

OBRIEN THOMAS M  
Form 4  
March 11, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**OBRIEN THOMAS M**

2. Issuer Name and Ticker or Trading Symbol  
**KADANT INC [KAI]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**ONE TECHNOLOGY PARK  
DRIVE**

3. Date of Earliest Transaction (Month/Day/Year)  
**03/09/2011**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**CFO, EXECUTIVE VICE PRESIDENT**

(Street)  
**WESTFORD, MA 01886**

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 03/10/2011                           |  | M                              | 4,800   | A (3) 40,014  | D  |                                   |
| Common Stock                    | 03/10/2011                           |  | F                              | 1,524   | D \$ 24.55 38,490   | D  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Restricted Stock Unit                      | \$ 0   | 03/09/2011                           |  | A                              | 9,599   | (1)  | 03/10/2014  | Common Stock | 9,599 (1)                  |
| Stock Option (Right to Buy)                | \$ 24.9  | 03/09/2011                           |  | A                              | 13,822  | (2)  | 03/09/2021  | Common Stock | 13,822 (2)                 |
| Restricted Stock Unit                      | \$ 0   | 03/10/2011                           |  | M                              | 4,800   | (3)  | 03/10/2013  | Common Stock | 4,800 (3)                  |

## Reporting Owners

| Reporting Owner Name / Address                                     | Relationships |           |                               |       |
|--|---------------|-----------|-------------------------------|-------|
|  | Director      | 10% Owner | Officer                       | Other |
| OBRIEN THOMAS M<br>ONE TECHNOLOGY PARK DRIVE<br>WESTFORD, MA 01886 |               |           | CFO, EXECUTIVE VICE PRESIDENT |       |

## Signatures

by Sandra L. Lambert for Thomas M. O'Brien 03/11/2011

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Each Restricted Stock Unit ("RSU") represents the right to receive one share of the issuer's common stock. The RSU vests in three equal annual installments beginning on March 10, 2012, provided that the issuer meets certain performance requirements for fiscal 2011 and the reporting person is employed by the issuer on the vesting date. The maximum number of shares the reporting person may receive is 150% of the RSU amount.
- (2) The stock option vests and becomes exercisable in three equal annual installments beginning on March 9, 2012, provided the reporting person is employed by the issuer on the vesting date.
- (3) The shares represent the partial settlement under a RSU award granted 3/3/2010. One-third of the RSU vested on 3/10/2011 and was converted to vested common stock on a one-for-one basis on the vesting date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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