participant an amount of cash or stock, as determined by the Administrator, equal to the Fair Market Value of a Share immediately preceding such cancellation over the Grant Price, multiplied by the number of Shares subject to such canceled Award.

12.06. Expiration and Termination of the Plan. This Plan shall remain in effect until all of the Awards made under the Plan have been exercised, the restrictions thereon have lapsed or the Awards have expired, terminated, or been canceled or forfeited. Notwithstanding the foregoing, no Awards shall be granted under the Plan after that date which is ten (10) years after the Plan is approved by the Board; or such earlier date as the Board determines in its sole discretion.

12.07. Amendments. Subject to Section 12.08, the Board may from time to time amend, modify, suspend or terminate the Plan; provided, however, that no such action shall (a) impair without the Participant's consent any Award theretofore granted under the Plan or deprive any Participant of any Shares which he may have acquired through or as a result of the Plan without the Participant's consent, (b) be made without shareholder approval where such approval would be required as a condition of compliance with Rule 16b3, other applicable law, or the Applicable Exchange requirements, or (c) without the prior approval of the Corporation's shareholders (except as provided for in Section 3.02), (i) reduce the Grant Price of a Stock Option or SAR; (ii) cancel an Stock Option or SAR in exchange for the grant of any new Stock Option or SAR with a lower Grant Price; or (iii) cancel a Stock Option or SAR in exchange for cash, other property or the grant of any new Award at a time when the Grant Price of the Stock Option or SAR is greater than the current Fair Market Value of a Share.

If the Board takes any action under this Plan that is not, at the time of such action, authorized by this Plan, but that could be authorized by this Plan as amended by the Board, then the Board action will be deemed to constitute an amendment to this Plan to authorize such action to the extent permissible under applicable law and the requirements of the Applicable Exchange.

12.08. Amendment to Conform to Law. Notwithstanding any other provision of the Plan to the contrary, the Board or the Committee may amend the Plan and the Administrator may amend an Award Agreement, to take effect retroactively or otherwise, without any Participant consent, as deemed necessary or advisable for the purpose of conforming the Plan or an Award Agreement to (a) any law relating to plans of this or similar nature, and to the administrative regulations and rulings promulgated thereunder, (b) any Applicable Exchange requirements and (c) any compensation recoupment policy adopted by the Corporation. By accepting an Award under the Plan, a Participant agrees to any amendment made pursuant to this Section 12.08 to the Plan and any Award without further consideration or action.

12.09. Governing Law; Venue.

- (a) Except as otherwise required by applicable federal laws, the Plan shall be governed by, and construed in accordance with, the laws of the State of Wisconsin without reference to conflict of laws principles thereof.
- (b) Any legal action or proceeding with respect to this Plan, any Award or any Agreement, or for recognition and enforcement of any judgment in respect of this Plan, any Award or any Agreement, may only be brought and determined in (i) a court sitting in the State of Wisconsin, and (ii) a "bench" trial, and any party to such action or proceeding shall agree to waive its right to a jury trial.

12.10. Unfunded Plan. The Plan shall be unfunded and the Corporation shall not be required to segregate any assets that may at any time be represented by Awards under this Plan. Any liability of the Corporation to any Eligible Individual (or other person who acquires rights under an Award) with respect to any Award shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Corporation shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Corporation.

12.11. Rules of Construction. Headings are given to the articles and sections of this Plan solely as a convenience to facilitate reference. The reference to any statute, regulation, or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.

12.12. Gender and Number. Except when otherwise required by the context, words in the masculine gender shall include the feminine, the singular shall include the plural, and the plural the singular.

12.13. Deferral. The Administrator may, in its discretion and as provided in the applicable Award Agreement or otherwise, permit a Participant to defer the recognition of income with respect to an Award pursuant to the terms of any deferred compensation plan maintained by the Corporation.

12.14. Section 409A Compliance; No Guarantee of Tax Treatment.

- (a) To the extent applicable, it is intended that the Plan and all Awards hereunder are either exempt from, or comply with, the requirements of Section 409A of the Code, and the Plan and all Agreements shall be interpreted and applied by the Administrator in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A of the Code. In the event that any provision of the Plan or an Agreement is determined by the Administrator to not comply with the applicable requirements of Section 409A of the Code, the Administrator shall have the authority to take such actions and to make such changes to the Plan or an Agreement as the Administrator deems necessary to comply with such requirements, provided that no such action shall adversely affect any outstanding Award without the consent of the affected Participant.
- (b) For purposes of an Award that is subject to Section 409A of the Code, if a Participant's termination of employment or service triggers the payment of compensation under such Award, then the Participant shall be deemed to have terminated employment or service upon his or her "separation from service" within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Plan or an Award to the contrary, if any Participant is a "specified employee" within the meaning of Section 409A of the Code as of the date of his or her "separation from service" within the meaning of Section 409A of the Code, then, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, any payment made to the Participant on account of such separation from service shall not be made before a date that is six (6) months after the date of the separation from service.

12.15. Clawback. The Award is subject to forfeiture, recovery by the Corporation or other action pursuant to the Brady Corporation Incentive Recoupment Policy, or any successor policy thereto, as in effect from time to time.

12.16. Foreign Employees. Without amending this Plan, the Administrator may grant Awards to eligible persons who are foreign nationals and/or reside outside the U.S. on such terms and conditions different from those specified in this Plan as may in the judgment of the Administrator be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Administrator may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Corporation or its Affiliates operates or has employees.

**BRADY CORPORATION**  
**NONQUALIFIED STOCK OPTION**

Brady Corporation (the "Corporation") hereby grants to \_\_\_\_\_ ("Employee") a non-qualified stock option (the "Option") effective \_\_\_\_\_, 20\_\_, pursuant to the terms of the Brady Corporation 2023 Omnibus Incentive Plan (the "Plan"). The Corporation's records shall be the official record of the Option grant described herein and, in the event of any conflict between this description and the Corporation's records, the Corporation's records shall control. Capitalized terms not defined herein shall have the meanings specified in the Plan.

**1. Number of Shares Optioned; Grant Price**

The Corporation grants to the Employee the right and option to purchase, on the terms and conditions hereof, all or any part of an aggregate of X,XXX Shares of the presently authorized Class A Common Stock of the Corporation, \$.01 par value, whether unissued or issued and reacquired by the Corporation, at the price of \$XX.XX per Share (the "Grant Price").

**2. Conditions of Exercise of Options During Employee's Lifetime: Vesting of Option**

Except as provided in this Section and in Section 3, this Option may not be exercised (a) unless Employee is at the date of the exercise in the employ of the Corporation or an Affiliate, and (b) until Employee shall have been continuously so employed for a period of at least one year from the date hereof. Thereafter, this Option shall be exercisable for any amount of Shares up to the maximum percentage of Shares covered by this Option (rounded up to the nearest whole Share), as follows (but in no event shall this Option be exercisable for any Shares after the expiration date provided in Section 7):

<u>Number of Completed Years After Grant Date</u>	<u>Maximum Percentage of Shares For Which Option is Exercisable</u>
Less than 1	Zero
At least 1 but less than 2	33-1/3%
At least 2 but less than 3	66-2/3%
At least 3	100%

This Agreement does not confer upon Employee any right of continuation of employment by the Corporation or an Affiliate, nor does it impair any right the Corporation or any Affiliate may have to terminate the Employee's employment at any time.

**3. Termination of Employment**

If the Employee's employment is terminated for any reason, any unexercised, unexpired Stock Options granted hereunder to the Employee shall be governed by Section 12.04 of the Plan.

**4. Deferral of Exercise**

Although the Corporation intends to exert its best efforts so that the Shares purchasable upon the exercise of this Option will be registered under, or exempt from, the registration requirements of, the Securities Act of 1933 (the "Act") and any applicable state securities law at the time or times this Option (or any portion of this Option) first becomes exercisable, if the exercise of this Option would otherwise result in a violation by the Corporation of any provision of the Act or of any state securities law, the Corporation may require that such exercise be deferred until the Corporation has taken appropriate action to avoid any such violation.

**5. Method of Exercising Option**

This Option shall be exercised by delivering to the Corporation, at the office of its Treasurer, a written notice of the number of Shares with respect to which this Option is at the time being exercised and by paying the Corporation in full the Grant Price of the Shares being acquired at the time in accordance with Section 6, as well as any withholding taxes with respect to such exercise as set forth in Section 8.

6. **Method of Payment**

Payment of the exercise price shall be made either: (a) in cash, (b) by check, (c) by tendering (either by actual delivery or by attestation) previously acquired Shares ("Delivered Stock"), (d) by surrendering to the Corporation Shares otherwise receivable upon exercise of the Stock Option (a "Net Exercise"), (e) by a cashless (broker-assisted) exercise, (f) any combination of the foregoing or (g) by any other method approved or accepted by the Administrator. Payment in the form of Delivered Stock shall be in the amount of the Fair Market Value of the Shares at the date of exercise and Shares used in a Net Exercise shall be valued at their Fair Market Value determined as of the date of exercise of the Stock Option.

7. **Expiration Date**

This Option shall expire ten years after the date on which this Option was granted.

8. **Withholding Taxes**

The Corporation may require, as a condition to the exercise of this Option, that the Employee concurrently pay to the Corporation (either in cash or, at the request of Employee, but subject to such rules and regulations as the Administrator may adopt from time to time, in Shares of Delivered Stock) the entire amount or a portion of any taxes which the Corporation is required to withhold by reason of such exercise, in such amount as the Administrator or the Corporation in its discretion may determine. The Employee may, subject to such rules and regulations as the Corporation may adopt from time to time, elect to have the Corporation hold back from the Shares to be issued upon the exercise of the Option, Shares, the Fair Market Value of which is to be applied to the Employee's withholding obligations; provided that the Shares withheld may not have a Fair Market Value exceeding the maximum statutory tax rates in the Employee's applicable jurisdictions.

9. **Confidentiality, Non-Solicitation and Non-Compete**

As consideration for the grant of this Option, Employee agrees to, understands and acknowledges the following:

- (a) During Employee's employment with the Corporation and its Affiliates (the "Company"), the Company will provide Employee with Confidential Information relating to the Company, its business and clients, the disclosure or misuse of which would cause severe and irreparable harm to the Company. During Employee's employment with Company, and thereafter, Employee agrees not to use or disclose Company's Confidential Information except as necessary in executing Employee's duties for Company. Employee shall keep Confidential Information constituting a trade secret under applicable law confidential for so long as such information constitutes a trade secret (i.e., protection as to trade secrets shall not necessarily expire at the end of the two (2)-year period). Employee agrees that all Confidential Information is and shall remain the sole and absolute property of the Company. Upon the termination of Employee's employment with the Company for any reason, Employee shall immediately return to the Company all documents and materials that contain or constitute Confidential Information, in any form whatsoever, including but not limited to, all copies, abstracts, electronic versions, and summaries thereof. As to any electronically stored copies of Confidential Information, Employee shall contact their supervisor or Company's General Counsel to discuss the proper method for returning such items. Employee hereby consents and agrees that Company may access any of Employee's personal computers and other electronic storage devices (including personal phones) and any electronic storage accounts (such as dropbox) so as to allow Company to ascertain the presence of Company's Confidential Information and how such information has been used by Employee and to remove any such items from such devices and accounts. Employee further agrees that, without the written consent of the Chief Executive Officer of the Corporation or, in the case of the Chief Executive Officer of the Corporation, without the written approval of the Board of Directors of the Corporation, Employee will not disclose, use, copy or duplicate, or otherwise permit the use, disclosure, copying or duplication of any Confidential Information of the Company, other than in connection with the authorized activities conducted in the course of Employee's employment with the Company. Employee agrees to take all reasonable steps and precautions to prevent any unauthorized disclosure, use, copying or duplication of Confidential Information. For purposes of this Agreement, Confidential Information means any and all financial, technical, commercial or other information concerning the business and affairs of the Company that is confidential and proprietary to the Company, including without limitation,

- (i) information relating to the Company's past and existing customers and vendors and development of prospective customers and vendors, including specific customer product requirements, pricing arrangements, payments terms, customer lists and other similar information;
  - (ii) inventions, designs, methods, discoveries, works of authorship, creations, improvements or ideas developed or otherwise produced, acquired or used by the Company;
  - (iii) the Company's proprietary programs, processes or software, consisting of but not limited to, computer programs in source or object code and all related documentation and training materials, including all upgrades, updates, improvements, derivatives and modifications thereof and including programs and documentation in incomplete stages of design or research and development;
  - (iv) the subject matter of the Company's patents, design patents, copyrights, trade secrets, trademarks, service marks, trade names, trade dress, manuals, operating instructions, training materials, and other industrial property, including such information in incomplete stages of design or research and development; and
  - (v) other confidential and proprietary information or documents relating to the Company's products, business and marketing plans and techniques, sales and distribution networks and any other information or documents which the Company reasonably regards as being confidential.
  - (vi) Confidential Information does not include information which: (i) is already available to the public without wrongful act or breach by Employee; (ii) becomes available to the public through no fault of Employee; or (iii) is required to be disclosed pursuant to a court order or order of government authority, provided that Employee promptly notifies Company of such request so Company may seek a protective order.
- (b) Post-Employment Customer Non-Solicitation Agreement. For one (1) year following Employee's separation from Company, Employee will not contact—or support others in contacting—customers of Company with whom Employee had business contact during the last two (2) years of Employee's employment with Company, for the purpose of selling or providing products or services competitive with those offered by Company ("Competitive Products"). "Competitive Products" shall mean products and services competitive with those products and services for which Employee was responsible during the last two (2) years of Employee's employment with Company.
  - (c) Post-Employment Non-Solicitation Agreement Based Upon Customer Knowledge. For one (1) year following Employee's separation from Company, Employee will not contact—or support others in contacting—customers of Company about whom Employee possesses Confidential Information or for whom Employee supervised others in serving during the last two (2) years of Employee's employment with Company, for the purpose of selling or providing products or services competitive with those offered by Company ("Competitive Products"). "Competitive Products" shall mean products and services competitive with those products and services for which Employee was responsible during the last two (2) years of Employee's employment with Company.
  - (d) Post-Employment Non-Compete Agreement. For one (1) year following Employee's separation from Company, Employee will not, directly or indirectly, within the United States, provide services similar to any of those Employee provided to Company during the last two (2) years of Employee's employment with Company to a competitor of Company or a person or entity preparing to compete with Company.
  - (e) Post-Employment Restriction on Working With Competitive Products. For one (1) year following Employee's separation from Company, Employee will not, work in the development, design, modification, improvement, or creation of products or services competitive with any products or services with which Employee was involved in the development, design, modification, improvement or creation for Company during the last two (2) years of Employee's employment.
  - (f) Post-Employment Restriction on Advising Investors. For one (1) year following Employee's separation from Company, Employee will not, directly or indirectly, advise a private equity firm or other investor regarding buying, investing in, or divesting from Company or any of its competitors.

- (g) Post-Employment Restriction on Soliciting Employees. For one (1) year following Employee's separation from Company, Employee will not solicit or encourage other employees of Company to provide services to a competitor of Company or to otherwise terminate their relationship with Company.
- (h) Duty of Loyalty and Related Obligations. Employee acknowledges and agrees that Employee owes Company a duty of loyalty while employed by Company. During Employee's employment with Company, Employee agrees not to take action that will harm Company, such as, encouraging employees, vendors, suppliers, contractors, or customers to terminate their relationships with Company, usurping a business opportunity from Company, engaging in conduct that would injure Company's reputation, providing services or assistance to a competitive enterprise, or otherwise competing with Company.
- (i) Non-Disparagement and Social Media. Employee agrees not to disparage Company or any of its officers, directors, or employees on social media, on any public platform, or to persons external to Company when such comments have the potential to harm Company (*i.e.*, making disparaging comments about Company to distributors, customers, suppliers, etc.).
- (j) Other Business Relationships. Employee agrees, for a one (1)-year period following Employee's separation from Company, not to encourage or advise any vendors, suppliers, or others possessing a business relationship with Company to terminate that relationship or to otherwise modify that relationship to Company's detriment.
- (k) Employee acknowledges and agrees that compliance with this Section 9 is necessary to protect the Company, and that a breach of any of this Section 9 will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. In the event of a breach of this Section 9, or any part thereof, the Option shall be forfeited and the Company, and its successors and assigns, shall be entitled to injunctive relief and to such other and further relief as is proper under the circumstances. The Company shall institute and prosecute proceedings in any Court of competent jurisdiction either in law or in equity to obtain damages for any such breach of this Section 9, or to enjoin Employee from performing services in breach of Section 9. Employee hereby agrees to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement. Notwithstanding the foregoing, nothing in this Section 9 is intended to prohibit Employee from communicating directly with the U.S. Securities and Exchange Commission about any possible violation of federal securities law or making any disclosure protected under the whistleblower provisions of U.S. federal law or regulation.
- (l) Employee further agrees that, in the event of a breach of this Section 9, the Corporation may elect to recover all or any part of the value of any amounts previously paid or payable or any Shares (or the value of any Shares) delivered or deliverable to Employee pursuant to any Company bonus program, this Agreement, and any other Company plan or arrangement.
- (m) Employee agrees that the terms of this Section 9 shall survive the termination of Employee's employment with the Company.
- (n) EMPLOYEE HAS READ THIS SECTION 9 AND AGREES THAT THE CONSIDERATION PROVIDED BY THE CORPORATION IS FAIR AND REASONABLE AND FURTHER AGREES THAT GIVEN THE IMPORTANCE TO THE COMPANY OF ITS CONFIDENTIAL AND PROPRIETARY INFORMATION, THE POST-EMPLOYMENT RESTRICTIONS ON EMPLOYEE'S ACTIVITIES ARE LIKEWISE FAIR AND REASONABLE.

#### **10. Clawback**

This Option is subject to forfeiture, recovery by the Corporation or other action pursuant to the Brady Corporation Incentive Recoupment Policy, as in effect from time to time.

#### **11. No Rights in Shares Until Certificates Issued**

Neither the Employee nor his heirs nor his personal representative shall have any of the rights or privileges of a stockholder of the Corporation in respect of any of the Shares issuable upon the exercise of the Option herein granted, unless and until certificates representing such Shares shall have been issued or Shares in book entry form shall have been recorded in the records of the Corporation's transfer agent.



**12. Option Not Transferable**

No portion of the Option granted hereunder shall be transferable or assignable (or made subject to any pledge, lien, obligation or liability of an Employee) except (a) by last will and testament or the laws of descent and distribution (and upon a transfer or assignment pursuant to an Employee's last will and testament or the laws of descent and distribution, any Option must be transferred in accordance therewith); or b) during the Employee's lifetime, nonqualified stock Options may be transferred by an Employee to the Employee's spouse, children or grandchildren or to a trust for the benefit of such spouse, children or grandchildren, provided that the terms of any such transfer prohibit the resale of Shares acquired upon exercise of the option at a time during which the transferor would not be permitted to sell such Shares under the Corporation's policy on trading by insiders.

**13. Prohibition Against Pledge, Attachment, Etc.**

Except as otherwise herein provided, the Option herein granted and the rights and privileges pertaining thereto shall not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

**14. Change in Control**

Anything contained herein to the contrary notwithstanding, in the event of a Change in Control, this Option (to the extent not previously forfeited) shall become fully vested and exercisable. The Administrator may elect to cancel the Option. If the Option is canceled, the Corporation, or the corporation assuming the obligations of the Corporation hereunder, shall pay the Employee an amount of cash or stock, as determined by the Administrator, equal to the number of Shares subject to the canceled Option multiplied by the difference between the Grant Price per Share, as described in Section 1 hereof, and the Fair Market Value per share, as of the time of surrender. No event shall cause the Option to become fully vested and exercisable unless such event is a Change in Control.

**15. Notices**

Any notice to be given to the Corporation under the terms of this Agreement shall be addressed to the Corporation in care of its Chief Financial Officer, and any notice to be given to the Employee may be addressed at the address as it appears on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Except as provided in Section 5 hereof, any such notice shall be deemed to have been duly given, if and when enclosed in a properly sealed envelope addressed as aforesaid, and deposited, postage prepaid, in the United States mail.

**16. Provisions of Plan Controlling**

This Option is subject in all respects to the provisions of the Plan. In the event of any conflict between any provisions of this Option and the provisions of the Plan, the provisions of the Plan shall control, except to the extent the Plan permits the Committee to modify the terms of an Option grant and has done so herein. Terms defined in the Plan where used herein shall have the meanings as so defined. Employee acknowledges receipt of a copy of the Plan.

**17. Wisconsin Contract**

This Option has been granted in Wisconsin and shall be construed under the laws of Wisconsin without reference to conflict of laws principles thereof.

Any legal action or proceeding with respect to this Agreement, any Award or the Option, or for recognition and enforcement of any judgment in respect of this Agreement, any Award or the Option, may only be brought and determined in (i) a court sitting in the State of Wisconsin, and (ii) a "bench" trial, and any party to such action or proceeding shall agree to waive its right to a jury trial.

**18. Severability**

Wherever possible, each provision of this Option will be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such

provision or the remaining provisions hereof. A court of competent jurisdiction is expressly authorized to modify overbroad provisions so as to make them enforceable to the maximum extent permitted by law and is further authorized to strike whole provisions that cannot be so modified.

**19. At-Will Employment**

Nothing in this Agreement is intended to change Employee's status as an at-will employee. Employee understands that Employee is an at-will employee and that Employee's employment can be terminated at any time, with or without notice or cause, by either Employee or Corporation.

**20. Notice of Immunity**

In accordance with the Defend Trade Secrets Act, Employee is hereby advised that:

An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

**21. Nature of the Award**

In accepting the grant of this Award, Employee agrees to, understands and acknowledges the following:

- (a) The grant of the Award is discretionary, voluntary and occasional and does not create any contractual or other right to receive any future awards, or benefits in lieu of awards, even if awards have been granted in the past. All decisions with respect to future awards, if any, will be at the sole discretion of the Company and the Committee.
- (b) The grant of the Award will not be considered to be an employment contract or part of the Employee's terms and conditions of employment or the Employee's salary or compensation and is not intended to replace any pension rights or compensation.
- (c) The Award, any shares of Common Stock acquired under the Plan and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to calculating any severance, resignation, termination, redundancy, dismissal end of service payments, bonuses, long-service awards, holiday or vacation pay, pension or retirement or welfare benefits or similar payments.
- (d) Unless otherwise agreed with the Company in writing, the Awards and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not granted in consideration for, or in connection with, the service the Employee may provide as an officer or director of a subsidiary.

**22. Data Privacy**

In accepting the grant of this Award, the Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Employee's personal data as described in this Agreement and any other grant materials by and among, as applicable, the Company for the exclusive purpose of implementing, administering and managing the Employee's participation in the Plan.

The Employee understands that personal information about the Employee, including, but not limited to, the Employee's name, home address, email address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares of Common Stock held in the Company, details of all awards or any other entitlement to shares of Common Stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Employee's favor ("Data"), may be collected, recorded, held, used and disclosed by the Company and any non-Brady entities engaged by the Company to provide services in connection with this grant (a "Third Party Administrator"), for the exclusive purpose of implementing, administering and managing the Plan. You understand

that the Company may transfer such information to Third Party Administrators, regardless of whether such Third Party Administrators are located within your country of residence.

The Employee understands that the Employee may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting the Employee's local human resources representative. Further, the Employee understands that the Employee is providing the consents herein on a purely voluntary basis. If the Employee does not consent, or if the Employee later seeks to revoke the Employee's consent, the Employee's employment status or service relationship with the Employer will not be affected; the only consequence of refusing or withdrawing the Employee's consent is that the Company would not be able to grant Awards to the Employee or administer or maintain such awards. Therefore, the Employee understands that refusing or withdrawing the Employee's consent may affect the Employee's ability to participate in the Plan.

**23. Electronic Delivery and Acceptance**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a Third Party Administrator designated by the Company. Further, the parties hereto shall be entitled to rely on electronic delivery of this Agreement, and delivery by either party of shall be legally effective to create a valid and binding agreement between the parties in accordance with the terms hereof.

IN WITNESS WHEREOF, the Corporation has granted this Option as of the day and year first above written.

**BRADY CORPORATION**

By: /s/ RUSSELL R. SHALLER

Name: Russell R. Shaller

Its: President and CEO

**EMPLOYEE'S ACCEPTANCE**

I, \_\_\_\_\_, hereby accept the foregoing Option Award and agree to the terms and conditions thereof, including the restrictions contained in Section 9 of this Agreement.

**EMPLOYEE:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**BRADY CORPORATION**  
**RESTRICTED STOCK UNIT AGREEMENT**

Brady Corporation (the "Corporation") hereby grants to \_\_\_\_\_ ("Employee") a restricted stock unit award (the "Award") effective \_\_\_\_\_, 20\_\_, pursuant to the terms of the Brady Corporation 2023 Omnibus Incentive Plan (the "Plan"). The Corporation's records shall be the official record of the grant described herein and, in the event of any conflict between this description and the Corporation's records, the Corporation's records shall control. Capitalized terms not defined herein shall have the meanings specified in the Plan.

**1. Number of Units**

This Award applies to X,XXX Shares of the presently authorized Class A Nonvoting Common Stock of the Corporation, \$.01 par value (the "Restricted Stock Units"). The Restricted Stock Units granted under this Agreement are units that will be reflected in a book account maintained by the Corporation until they become vested or have been forfeited.

**2. Service Vesting Requirement**

Subject to Section 3, the Award shall be subject to the following service vesting requirement. If the Employee continues in employment through the vesting dates listed below, the Restricted Stock Units shall be vested as listed in the following table:

<u>Vesting Date</u>	<u>Cumulative Percentage of Vested Restricted Stock Units</u>
First anniversary of grant date	33-1/3%
Second anniversary of grant date	66-2/3%
Third anniversary of grant date	100%

**3. Termination of Employment**

If the Employee's employment is terminated for any reason, any unvested Restricted Stock Units shall be governed by Section 12.04 of the Plan.

In the event of a Change in Control, all restrictions imposed on any then-outstanding Restricted Stock Units shall terminate such that any Restricted Stock Units shall become fully vested immediately prior to the Change in Control. No event shall cause the Restricted Stock Units to become unrestricted and fully vested unless such event is a Change in Control.

**4. No Dividends**

No dividends or dividend equivalents will be paid or accrued on any Restricted Stock Units prior to the issuance of the Shares.

**5. Settlement of Restricted Stock Units.**

As soon as practicable after Restricted Stock Units become vested, the Company shall deliver to the Employee one Share for each Restricted Stock Unit which becomes vested.

**6. Transfer Restrictions**

This Award is non-transferable and may not be assigned, pledged or hypothecated and shall not be subject to execution, attachment or similar process. Upon any attempt to effect any such disposition, or upon the levy of any such process, the Award shall immediately become null and void and the Restricted Stock Units shall be forfeited.

7. **Withholding Taxes**

The Corporation may require, as a condition to the issuance of a stock certificate, that the Employee concurrently pay to the Corporation (either in cash or, at the request of Employee, but subject to such rules and regulations as the Administrator may adopt from time to time, by tendering (either by actual delivery or by attestation) previously acquired Shares) the entire amount or a portion of any taxes which the Corporation is required to withhold by reason of the lapse of stock restrictions, in such amount as the Administrator or the Corporation in its discretion may determine. If and to the extent that withholding of any federal, state or local tax is required in connection with the lapse of the Award restrictions, the Employee may, subject to such rules and regulations as the Corporation may adopt from time to time, elect to have the Corporation hold back from the Shares to be issued upon the lapse of the Award restrictions, Shares, the Fair Market Value of which is to be applied to the Employee's withholding obligations; provided that the Shares withheld may not have a Fair Market Value exceeding the maximum statutory tax rates in the Employee's applicable jurisdictions.

8. **Death of Employee**

If the Restricted Stock Units shall vest upon the death of the Employee, the Shares shall be issued and paid to the estate of the Employee unless the Corporation shall have theretofore received in writing a beneficiary designation, in which event they shall be issued and paid to the designated beneficiary.

9. **Confidentiality, Non-Solicitation and Non-Compete**

As consideration for the grant of this Award, Employee agrees to, understands and acknowledges the following:

- (a) During Employee's employment with the Corporation and its Affiliates (the "Company"), the Company will provide Employee with Confidential Information relating to the Company, its business and clients, the disclosure or misuse of which would cause severe and irreparable harm to the Company. During Employee's employment with Company, and thereafter, Employee agrees not to use or disclose Company's Confidential Information except as necessary in executing Employee's duties for Company. Employee shall keep Confidential Information constituting a trade secret under applicable law confidential for so long as such information constitutes a trade secret (*i.e.*, protection as to trade secrets shall not necessarily expire at the end of the two (2)-year period). Employee agrees that all Confidential Information is and shall remain the sole and absolute property of the Company. Upon the termination of Employee's employment with the Company for any reason, Employee shall immediately return to the Company all documents and materials that contain or constitute Confidential Information, in any form whatsoever, including but not limited to, all copies, abstracts, electronic versions, and summaries thereof. As to any electronically stored copies of Confidential Information, Employee shall contact their supervisor or Company's General Counsel to discuss the proper method for returning such items. Employee hereby consents and agrees that Company may access any of Employee's personal computers and other electronic storage devices (including personal phones) and any electronic storage accounts (such as dropbox) so as to allow Company to ascertain the presence of Company's Confidential Information and how such information has been used by Employee and to remove any such items from such devices and accounts. Employee further agrees that, without the written consent of the Chief Executive Officer of the Corporation or, in the case of the Chief Executive Officer of the Corporation, without the written approval of the Board of Directors of the Corporation, Employee will not disclose, use, copy or duplicate, or otherwise permit the use, disclosure, copying or duplication of any Confidential Information of the Company, other than in connection with the authorized activities conducted in the course of Employee's employment with the Company. Employee agrees to take all reasonable steps and precautions to prevent any unauthorized disclosure, use, copying or duplication of Confidential Information. For purposes of this Agreement, Confidential Information means any and all financial, technical, commercial or other information concerning the business and affairs of the Company that is confidential and proprietary to the Company, including without limitation,
  - (i) information relating to the Company's past and existing customers and vendors and development of prospective customers and vendors, including specific customer product requirements, pricing arrangements, payments terms, customer lists and other similar information;
  - (ii) inventions, designs, methods, discoveries, works of authorship, creations, improvements or ideas developed or otherwise produced, acquired or used by the Company;

- (iii) the Company's proprietary programs, processes or software, consisting of but not limited to, computer programs in source or object code and all related documentation and training materials, including all upgrades, updates, improvements, derivatives and modifications thereof and including programs and documentation in incomplete stages of design or research and development;
  - (iv) the subject matter of the Company's patents, design patents, copyrights, trade secrets, trademarks, service marks, trade names, trade dress, manuals, operating instructions, training materials, and other industrial property, including such information in incomplete stages of design or research and development; and
  - (v) other confidential and proprietary information or documents relating to the Company's products, business and marketing plans and techniques, sales and distribution networks and any other information or documents which the Company reasonably regards as being confidential.
  - (vi) Confidential Information does not include information which: (i) is already available to the public without wrongful act or breach by Employee; (ii) becomes available to the public through no fault of Employee; or (iii) is required to be disclosed pursuant to a court order or order of government authority, provided that Employee promptly notifies Company of such request so Company may seek a protective order.
- (b) Post-Employment Customer Non-Solicitation Agreement. For one (1) year following Employee's separation from Company, Employee will not contact—or support others in contacting—customers of Company with whom Employee had business contact during the last two (2) years of Employee's employment with Company, for the purpose of selling or providing products or services competitive with those offered by Company ("Competitive Products"). "Competitive Products" shall mean products and services competitive with those products and services for which Employee was responsible during the last two (2) years of Employee's employment with Company.
  - (c) Post-Employment Non-Solicitation Agreement Based Upon Customer Knowledge. For one (1) year following Employee's separation from Company, Employee will not contact—or support others in contacting—customers of Company about whom Employee possesses Confidential Information or for whom Employee supervised others in serving during the last two (2) years of Employee's employment with Company, for the purpose of selling or providing products or services competitive with those offered by Company ("Competitive Products"). "Competitive Products" shall mean products and services competitive with those products and services for which Employee was responsible during the last two (2) years of Employee's employment with Company.
  - (d) Post-Employment Non-Compete Agreement. For one (1) year following Employee's separation from Company, Employee will not, directly or indirectly, within the United States, provide services similar to any of those Employee provided to Company during the last two (2) years of Employee's employment with Company to a competitor of Company or a person or entity preparing to compete with Company.
  - (e) Post-Employment Restriction on Working With Competitive Products. For one (1) year following Employee's separation from Company, Employee will not, work in the development, design, modification, improvement, or creation of products or services competitive with any products or services with which Employee was involved in the development, design, modification, improvement or creation for Company during the last two (2) years of Employee's employment.
  - (f) Post-Employment Restriction on Advising Investors. For one (1) year following Employee's separation from Company, Employee will not, directly or indirectly, advise a private equity firm or other investor regarding buying, investing in, or divesting from Company or any of its competitors.
  - (g) Post-Employment Restriction on Soliciting Employees. For one (1) year following Employee's separation from Company, Employee will not solicit or encourage other employees of Company to provide services to a competitor of Company or to otherwise terminate their relationship with Company.
  - (h) Duty of Loyalty and Related Obligations. Employee acknowledges and agrees that Employee owes Company a duty of loyalty while employed by Company. During Employee's employment with Company, Employee agrees not to take action that will harm Company, such as, encouraging employees, vendors,

suppliers, contractors, or customers to terminate their relationships with Company, usurping a business opportunity from Company, engaging in conduct that would injure Company's reputation, providing services or assistance to a competitive enterprise, or otherwise competing with Company.

- (i) Non-Disparagement and Social Media. Employee agrees not to disparage Company or any of its officers, directors, or employees on social media, on any public platform, or to persons external to Company when such comments have the potential to harm Company (*i.e.*, making disparaging comments about Company to distributors, customers, suppliers, etc.).
- (j) Other Business Relationships. Employee agrees, for a one (1)-year period following Employee's separation from Company, not to encourage or advise any vendors, suppliers, or others possessing a business relationship with Company to terminate that relationship or to otherwise modify that relationship to Company's detriment.
- (k) Employee acknowledges and agrees that compliance with this Section 9 is necessary to protect the Company, and that a breach of any of this Section 9 will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. In the event of a breach of this Section 9, or any part thereof, the Award will be forfeited and the Company, and its successors and assigns, shall be entitled to injunctive relief and to such other and further relief as is proper under the circumstances. The Company shall institute and prosecute proceedings in any Court of competent jurisdiction either in law or in equity to obtain damages for any such breach of this Section 9, or to enjoin Employee from performing services in breach of Section 9. Employee hereby agrees to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement. Notwithstanding the foregoing, nothing in this Section 9 is intended to prohibit Employee from communicating directly with the U.S. Securities and Exchange Commission about any possible violation of federal securities law or making any disclosure protected under the whistleblower provisions of U.S. federal law or regulation.
- (l) Employee further agrees that, in the event of a breach of this Section 9, the Corporation may elect to recover all or part of the value of any amounts previously paid or payable or any Shares (or the value of any Shares) delivered or deliverable to Employee pursuant to any Company bonus program, this Agreement, and any other Company plan or arrangement.
- (m) Employee agrees that the terms of this Section 9 shall survive the termination of Employee's employment with the Company.
- (n) EMPLOYEE HAS READ THIS SECTION 9 AND AGREES THAT THE CONSIDERATION PROVIDED BY THE CORPORATION IS FAIR AND REASONABLE AND FURTHER AGREES THAT GIVEN THE IMPORTANCE TO THE COMPANY OF ITS CONFIDENTIAL AND PROPRIETARY INFORMATION, THE POST-EMPLOYMENT RESTRICTIONS ON EMPLOYEE'S ACTIVITIES ARE LIKEWISE FAIR AND REASONABLE.

10. **Clawback**

This Award is subject to forfeiture, recovery by the Corporation or other action pursuant to the Brady Corporation Incentive Recoupment Policy, as in effect from time to time.

11. **Provisions of Plan Controlling**

This Award is subject in all respects to the provisions of the Plan. In the event of any conflict between any provisions of this Award and the provisions of the Plan, the provisions of the Plan shall control, except to the extent the Plan permits the Committee to modify the terms of an Award grant and has done so herein. Terms defined in the Plan where used herein shall have the meanings as so defined. Employee acknowledges receipt of a copy of the Plan.

12. **Wisconsin Contract**

This Award has been granted in Wisconsin and shall be construed under the laws of Wisconsin without reference to conflict of laws principles thereof. Any legal action or proceeding with respect to this Agreement or the Award, or for recognition and enforcement of any judgment in respect of this Agreement or Award, may only be brought and

determined in (i) a court sitting in the State of Wisconsin, and (ii) a “bench” trial, and any party to such action or proceeding shall agree to waive its right to a jury trial.

13. **Severability**

Wherever possible, each provision of this Award will be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions hereof. A court of competent jurisdiction is expressly authorized to modify overbroad provisions so as to make them enforceable to the maximum extent permitted by law and is further authorized to strike whole provisions that cannot be so modified.

14. **At-Will Employment**

Nothing in this Agreement is intended to change Employee’s status as an at-will employee. Employee understands that Employee is an at-will employee and that Employee’s employment can be terminated at any time, with or without notice or cause, by either Employee or Corporation.

15. **Notice of Immunity**

In accordance with the Defend Trade Secrets Act, Employee is hereby advised that:

An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

16. **Nature of the Award**

In accepting the grant of this Award, Employee agrees to, understands and acknowledges the following:

- (a) The grant of the Award is discretionary, voluntary and occasional and does not create any contractual or other right to receive any future awards, or benefits in lieu of awards, even if awards have been granted in the past. All decisions with respect to future awards, if any, will be at the sole discretion of the Company and the Committee.
- (b) The grant of the Award will not be considered to be an employment contract or part of the Employee’s terms and conditions of employment or the Employee’s salary or compensation and is not intended to replace any pension rights or compensation.
- (c) The Award, any shares of Common Stock acquired under the Plan and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to calculating any severance, resignation, termination, redundancy, dismissal end of service payments, bonuses, long-service awards, holiday or vacation pay, pension or retirement or welfare benefits or similar payments.
- (d) Unless otherwise agreed with the Company in writing, the Awards and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not granted in consideration for, or in connection with, the service the Employee may provide as an officer or director of a subsidiary.

17. **Data Privacy**

In accepting the grant of this Award, the Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Employee’s personal data as described in this Agreement and any other grant materials by and among, as applicable, the Company for the exclusive purpose of implementing, administering and managing the Employee’s participation in the Plan.



The Employee understands that personal information about the Employee, including, but not limited to, the Employee's name, home address, email address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares of Common Stock held in the Company, details of all awards or any other entitlement to shares of Common Stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Employee's favor ("Data"), may be collected, recorded, held, used and disclosed by the Company and any non-Brady entities engaged by the Company to provide services in connection with this grant (a "Third Party Administrator"), for the exclusive purpose of implementing, administering and managing the Plan. You understand that the Company may transfer such information to Third Party Administrators, regardless of whether such Third Party Administrators are located within your country of residence.

The Employee understands that the Employee may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting the Employee's local human resources representative. Further, the Employee understands that the Employee is providing the consents herein on a purely voluntary basis. If the Employee does not consent, or if the Employee later seeks to revoke the Employee's consent, the Employee's employment status or service relationship with the Employer will not be affected; the only consequence of refusing or withdrawing the Employee's consent is that the Company would not be able to grant Awards to the Employee or administer or maintain such awards. Therefore, the Employee understands that refusing or withdrawing the Employee's consent may affect the Employee's ability to participate in the Plan.

18. **Electronic Delivery and Acceptance**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a Third Party Administrator designated by the Company. Further, the parties hereto shall be entitled to rely on electronic delivery of this Agreement, and delivery by either party of shall be legally effective to create a valid and binding agreement between the parties in accordance with the terms hereof.

IN WITNESS WHEREOF, the Corporation has granted this Award as of the day and year first above written.

**BRADY CORPORATION**

By: /s/ RUSSELL R. SHALLER

Name: Russell R. Shaller

Its: President and CEO

**EMPLOYEE'S ACCEPTANCE**

I, \_\_\_\_\_, hereby accept the foregoing Award and agree to the terms and conditions thereof, including the restrictions contained in Section 9 of this Agreement.

**EMPLOYEE:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_