
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 2, 2010

BRADY CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin

(State or other Jurisdiction of
Incorporation)

1-14959

(Commission File Number)

39-0971239

(IRS Employer Identification No.)

**6555 West Good Hope Road
Milwaukee, Wisconsin**

(Address of Principal Executive Offices)

53223

(Zip Code)

Registrant's telephone number, including area code: **(414) 358-6600**

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

Restricted Stock Award

On August 2, 2010, the Company granted an equity award in the form of 100,000 shares of restricted stock of the Company to Frank M. Jaehnert, the Company's President and Chief Executive Officer. The grant of restricted stock was made under the Company's 2010 Omnibus Incentive Stock Plan and was approved by the Compensation Committee of the Company's Board of Directors. The restricted stock generally will vest in three equal amounts on July 31, 2013, 2014 and 2015, subject to the satisfaction of a performance requirement. The foregoing description is qualified in its entirety by the full text of the restricted stock agreement pursuant to which the restricted stock award was made, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

The following is filed as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Performance-based Restricted Stock Agreement with Frank M. Jaehnert, dated August 2, 2010

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: August 4, 2010

/s/ Thomas J. Felmer
Thomas J. Felmer
Senior Vice President & Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
10.1	Performance-based Restricted Stock Agreement with Frank M. Jaehnert, dated August 2, 2010

BRADY CORPORATION
 PERFORMANCE-BASED
 RESTRICTED STOCK AGREEMENT
 (August 2, 2010)

Brady Corporation (the "Corporation"), a Wisconsin corporation, hereby grants to Frank M. Jaehnert (the "Employee") a Restricted Stock Award (the "Award") with respect to 100,000 shares (the "Shares") of Class A Common Stock, \$.01 par value, of the Corporation (the "Common Stock"), all in accordance with and subject to the following terms and conditions:

1. Plan; Defined Terms. This Award is made pursuant to the Brady Corporation 2010 Omnibus Incentive Stock Plan (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. Terms defined in the Plan where used herein shall have the meanings as so defined. Employee acknowledges receipt of a copy of the Plan.

2. Vesting Requirements. 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 conditions set forth in both Section 2(a) and Section 2(b) below:

(a) Performance Vesting Requirement (Earnings per Share Improvement). The performance vesting requirement under this Section 2(a) shall be satisfied only if the Earnings Per Share for any one of the Corporation's fiscal years ending July 31, 2011, July 31, 2012, July 31, 2013 or July 31, 2014 are at least 10% greater than the Earnings Per Share for the Corporation's fiscal year ending July 31, 2010. For purposes of this Agreement, "Earnings per Share" shall mean the basic earnings per share of the Corporation's Class A Common Stock as reported in the Corporation's audited financial statements. If the performance vesting requirement is not satisfied for any of the four designated fiscal years, the Award shall be immediately forfeited.

(b) Service Vesting Requirement. In addition to the performance vesting requirement of Section 2(a) above, the Award shall be subject to the following service vesting requirement. If the Employee continues in employment through the dates listed below and the performance vesting requirement has been satisfied, the shares shall be vested as listed in the following table:

Vesting Date	Cumulative Number of Vested Shares
July 31, 2013	33,333
July 31, 2014	66,667
July 31, 2015	100,000

If Employee shall cease to be employed by the Corporation or a Subsidiary prior to July 31, 2015 for any reason other than death, Disability or a terminations by the Corporation for reasons other than Cause, shares that are not yet vested shall be immediately forfeited.

If the Employee is terminated by the Corporation for reasons other than Cause and the performance vesting requirement in Section 2(a) has been satisfied, the Employee shall be vested in a pro rata portion of the Award. The total vested portion, which shall include any shares already vested in accordance with the table above, shall be determined by multiplying the number of shares subject to the award (100,000) by a fraction, the numerator of which is the number of whole or partial calendar months elapsed between August 1, 2010 and the date of the Employee's termination of employment, and the denominator of which is sixty (60). The remaining shares shall be immediately forfeited.

If the Employee is terminated by the Corporation for reasons other than Cause and the performance vesting requirement has not yet been satisfied, a pro rata portion of the Award shall remain outstanding as restricted stock. The portion remaining outstanding shall be determined by multiplying the number of shares subject to the award (100,000) by a fraction, the numerator of which is the number of whole or partial calendar months elapsed between August 1, 2010 and the date of the Employee's termination of employment, and the denominator of which is sixty (60). The remaining shares shall be immediately forfeited. The shares which remain outstanding as restricted stock shall become vested if the performance vesting requirement in Section 2(a) above is subsequently satisfied. If the performance vesting requirement is not satisfied, the remaining shares shall be forfeited as of the date the Board's Audit Committee accepts the results of the fiscal 2014 audit.

For purposes of this Agreement, "Disability" means that the Employee is disabled as a result of sickness or injury, such that he is unable to satisfactorily perform the material duties of his or her job, as determined by the Committee, on the basis of medical evidence satisfactory to it.

For purposes of this Agreement, Cause means (i) the Employee's willful and continued failure to substantially perform the Employee's duties with the Corporation (other than any such failure resulting from physical or mental incapacity) after written demand for performance is given to the Employee by the Corporation which specifically identifies the manner in which the Corporation believes the Employee has not substantially performed and a reasonable time to cure has transpired, (ii) the Employee's conviction of or plea of nolo contendere for the commission of a felony, or (iii) the Employee's commission of an act of dishonesty or of any willful act of misconduct which results in or could reasonably be expected to result in significant injury (monetarily or otherwise) to the Corporation, as determined in good faith by the Committee.

The period of time during which the Shares 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 or Disability, the Shares shall become unrestricted and fully vested.

(b) 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 a Change in Control, the Shares shall become unrestricted and fully vested.

For purposes of this Agreement, a "Change of Control" shall occur if any person or group of persons (as defined in Section 13(d)(3) of the Securities and Exchange Act of 1934) other than the members of the family of William H. Brady, Jr. and their descendants, or trusts for their benefit, and the W. H. Brady Foundation, Inc., collectively, directly or indirectly controls in excess of 50% of the voting common stock of the Corporation.

For purposes of this Agreement, a termination due to Change of Control shall occur if within the 12 month period beginning with the date a Change of Control occurs (i) the Employee's employment with the Corporation (and any Affiliate) is involuntarily terminated (other than by reason of death, disability or Cause) or (ii) the Employee's employment with the Corporation (and any Affiliate) is voluntarily terminated by the Employee subsequent to (A) a 10% or more diminution in the total of the Employee's annual base salary (exclusive of fringe benefits) and the Employee's target bonus in comparison with the Employee's total of annual base salary and target bonus immediately prior to the date the Change of Control occurs, (B) a significant diminution in the responsibilities or authority of the Employee in comparison with the Employee's responsibility and authority immediately prior to the date the Change of Control occurs or (C) the imposition of a requirement by the Corporation that the Employee relocate to a principal work location more than 50 miles from the Employee's principal work location immediately prior to the date the Change of Control occurs.

(c) In the event of (i) the merger or consolidation of the Corporation with or into another corporation or corporations in which the Corporation is not the surviving corporation, (ii) the adoption of any plan for the dissolution of the Corporation, or (iii) the sale or exchange of all or substantially all the assets of the Corporation for cash or for shares of stock or other securities of another corporation, all restrictions imposed on any then-restricted Shares shall terminate (such that any Shares shall become fully transferable) immediately prior to any such event in which the Corporation is not the surviving corporation.

(d) If the lapsing of the restrictions would result in any excise tax to the Employee as a result of Section 280G of the Code, the Corporation shall pay the Employee an amount equal to such excise tax.

4. Dividend Rights. The Employee shall have the right to receive any cash dividends otherwise payable with respect to the Shares, as paid, and the Employee shall have all other rights as holder of such Shares, provided, however, the Corporation shall retain custody of all stock certificates representing shares as to which such restriction has not lapsed.

5. Transfer Restrictions. This Award and the Shares (until they become unrestricted pursuant to the terms hereof) are 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 Shares shall be forfeited.

6. Withholding Taxes. The Corporation may require payment of or withhold any tax which it believes is payable as a result of the Shares becoming unrestricted and fully vested, and the Corporation may defer making delivery with respect to Shares until arrangements satisfactory to the Corporation have been made with regard to any such withholding obligations. In lieu of part or all of any such payment, the Employee, in satisfaction of all withholding taxes (including, without limitation, Federal income, FICA (Social Security and Medicare) and any state and local income taxes) payable as a result of such vesting, may elect, subject to such rules and regulations as the Committee may adopt from time to time, to have the Corporation withhold that number of Shares (valued at Fair Market Value on the date of vesting and rounded upward) required to settle such withholding taxes.

7. Death of Employee. If any of the Shares shall vest upon the death of the Employee, they shall be registered in the name of the estate of the Employee unless the Corporation shall have theretofore received in writing a beneficiary designation, in which event they shall be registered in the name of the designated beneficiary.

8. Adjustment of Shares. The terms and provisions of this Award (including, without limitation, the terms and provisions relating to the number and class of shares subject to this Award) shall be subject to appropriate adjustment in the event of any recapitalization, merger, consolidation, disposition of property or stock, separation, reorganization, stock dividend, issuance of rights, combination or split-up or exchange of shares, or the like.

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

IN WITNESS WHEREOF, this Restricted Stock Agreement has been duly executed as of August 2, 2010.

BRADY CORPORATION

By: /s/ Thomas J. Felmer
Thomas J. Felmer, SVP & CFO

Attest: /s/ Hoyt R. Stastney
Hoyt R. Stastney, Secretary