

**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): July 12, 2016

BRADY CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number 1-14959

Wisconsin
(State of
Incorporation)

39-0971239
(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))

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

On July 12, 2016, the Management Development and Compensation Committee of Brady Corporation (the “Company”) approved the form of award agreements for grants of nonqualified stock options, restricted stock units and performance-based restricted stock units under the Brady Corporation 2017 Omnibus Incentive Plan.

The full text of the form of award agreements are included as exhibits to this Form 8-K and are incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
10.1	Form of Nonqualified Stock Option Agreement under the Brady Corporation 2017 Omnibus Incentive Plan.
10.2	Form of Restricted Stock Unit Agreement under the Brady Corporation 2017 Omnibus Incentive Plan.
10.3	Form of Performance-Based Restricted Stock Unit Agreement under the Brady Corporation 2017 Omnibus Incentive Plan.

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: July 14, 2016

/s/ AARON J. PEARCE

Aaron J. Pearce

Senior Vice President, Chief Financial Officer and Chief Accounting Officer

EXHIBIT INDEX

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BRADY CORPORATION
NONQUALIFIED STOCK OPTION

Upon management's recommendation, the Management Development and Compensation Committee (the "Committee") of the Brady Corporation Board of Directors has awarded to _____ ("Employee") a non-qualified stock option (the "Option") effective _____, 20__, pursuant to the terms of the Brady Corporation 2017 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.

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):

Number of Completed Years
After Grant Date

Maximum Percentage
of Shares For Which
Option is Exercisable

If Employee shall cease to be employed by the Corporation or an Affiliate for any reason other than as provided in Section 3 after Employee shall have been continuously so employed for one year after the grant of this Option, Employee may, at any time within 90 days of such termination, but in no event later than the date of expiration of this Option, exercise this Option to the extent Employee was entitled to do so on the date of such termination. Notwithstanding the foregoing, this Option shall immediately expire if Employee is terminated for Cause; provided that for purposes of this Agreement a termination for poor performance shall not be considered a termination for Cause. 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

Notwithstanding the provisions of Section 2 hereof, if the Employee:

- (a) is terminated by the death of the Employee, any unexercised, unexpired Stock Options granted hereunder to the Employee shall be 100% vested and fully exercisable, in whole or in part, at any time within one year after the date of death, by the Employee's personal representative or by the person to whom the Stock Options are transferred under the Employee's last will and testament or the applicable laws of descent and distribution;
- (b) is terminated as a result of the Disability of the Employee, any unexercised, unexpired Stock Options granted hereunder to the Employee shall become 100% vested and fully exercisable, in whole or in part, at any time within one year after the date of Disability; or
- (c) is terminated as a result of the Employee's retirement (after age 60 with five years of employment with the Corporation or an Affiliate), any unexercised, unexpired Stock Options granted hereunder to the Employee shall become 100% vested and full exercisable, in whole or in part, at any time prior to the expiration date of such option.

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.

6. Method of Payment

Payment 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, with Fair Market Value determined in accordance with Section 9.

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. Method of Valuation of Stock

The "Fair Market Value" of a Share on any date shall mean, if the stock is then listed and traded on a registered national securities exchange, or is quoted in the NASDAQ National Market System, the average of the high and low sales price recorded in composite transactions for such date 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 date 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 such Shares on the relevant date.

10. 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. 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. 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.
- (a) Employee agrees that, without the written consent of the Chief Executive Officer of the Corporation, in the case of the Chief Executive Officer of the Corporation, without the written approval of the Board of Directors of the Corporation, Employee shall not engage in any of the conduct described in subsections (i) or (ii), below, either directly or indirectly, or as an employee, contractor, consultant, partner, officer, director or stockholder, other than a stockholder of less than 5% of the equities of a publicly traded corporation, or in any other capacity for any person, firm, partnership or corporation:
- (i) During the time of Employee's employment with Company, Employee will not: (A) perform duties as or for a Competitor; or (B) participate in the inducement of or otherwise encourage Company employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company.
 - (ii) For a period of 12 months following the termination of Employee's employment with Company, Employee will not: (A) perform duties as or for a Competitor that are the same as or similar to the duties performed by Employee for the Company at any time during any part of the 24 month period preceding the termination of Employee's employment with Company; or (B) participate in the inducement of or otherwise encourage Company employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company during any part of the 24 month period preceding the termination of Employee's employment with Company.

For purposes of this Agreement, a Competitor shall mean any corporation, person, firm or organization (or division or part thereof) engaged in or about to become engaged in research and development work on, or the production and/or sale of, any product or service which is directly competitive with one with respect to which Employee acquired Confidential Information by reason of Employee's work with the Company.

- (b) Employee acknowledges and agrees that compliance with this Section 10 is necessary to protect the Company, and that a breach of any of this Section 10 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 10, or any part thereof, 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 10, or to enjoin Employee from performing services in breach of Section 10(b) during the term of employment and for a period of 12 months following the termination of employment. Employee hereby agrees to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement.
- (c) Employee further agrees that, in the event of a breach of this Section 10, 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.

- (d) Employee agrees that the terms of this Section 10 shall survive the termination of Employee's employment with the Company.
- (e) EMPLOYEE HAS READ THIS SECTION 10 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.

11. Clawback

This Option is subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of Awards or any Shares or other cash or property received with respect to the Awards (including any value received from a disposition of the Shares acquired upon payment of the Awards).

12. 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.

13. 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); (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.

14. 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.

15. Change in Control

Anything contained herein to the contrary notwithstanding, in the event of a Change in Control (as defined in Exhibit A), this Option 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, determined in accordance with Section 9 hereof, as of the time of surrender. No event described in Section 13.05 of the Plan shall cause the Option to become fully vested and exercisable such event is a Change in Control (as defined in Exhibit A).

16. 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.

17. 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.

18. Wisconsin Contract

This Option has been granted in Wisconsin and shall be construed under the laws of that state.

19. 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.

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

BRADY CORPORATION

By: ____
Name: ____
Its: ____

EMPLOYEE'S ACCEPTANCE

I, _____, hereby accept the foregoing Option Award and agree to the terms and conditions thereof, including the restrictions contained in Section 10 of this Agreement.

EMPLOYEE:

Signature: _____
Print Name: _____

Change in Control Definition

A **“Change in Control”** means 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 Securities Exchange Act of 1934, as amended (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 August 1, 2016, 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 August 1, 2016, 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.

BRADY CORPORATION
RESTRICTED STOCK UNIT AGREEMENT

Upon management's recommendation, the Management Development and Compensation Committee (the "Committee") of the Brady Corporation Board of Directors has awarded to _____ ("Employee") a restricted stock unit award effective _____, 20____ pursuant to the terms of the Brady Corporation 2017 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.

1. Number of Units

This Restricted Stock Unit 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

The vesting of this Award (other than pursuant to accelerated vesting in certain circumstances as provided in Section 3 below) shall be subject to the satisfaction of the condition set forth in Section 2(a) below:

- (a) Vesting. 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>
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- (b) Forfeiture of Restricted Stock Units. Except as provided in Section 3, if the Employee terminates employment prior to the satisfaction of the vesting requirements set forth in Section 2(a) above, any unvested Restricted Stock Units shall immediately be forfeited. The period of time during which the Restricted Stock Units covered by this Award are forfeitable is referred to as the "Restricted Period."

3 Accelerated Vesting

- (a) Notwithstanding the terms and conditions of Section 2 hereof, in the event of the termination of the Employee's employment with the Corporation (and any Affiliate) prior to the end of the Restricted Period due to death, Disability or retirement (after age 60 with five years of employment with the Corporation or an Affiliate), the Restricted Stock Units shall become fully vested.
- (b) In the event of a Change in Control (as defined in Exhibit A), 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 (as defined in Exhibit A). No event described in Section 13.05 of the Plan shall cause the Restricted Stock Units to become unrestricted and fully vested unless such event is a Change in Control (as defined in Exhibit A).

4. **No Dividends**

No dividends 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, in Shares of Delivered Stock) 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 stock 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 stock 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. 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. 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.
- (a) Employee agrees that, without the written consent of the Chief Executive Officer of the Corporation, in the case of the Chief Executive Officer of the Corporation, without the written approval of the Board of Directors of the Corporation, Employee shall not engage in any of the conduct described in subsections (i) or (ii), below, either directly or indirectly, or as an employee, contractor, consultant, partner, officer, director or stockholder, other than a stockholder of less than 5% of the equities of a publicly traded corporation, or in any other capacity for any person, firm, partnership or corporation:
- (i) During the time of Employee's employment with Company, Employee will not: (A) perform duties as or for a Competitor; or (B) participate in the inducement of or otherwise encourage Company employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company.
 - (ii) For a period of 12 months following the termination of Employee's employment with Company, Employee will not: (A) perform duties as or for a Competitor that are the same as or similar to the duties performed by Employee for the Company at any time during any part of the 24 month period preceding the termination of Employee's employment with Company; or (B) participate in the inducement of or otherwise encourage Company employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company during any part of the 24 month period preceding the termination of Employee's employment with Company.

For purposes of this Agreement, a Competitor shall mean any corporation, person, firm or organization (or division or part thereof) engaged in or about to become engaged in research and development work on, or the production and/or sale of, any product or service which is directly competitive with one with respect to which Employee acquired Confidential Information by reason of Employee's work with the Company.

- (b) 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 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(b) during the term of employment and for a period of 12 months following the termination of employment. Employee hereby agrees to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement.

- (c) 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.
- (d) Employee agrees that the terms of this Section 9 shall survive the termination of Employee's employment with the Company.
- (e) 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 the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of Awards or any Shares or other cash or property received with respect to the Awards (including any value received from a disposition of the Shares acquired upon payment of the Awards).

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 that state.

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.

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

BRADY CORPORATION

By: ____
Name: ____
Its: ____

EMPLOYEE'S ACCEPTANCE

I, _____, hereby accept the foregoing Award and agree to the terms and conditions thereof, including the restrictions contained in Section 8 of this Agreement.

EMPLOYEE:

Signature: _____
Print Name: _____

Change in Control Definition

A “**Change in Control**” means 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 Securities Exchange Act of 1934, as amended (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 August 1, 2016, 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 August 1, 2016, 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.

BRADY CORPORATION
PERFORMANCE-BASED RESTRICTED STOCK UNITS

In accordance with the terms of the Brady Corporation 2017 Omnibus Incentive Plan (the "Plan"), the Management Development and Compensation Committee (the "Committee") of the Brady Corporation Board of Directors hereby grants to you, _____ ("Employee"), an award of Performance-Based Restricted Stock Units involving the number of such Units set forth in the table below. Brady Corporation's (the "Corporation") 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.

The terms and conditions of this Award are set forth in this Agreement, the attached Exhibit A, Exhibit B and in the Plan document, a copy of which has been provided to you.

Number of Performance-based Restricted Stock Units Granted at Target (the "Units"):	
Grant Date:	_____, 20__
Scheduled Vesting Date:	The date described in Section 2(a) of the Agreement
Performance Period:	
Performance Goals:	See Exhibit A

All terms, provisions and conditions applicable to Performance-based Restricted Stock Unit Awards set forth in the Plan and not set forth in this Agreement are incorporated by reference into this Agreement.

1. Award of Performance Restricted Stock Units

The Corporation hereby confirms the grant to you, as of the Grant Date and subject to the terms and conditions of this Agreement and the Plan, of the number of Performance Restricted Stock Units identified in the table above (the "Units"). Each Unit represents the right to receive one Share of the Corporation's Class A Nonvoting Common Stock of the Corporation, \$.01 par value. The Units granted to you will be credited to an account in your name maintained by the Corporation. This account shall be unfunded and maintained for bookkeeping purposes only, with the Units simply representing an unfunded and unsecured obligation of the Corporation until they become vested or have been forfeited.

2. Vesting and Forfeiture of Units

The Units shall vest at the earliest of the following times and to the degree specified. For purposes of this Section 2, use of the terms "employment" and "employed" refers to providing services to the Corporation and its Affiliates in the capacity of an Employee.

- (a) *Scheduled Vesting.* The number of Units that have been earned during the Performance Period shall be eligible to vest on the Scheduled Vesting Date, so long as the Employee's employment has been continuous since the Grant Date. The actual number of earned Units that will vest on the Scheduled Vesting Date will be determined by the Committee as provided in Exhibit A. For these purposes, the "Scheduled Vesting Date" means the date the Committee certifies (i) the degree to which the applicable performance goals for the Performance Period have been satisfied, and (ii) the number of Units that have been earned during the Performance Period as provided in Exhibit A, which certification shall occur no later than October 15 of the fiscal year immediately following the fiscal year during which the Performance Period ended.
- (b) *Retirement.* If employment is terminated as a result of the Employee's retirement (after age 60 with five years of employment with the Corporation or a Subsidiary) and after the Employee has been employed for at least one year after the Grant Date, the Employee will receive a pro rata portion of the Units that would otherwise have been determined to vest on the Scheduled Vesting Date in accordance with Exhibit A if the Employee had remained continuously employed until the Scheduled Vesting Date. The pro rata portion shall be determined as follows: (a) if Employee is employed for at least one year, but less than two years after the Grant Date, the

Employee shall earn 2/3 of the number of Units that would otherwise have been determined to vest and (b) if Employee is employed for at least two years after the Grant Date, the Employee shall earn 100% of the Units that would otherwise have been determined to vest.

- (c) *Death.* If employment is terminated by the death of the Employee prior to the last day of the Performance Period, the Units granted hereunder to the Employee shall be 100% vested at target. If employment is terminated by death on or after the last day of the Performance Period, the number of Units determined to have been earned as of the end of the Performance Period in accordance with Exhibit A shall vest. Vested Units shall be payable to the Employee's personal representative or to the person to whom the Units are transferred under the Employee's last will and testament or the applicable laws of descent and distribution within 60 days of the Employee's death.
- (d) *Disability.* If employment is terminated as a result of the Disability of the Employee prior to the last day of the Performance Period, the Units granted hereunder to the Employee shall be 100% vested at target and payable within 60 days of the Employee's Disability. If employment is terminated by Disability on or after the last day of the Performance Period, the number of Units determined to have been earned as of the end of the Performance Period in accordance with Exhibit A shall vest.
- (a) *Change in Control.* If a Change in Control occurs while the Employee continues to be employed, then the Units shall vest as of the Date of the Change in Control to the extent provided below:
 - (i) If the Change in Control occurs on or after the last day of the Performance Period, the number of Units determined to have been earned as of the end of the Performance Period in accordance with Exhibit A shall vest.
 - (ii) In the event of a Change in Control prior to the end of the Performance Period, the Units shall become 100% vested at target and the performance conditions described under Section 2 and Exhibit A shall cease to apply.
 - (iii) For purposes of this Award, the term "Change in Control" shall have the meaning set forth in Exhibit B. No event described in Section 13.05 of the Plan shall cause the Units to become vested unless such event is a Change in Control.
- (b) *Forfeiture of Unvested Units.* If employment is terminated prior to the Scheduled Vesting Date under circumstances other than as set forth in Sections 2(a) through (e), all unvested Units shall immediately be forfeited.

3. Settlement of Units

After any Units vest pursuant to Appendix A or Section 2 of this Agreement, the Corporation shall, as soon as practicable (but no later than October 15 of the year following the fiscal year in which such Units vest), cause to be issued and delivered to the Employee, or to the Employee's designated beneficiary or estate in the event of death, one Share in payment and settlement of each vested Unit. Delivery of the Shares shall be effected by the electronic delivery of the Shares to a designated brokerage account, shall be subject to satisfaction of withholding tax obligations as provided in Section 4 and compliance with all applicable legal requirements as provided in Section 13.03 of the Plan, and shall be in complete satisfaction and settlement of such vested Units. The Corporation will pay any original issue or transfer taxes with respect to the issuance and delivery of the Shares to the Employee, and all fees and expenses incurred by it in connection therewith.

4. 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, in Shares of Delivered Stock) the entire amount or a portion of any taxes which the Corporation is required to withhold by reason of the vesting or settlement of the Units, 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 vesting or settlement of the Units, 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 vesting or settlement of the Units, 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.

5. No Dividends

No dividends will be paid or accrued on any Performance-based Restricted Stock Units prior to the issuance of Shares.

6. No Shareholder Rights

The Units subject to this Award do not entitle the Employee to any rights of a shareholder of the Corporation's Class A Nonvoting Common Stock. The Employee will not have any of the rights of a shareholder of the Corporation in connection with the grant of Units subject to this Agreement unless and until Shares are issued to the Employee upon settlement of the Units as provided in Section 3.

7. 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 Performance-based Restricted Stock Units shall be forfeited.

8. 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. 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. 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.

(a) Employee agrees that, without the written consent of the Chief Executive Officer of the Corporation, in the case of the Chief Executive Officer of the Corporation, without the written approval of the Board of Directors of the Corporation, Employee shall not engage in any of the conduct described in subsections (i) or (ii), below, either directly or indirectly, or as an employee, contractor, consultant, partner, officer, director or stockholder, other than a stockholder of less than 5% of the equities of a publicly traded corporation, or in any other capacity for any person, firm, partnership or corporation:

(i) During the time of Employee's employment with Company, Employee will not: (A) perform duties as or for a Competitor; or (B) participate in the inducement of or otherwise encourage Company employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company.

(ii) For a period of 12 months following the termination of Employee's employment with Company, Employee will not: (A) perform duties as or for a Competitor that are the same as or similar to the duties performed by Employee for the Company at any time during any part of the 24 month period preceding the termination of Employee's employment with Company; or (B) participate in the inducement of or otherwise encourage Company employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company during any part of the 24 month period preceding the termination of Employee's employment with Company.

For purposes of this Agreement, a Competitor shall mean any corporation, person, firm or organization (or division or part thereof) engaged in or about to become engaged in research and development work on, or the production and/or sale of, any product or service which is directly competitive with one with respect to which Employee acquired Confidential Information by reason of Employee's work with the Company.

(b) Employee acknowledges and agrees that compliance with this Section 8 is necessary to protect the Company, and that a breach of any of this Section 8 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 8, or any part thereof, 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 8, or to enjoin Employee from performing services in breach of Section 8(b) during the term of employment and for a period of 12 months following the termination of employment. Employee hereby agrees to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement.

(c) Employee further agrees that, in the event of a breach of this Section 8, 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.

(d) Employee agrees that the terms of this Section 8 shall survive the termination of Employee's employment with the Company.

(e) EMPLOYEE HAS READ THIS SECTION 8 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.

9. Clawback

This Award is subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require

repayment or forfeiture of Awards or any Shares or other cash or property received with respect to the Awards (including any value received from a disposition of the Shares acquired upon payment of the Awards).

10. Binding Effect

This Agreement will be binding in all respects on heirs, representatives, successors and assigns of the Employee, and on the successors and assigns of the Corporation.

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 that state.

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.

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

BRADY CORPORATION

By: ____
Name: ____
Its: ____

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: _____

Performance Goals

Change in Control Definition

A “**Change in Control**” means 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 Securities Exchange Act of 1934, as amended (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 August 1, 2016, 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 August 1, 2016, 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.