

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended July 3, 2016**

**Commission File No. 001-12561**

**BELDEN INC.**

(Exact name of registrant as specified in its charter)

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

**36-3601505**  
(I.R.S. Employer  
Identification No.)

**1 North Brentwood Boulevard  
15th Floor  
St. Louis, Missouri 63105**  
(Address of principal executive offices)

**(314) 854-8000**  
Registrant's telephone number, including area code

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

As of July 29, 2016, the Registrant had 42,120,279 outstanding shares of common stock.

**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****BELDEN INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	July 3, 2016	December 31, 2015
	(Unaudited)	
	(In thousands)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 175,772	\$ 216,751
Receivables, net	393,436	387,386
Inventories, net	198,625	195,942
Other current assets	51,403	37,079
Total current assets	819,236	837,158
Property, plant and equipment, less accumulated depreciation	314,697	310,629
Goodwill	1,404,099	1,385,115
Intangible assets, less accumulated amortization	614,422	655,871
Deferred income taxes	34,747	34,295
Other long-lived assets	67,689	67,534
	<u>\$ 3,254,890</u>	<u>\$ 3,290,602</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 204,272	\$ 223,514
Accrued liabilities	291,944	323,249
Current maturities of long-term debt	2,500	2,500
Total current liabilities	498,716	549,263
Long-term debt	1,681,866	1,725,282
Postretirement benefits	106,862	105,230
Deferred income taxes	43,700	46,034
Other long-term liabilities	39,291	39,270
Stockholders' equity:		
Preferred stock	-	-
Common stock	503	503
Additional paid-in capital	609,061	605,660
Retained earnings	733,852	679,716
Accumulated other comprehensive loss	(59,069)	(58,987)
Treasury stock	(401,089)	(402,793)
Total Belden stockholders' equity	883,258	824,099
Noncontrolling interest	1,197	1,424
Total stockholders' equity	<u>884,455</u>	<u>825,523</u>
	<u>\$ 3,254,890</u>	<u>\$ 3,290,602</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

**BELDEN INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**  
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
	(In thousands, except per share data)			
Revenues	\$ 601,631	\$ 585,755	\$ 1,143,128	\$ 1,132,712
Cost of sales	(353,418)	(351,479)	(669,880)	(690,787)
Gross profit	248,213	234,276	473,248	441,925
Selling, general and administrative expenses	(123,057)	(127,584)	(245,463)	(267,632)
Research and development	(36,652)	(36,632)	(72,785)	(72,831)
Amortization of intangibles	(26,263)	(25,917)	(51,795)	(52,421)
Operating income	62,241	44,143	103,205	49,041
Interest expense, net	(24,049)	(24,769)	(48,445)	(48,615)
Income from continuing operations before taxes	38,192	19,374	54,760	426
Income tax benefit	3,558	2,303	3,415	1,615
Income from continuing operations	41,750	21,677	58,175	2,041
Loss from disposal of discontinued operations, net of tax	-	(86)	-	(86)
Net income	41,750	21,591	58,175	1,955
Less: Net loss attributable to noncontrolling interest	(99)	-	(198)	-
Net income attributable to Belden stockholders	\$ 41,849	\$ 21,591	\$ 58,373	\$ 1,955
Weighted average number of common shares and equivalents:				
Basic	42,085	42,655	42,046	42,596
Diluted	42,548	43,233	42,493	43,224
Basic income per share attributable to Belden stockholders:				
Continuing operations	\$ 0.99	\$ 0.51	\$ 1.39	\$ 0.05
Discontinued operations	-	-	-	-
Net income	\$ 0.99	\$ 0.51	\$ 1.39	\$ 0.05
Diluted income per share attributable to Belden stockholders:				
Continuing operations	\$ 0.98	\$ 0.50	\$ 1.37	\$ 0.05
Discontinued operations	-	-	-	-
Net income	0.98	0.50	1.37	0.05
Comprehensive income attributable to Belden stockholders	\$ 43,485	\$ 19,562	\$ 58,291	\$ 13,839
Dividends declared per share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

**BELDEN INC.**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
(Unaudited)

	<b>Six Months Ended</b>	
	<b>July 3, 2016</b>	<b>June 28, 2015</b>
	<small>(In thousands)</small>	
<b>Cash flows from operating activities:</b>		
Net income	\$ 58,175	\$ 1,955
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	75,445	75,654
Share-based compensation	8,587	9,891
Tax benefit related to share-based compensation	(116)	(5,288)
<b>Changes in operating assets and liabilities, net of the effects of currency exchange rate changes and acquired businesses:</b>		
Receivables	(3,750)	(6,250)
Inventories	368	(11,837)
Accounts payable	(20,730)	(43,689)
Accrued liabilities	(39,356)	(4,363)
Accrued taxes	(17,759)	(10,214)
Other assets	2,457	(1,736)
Other liabilities	(2,867)	923
Net cash provided by operating activities	<u>60,454</u>	<u>5,046</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(25,124)	(27,224)
Cash used to acquire businesses, net of cash acquired	(17,848)	(695,345)
Proceeds from disposal of tangible assets	41	80
Net cash used for investing activities	<u>(42,931)</u>	<u>(722,489)</u>
<b>Cash flows from financing activities:</b>		
Payments under borrowing arrangements	(51,250)	(625)
Cash dividends paid	(4,204)	(4,235)
Withholding tax payments for share-based payment awards, net of proceeds from the exercise of stock options	(3,598)	(11,439)
Borrowings under credit arrangements	-	200,000
Debt issuance costs paid	-	(643)
Tax benefit related to share-based compensation	116	5,288
Net cash provided by (used for) financing activities	<u>(58,936)</u>	<u>188,346</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	434	(3,646)
Decrease in cash and cash equivalents	(40,979)	(532,743)
Cash and cash equivalents, beginning of period	<u>216,751</u>	<u>741,162</u>
Cash and cash equivalents, end of period	<u>\$ 175,772</u>	<u>\$ 208,419</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

**BELDEN INC.**  
**CONDENSED CONSOLIDATED STOCKHOLDERS' EQUITY STATEMENT**  
**SIX MONTHS ENDED JULY 3, 2016**  
**(Unaudited)**

	Belden Inc. Stockholders									
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total	
	Shares	Amount			Shares	Amount				
	(In thousands)									
Balance at December 31, 2015	50,335	\$ 503	\$ 605,660	\$ 679,716	(8,354)	\$ (402,793)	\$ (58,987)	\$ 1,424	\$ 825,523	
Net income (loss)	-	-	-	58,373	-	-	-	(198)	58,175	
Foreign currency translation, net of \$1.9 million tax	-	-	-	-	-	-	(1,064)	(29)	(1,093)	
Adjustments to pension and postretirement liability, net of \$0.6 million tax	-	-	-	-	-	-	982	-	982	
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	-	(111)	
Exercise of stock options, net of tax withholding forfeitures	-	-	(963)	-	19	136	-	-	(827)	
Conversion of restricted stock units into common stock, net of tax withholding forfeitures	-	-	(4,339)	-	111	1,568	-	-	(2,771)	
Share-based compensation	-	-	8,703	-	-	-	-	-	8,703	
Dividends (\$0.10 per share)	-	-	-	(4,237)	-	-	-	-	(4,237)	
Balance at July 3, 2016	50,335	\$ 503	\$ 609,061	\$ 733,852	(8,224)	\$ (401,089)	\$ (59,069)	\$ 1,197	\$ 884,455	

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

**BELDEN INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1: Summary of Significant Accounting Policies**

Basis of Presentation

The accompanying Condensed Consolidated Financial Statements include Belden Inc. and all of its subsidiaries (the Company, us, we, or our). We eliminate all significant affiliate accounts and transactions in consolidation.

The accompanying Condensed Consolidated Financial Statements presented as of any date other than December 31, 2015:

- Are prepared from the books and records without audit, and
- Are prepared in accordance with the instructions for Form 10-Q and do not include all of the information required by accounting principles generally accepted in the United States for complete statements, but
- Include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial statements.

These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Supplementary Data contained in our 2015 Annual Report on Form 10-K.

Business Description

We are an innovative signal transmission solutions provider built around five global business platforms – Broadcast Solutions, Enterprise Connectivity Solutions, Industrial Connectivity Solutions, Industrial IT Solutions, and Network Security Solutions. Our comprehensive portfolio of signal transmission solutions provides industry leading secure and reliable transmission of data, sound and video for mission critical applications.

Reporting Periods

Our fiscal year and fiscal fourth quarter both end on December 31. Our fiscal first quarter ends on the Sunday falling closest to 91 days after December 31, which was April 3, 2016, the 94th day of our fiscal year 2016. Our fiscal second and third quarters each have 91 days. The six months ended July 3, 2016 and June 28, 2015 included 185 and 179 days, respectively.

Reclassifications

We have made certain reclassifications to the 2015 Condensed Consolidated Financial Statements with no impact to reported net income in order to conform to the 2016 presentation.

Fair Value Measurement

Accounting guidance for fair value measurements specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources or reflect our own assumptions of market participant valuation. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

- Level 1 – Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

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- Level 2 – Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets, or financial instruments for which significant inputs are observable, either directly or indirectly; and
  - Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As of and during the three and six months ended July 3, 2016 and June 28, 2015, we utilized Level 1 inputs to determine the fair value of cash equivalents. We did not have any transfers between Level 1 and Level 2 fair value measurements during the six months ended July 3, 2016 and June 28, 2015.

#### Cash and Cash Equivalents

We classify cash on hand and deposits in banks, including commercial paper, money market accounts, and other investments with an original maturity of three months or less, that we hold from time to time, as cash and cash equivalents. We periodically have cash equivalents consisting of short-term money market funds and other investments. The primary objective of our investment activities is to preserve our capital for the purpose of funding operations. We do not enter into investments for trading or speculative purposes. As of July 3, 2016, we did not have any significant cash equivalents.

#### Contingent Liabilities

We have established liabilities for environmental and legal contingencies that are probable of occurrence and reasonably estimable, the amounts of which are currently not material. We accrue environmental remediation costs based on estimates of known environmental remediation exposures developed in consultation with our environmental consultants and legal counsel. We are, from time to time, subject to routine litigation incidental to our business. These lawsuits primarily involve claims for damages arising out of the use of our products, allegations of patent or trademark infringement, and litigation and administrative proceedings involving employment matters and commercial disputes. Based on facts currently available, we believe the disposition of the claims that are pending or asserted will not have a materially adverse effect on our financial position, results of operations, or cash flow.

As of July 3, 2016, we were party to standby letters of credit, bank guaranties, and surety bonds totaling \$8.9 million, \$2.9 million, and \$2.4 million, respectively.

#### Revenue Recognition

We recognize revenue when all of the following circumstances are satisfied: (1) persuasive evidence of an arrangement exists, (2) price is fixed or determinable, (3) collectability is reasonably assured, and (4) delivery has occurred. Delivery occurs in the period in which the customer takes title and assumes the risks and rewards of ownership of the products specified in the customer's purchase order or sales agreement. At times, we enter into arrangements that involve the delivery of multiple elements. For these arrangements, when the elements can be separated, the revenue is allocated to each deliverable based on that element's relative selling price and recognized based on the period of delivery for each element. Generally, we determine relative selling price using our best estimate of selling price, unless we have established vendor specific objective evidence (VSOE) or third party evidence of fair value exists for such arrangements.

We record revenue net of estimated rebates, price allowances, invoicing adjustments, and product returns. We record revisions to these estimates in the period in which the facts that give rise to each revision become known.

We have certain products subject to the accounting guidance on software revenue recognition. For such products, software license revenue is recognized when persuasive evidence of an arrangement exists, delivery of the product has occurred, the fee is fixed or determinable, collection is probable and VSOE of the fair value of undelivered elements exists. As substantially all of the software licenses are sold in multiple-element arrangements that include either support or both support and professional services, we use the residual method to determine the amount of software license revenue to be recognized. Under the residual method, consideration is allocated to undelivered elements based upon VSOE of the fair value of those elements, with the residual of the arrangement fee allocated to and recognized as software license revenue. In our Network Security Solutions segment, we have established VSOE of the fair value of support, subscription-based software licenses and professional services. Software license revenue is generally recognized upon delivery of the software if all revenue recognition criteria are met.

Revenue allocated to support services under our Network Security Solutions support contracts, subscription-based software, and remote ongoing operational services is paid in advance and recognized ratably over the term of the service. Revenue allocated to professional services, including remote implementation services, is recognized as the services are performed.

#### Discontinued Operations

In both the three and six months ended June 28, 2015, we recognized a \$0.2 million (\$0.1 million net of tax) loss from disposal of discontinued operations for a final escrow settlement related to the 2010 disposition of Trapeze Networks, Inc.

#### Subsequent Events

We have evaluated subsequent events after the balance sheet date through the financial statement issuance date for appropriate accounting and disclosure. See Note 12.

#### Current-Year Adoption of Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03), which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The standard is effective for fiscal years beginning after December 15, 2015. We adopted ASU 2015-03 effective January 1, 2016, retrospectively. Adoption resulted in a \$6.0 million decrease in total current assets, a \$19.2 million decrease in other long-lived assets, and a \$25.2 million decrease in long-term debt in our Consolidated Balance Sheet as of December 31, 2015 compared to the prior period presentation. Adoption had no impact on our results of operations.

#### Pending Adoption of Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which will replace most existing revenue recognition guidance in U.S. GAAP. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. ASU 2014-09 requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09 will be effective for us beginning January 1, 2018, and allows for both retrospective and modified retrospective methods of adoption. Early adoption beginning January 1, 2017 is permitted. We are continuing the process of determining the method and timing of adoption and assessing the impact of ASU 2014-09 on our Consolidated Financial Statements. Our initial assessment indicates that the overall impact of adopting ASU 2014-09 is expected to be minimal. Any significant impact is expected to be limited to a software product line within our Broadcast segment that generates an immaterial amount of annual revenues.



In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases* (ASU 2016-02), a leasing standard for both lessees and lessors. Under its core principle, a lessee will recognize lease assets and liabilities on the balance sheet for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. generally accepted accounting principles. The new standard will be effective for us beginning January 1, 2019. Early adoption is permitted. The standard requires the use of a modified retrospective transition method. We are evaluating the effect that ASU 2016-02 will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09), which requires entities to recognize the income tax effects of stock awards in the income statement when the awards vest or are settled. Further, ASU 2016-09 allows entities to withhold up to the maximum individual statutory tax rate without classifying the stock awards as a liability and to account for forfeitures either upon occurrence or by estimating forfeitures. The new standard will be effective for us beginning January 1, 2017. Early adoption is permitted. We are evaluating the effect that ASU 2016-09 will have on our consolidated financial statements and related disclosures.

## **Note 2: Acquisitions**

### *M2FX*

We acquired 100% of the shares of M2FX Limited (M2FX) on January 7, 2016 for a preliminary purchase price of \$23.2 million. Of the total purchase price, \$7.6 million has been preliminarily deferred as estimated earn-out consideration. The estimated earn-out is scheduled to be paid in early 2017, if certain financial targets are achieved. We determined the estimated fair value of the earn-out with the assistance of a third party valuation specialist using a probability weighted discounted cash flow model. M2FX is a manufacturer of fiber optic cable and fiber protective solutions for broadband access and telecommunications networks. M2FX is located in the United Kingdom. The results of M2FX have been included in our Consolidated Financial Statements from January 7, 2016, and are reported within the Broadcast segment. The M2FX acquisition was not material to our financial position or results of operations.

## **Note 3: Operating Segments**

We are organized around five global business platforms: Broadcast, Enterprise Connectivity, Industrial Connectivity, Industrial IT, and Network Security. Each of the global business platforms represents a reportable segment.

To capitalize on the adoption of IP technology and accelerate our penetration of the commercial audio-video market, we transferred responsibility of audio-video cable and connectors from our Broadcast platform to our Enterprise Connectivity platform effective January 1, 2016. We have revised the prior period segment information to conform to the change in the composition of these reportable segments. This transfer had no impact to our reporting units for purposes of goodwill impairment testing.

The key measures of segment profit or loss reviewed by our chief operating decision maker are Segment Revenues and Segment EBITDA. Segment Revenues represent non-affiliate revenues and include revenues that would have otherwise been recorded by acquired businesses as independent entities but were not recognized in our Consolidated Statements of Operations due to the effects of purchase accounting and the associated write-down of acquired deferred revenue to fair value. Segment EBITDA excludes certain items, including depreciation expense; amortization of intangibles; asset impairment; severance, restructuring, and acquisition integration costs; purchase accounting effects related to acquisitions, such as the adjustment of acquired inventory and deferred revenue to fair value; and other costs. We allocate corporate expenses to the segments for purposes of measuring Segment EBITDA. Corporate expenses are allocated on the basis of each segment's relative EBITDA prior to the allocation.

Our measure of segment assets does not include cash, goodwill, intangible assets, deferred tax assets, or corporate assets. All goodwill is allocated to reporting units of our segments for purposes of impairment testing.

	Broadcast Solutions	Enterprise Connectivity Solutions	Industrial Connectivity Solutions	Industrial IT Solutions	Network Security Solutions	Total Segments
(In thousands)						
<b>As of and for the three months ended July 3, 2016</b>						
Segment revenues	\$ 193,521	\$ 160,401	\$ 147,808	\$ 62,510	\$ 39,141	\$ 603,381
Affiliate revenues	173	1,328	214	4	-	1,719
Segment EBITDA	29,505	29,575	27,064	12,676	9,515	108,335
Depreciation expense	4,061	3,429	2,709	660	1,128	11,987
Amortization expense	13,420	432	601	1,506	10,304	26,263
Severance, restructuring, and acquisition integration costs	1,319	1,207	2,371	943	29	5,869
Deferred gross profit adjustments	494	-	-	-	1,256	1,750
Segment assets	329,250	253,424	255,250	65,603	41,573	945,100
<b>As of and for the three months ended June 28, 2015</b>						
Segment revenues	\$ 174,923	\$ 161,827	\$ 160,875	\$ 61,270	\$ 39,618	\$ 598,513
Affiliate revenues	-	1,708	408	10	-	2,126
Segment EBITDA	22,878	29,792	28,680	10,178	8,772	100,300
Depreciation expense	4,140	3,180	2,869	584	919	11,692
Amortization expense	12,595	429	807	1,479	10,607	25,917
Severance, restructuring, and acquisition integration costs	3,283	83	1,163	-	378	4,907
Deferred gross profit adjustments	(924)	-	-	-	14,364	13,440
Segment assets	352,848	279,360	267,448	63,599	42,241	1,005,496
<b>As of and for the six months ended July 3, 2016</b>						
Segment revenues	\$ 364,793	\$ 296,293	\$ 288,899	\$ 116,392	\$ 80,804	\$ 1,147,181
Affiliate revenues	597	3,027	396	32	-	4,052
Segment EBITDA	52,772	53,311	50,051	21,285	20,982	198,401
Depreciation expense	8,023	6,818	5,427	1,184	2,198	23,650
Amortization expense	26,351	861	1,192	3,016	20,375	51,795
Severance, restructuring, and acquisition integration costs	5,697	1,707	3,236	3,608	29	14,277
Purchase accounting effects of acquisitions	195	-	-	-	-	195
Deferred gross profit adjustments	1,108	-	-	-	2,945	4,053
Segment assets	329,250	253,424	255,250	65,603	41,573	945,100
<b>As of and for the six months ended June 28, 2015</b>						
Segment revenues	\$ 351,423	\$ 303,608	\$ 313,847	\$ 122,343	\$ 76,743	\$ 1,167,964
Affiliate revenues	-	3,680	731	31	8	4,450
Segment EBITDA	46,005	49,801	52,853	21,265	18,673	188,597
Depreciation expense	8,113	6,394	5,720	1,143	1,863	23,233
Amortization expense	25,021	861	1,630	2,889	22,020	52,421
Severance, restructuring, and acquisition integration costs	14,810	651	2,936	(52)	1,045	19,390
Purchase accounting effects of acquisitions	-	-	267	-	9,155	9,422
Deferred gross profit adjustments	2,370	-	-	-	32,728	35,098
Segment assets	352,848	279,360	267,448	63,599	42,241	1,005,496

The following table is a reconciliation of the total of the reportable segments' Revenues and EBITDA to consolidated revenues and consolidated income from continuing operations before taxes, respectively.

	Three Months Ended		Six Months Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
	(In thousands)		(In thousands)	
Total Segment Revenues	\$ 603,381	\$ 598,513	\$ 1,147,181	\$ 1,167,964
Deferred revenue adjustments (1)	(1,750)	(12,758)	(4,053)	(35,252)
Consolidated Revenues	<u>\$ 601,631</u>	<u>\$ 585,755</u>	<u>\$ 1,143,128</u>	<u>\$ 1,132,712</u>
Total Segment EBITDA	\$ 108,335	\$ 100,300	\$ 198,401	\$ 188,597
Amortization of intangibles	(26,263)	(25,917)	(51,795)	(52,421)
Deferred gross profit adjustments (1)	(1,750)	(13,440)	(4,053)	(35,098)
Severance, restructuring, and acquisition integration costs (2)	(5,869)	(4,907)	(14,277)	(19,390)
Depreciation expense	(11,987)	(11,692)	(23,650)	(23,233)
Purchase accounting effects related to acquisitions (3)	-	-	(195)	(9,422)
Income from equity method investment	661	343	491	1,111
Eliminations	(886)	(544)	(1,717)	(1,103)
Consolidated operating income	<u>62,241</u>	<u>44,143</u>	<u>103,205</u>	<u>49,041</u>
Interest expense, net	<u>(24,049)</u>	<u>(24,769)</u>	<u>(48,445)</u>	<u>(48,615)</u>
Consolidated income from continuing operations before taxes	<u>\$ 38,192</u>	<u>\$ 19,374</u>	<u>\$ 54,760</u>	<u>\$ 426</u>

(1) For both the three and six months ended July 3, 2016 and June 28, 2015, both our consolidated revenues and gross profit were negatively impacted by the reduction of the acquired deferred revenue balance to fair value associated with our 2015 acquisition of Tripwire.

(2) See Note 7, *Severance, Restructuring, and Acquisition Integration Activities*, for details.

(3) For the six months ended July 3, 2016, we recognized \$0.2 million of cost of sales related to the adjustment of acquired inventory to fair value related to our acquisition of M2FX. For the six months ended June 28, 2015, we recognized \$9.2 million of compensation expense related to the accelerated vesting of acquiree stock based compensation awards associated with our acquisition of Tripwire. In addition, we recognized \$0.3 million of cost of sales related to the adjustment of acquired inventory to fair value related to our acquisition of Coast.

#### Note 4: Income per Share

The following table presents the basis for the income per share computations:

	Three Months Ended		Six Months Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
	(In thousands)			
Numerator:				
Income from continuing operations	\$ 41,750	\$ 21,677	\$ 58,175	\$ 2,041
Less: Net loss attributable to noncontrolling interest	(99)	-	(198)	-
Income from continuing operations attributable to Belden stockholders	<u>41,849</u>	<u>21,677</u>	<u>58,373</u>	<u>2,041</u>
Loss from disposal of discontinued operations, net of tax, attributable to Belden stockholders	-	(86)	-	(86)
Net income attributable to Belden stockholders	<u>\$ 41,849</u>	<u>\$ 21,591</u>	<u>\$ 58,373</u>	<u>\$ 1,955</u>
Denominator:				
Weighted average shares outstanding, basic	42,085	42,655	42,046	42,596
Effect of dilutive common stock equivalents	<u>463</u>	<u>578</u>	<u>447</u>	<u>628</u>
Weighted average shares outstanding, diluted	<u>42,548</u>	<u>43,233</u>	<u>42,493</u>	<u>43,224</u>

For the three and six months ended July 3, 2016, diluted weighted average shares outstanding do not include outstanding equity awards of 0.7 million and 0.6 million, because to do so would have been anti-dilutive. For the three and six months ended June 28, 2015, diluted weighted average shares outstanding do not include outstanding equity awards of 0.3 million and 0.3 million, respectively, because to do so would have been anti-dilutive.

For purposes of calculating basic earnings per share, unvested restricted stock units are not included in the calculation of basic weighted average shares outstanding until all necessary conditions have been satisfied and issuance of the shares underlying the restricted stock units is no longer contingent. Necessary conditions are not satisfied until the vesting date, at which time holders of our restricted stock units receive shares of our common stock.

For purposes of calculating diluted earnings per share, unvested restricted stock units are included to the extent that they are dilutive. In determining whether unvested restricted stock units are dilutive, each issuance of restricted stock units is considered separately.

Once a restricted stock unit has vested, it is included in the calculation of both basic and diluted weighted average shares outstanding.

**Note 5: Inventories**

The major classes of inventories were as follows:

	<b>July 3, 2016</b>	<b>December 31, 2015</b>
	<b>(In thousands)</b>	
Raw materials	\$ 93,823	\$ 92,929
Work-in-process	31,304	27,730
Finished goods	97,567	97,814
Gross inventories	222,694	218,473
Excess and obsolete reserves	(24,069)	(22,531)
Net inventories	<u>\$ 198,625</u>	<u>\$ 195,942</u>

**Note 6: Long-Lived Assets**

Depreciation and Amortization Expense

We recognized depreciation expense of \$12.0 million and \$23.7 million in the three and six months ended July 3, 2016, respectively. We recognized depreciation expense of \$11.7 million and \$23.2 million in the three and six months ended June 28, 2015, respectively.

We recognized amortization expense related to our intangible assets of \$26.3 million and \$51.8 million in the three and six months ended July 3, 2016, respectively. We recognized amortization expense related to our intangible assets of \$25.9 million and \$52.4 million in the three and six months ended June 28, 2015, respectively.

**Note 7: Severance, Restructuring, and Acquisition Integration Activities**

*Industrial Restructuring Program*

Both our Industrial Connectivity and Industrial IT segments have been negatively impacted by a decline in sales volume. Global demand for industrial products has been negatively impacted by the strengthened U.S. dollar and lower energy prices. Our customers have reduced capital spending in response to these conditions, and we expect these conditions to continue to negatively impact our industrial segments' sales volume. In response to these industrial market conditions, we began to execute a restructuring program in the fourth quarter of 2015 to reduce our cost structure. We recognized \$2.4 million and \$5.8 million of severance and other restructuring costs for this program during the three and six months ended July 3, 2016, respectively. We expect to incur approximately \$2 million of additional severance and other restructuring costs for this program, the majority of which will be incurred in the third quarter of 2016. We expect the restructuring program to generate approximately \$18 million of savings on an annualized basis, which we began to realize in the first quarter of 2016.

*Industrial Manufacturing Footprint Program*

In further response to the industrial market conditions described above, in the first quarter of 2016 we began a program to further consolidate our manufacturing footprint. The manufacturing consolidation is expected to be completed by the end of 2017. We recognized \$2.0 million and \$2.5 million of severance and other

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restructuring costs for this program during the three and six months ended July 3, 2016, respectively. The costs were incurred by the Enterprise and Industrial Connectivity segments, as the manufacturing locations involved in the program serve both platforms. We expect to incur approximately \$16 million and \$15 million of additional severance and other restructuring costs for this program in 2016 and 2017, respectively. We expect the program to generate approximately \$10 million of savings on an annualized basis, beginning in the second half of 2017.

*Grass Valley Restructuring Program*

Our Broadcast segment's Grass Valley brand was negatively impacted by a decline in global demand of broadcast technology infrastructure products. Outside of the U.S., demand for these products was impacted by the relative price increase of products due to the strengthened U.S. dollar as well as the impact of weaker economic conditions which have resulted in lower capital spending. Within the U.S., demand for these products was impacted by deferred capital spending. We believe broadcast customers have deferred their capital spending as they navigate through a number of important industry transitions and a changing media landscape. In response to these broadcast market conditions, we began to execute a restructuring program beginning in the third quarter of 2015 to further reduce our cost structure. We recognized \$0.9 million and \$5.0 million of severance and other restructuring costs for this program during the three and six months ended July 3, 2016, respectively. We expect to incur approximately \$1 million of additional severance and other restructuring costs for this program, the majority of which will be incurred in the third quarter of 2016. We expect the restructuring program to generate approximately \$30 million of savings on an annualized basis, which we began to realize in the fourth quarter of 2015.

*Productivity Improvement Program and Acquisition Integration*

In 2014, we began a productivity improvement program and the integration of our acquisition of Grass Valley. The productivity improvement program focused on improving the productivity of our sales, marketing, finance, and human resources functions relative to our peers. The majority of the costs for the productivity improvement program related to the Industrial Connectivity, Enterprise, and Industrial IT segments. The restructuring and integration activities related to our acquisition of Grass Valley focused on achieving desired cost savings by consolidating existing and acquired operating facilities and other support functions. We substantially completed the productivity improvement program and the acquisition integration activities in 2015. In the three and six months ended June 28, 2015, we recorded severance, restructuring, and integration costs of \$4.9 million and \$19.4 million, respectively, related to these two significant programs, as well as other cost reduction actions and the integration of our acquisitions of ProSoft, Coast, and Tripwire. In the three and six months ended July 3, 2016, we recognized \$0.6 million and \$1.0 million of costs, respectively, primarily related to our 2016 acquisition of M2FX.

The following table summarizes the costs by segment of the various programs described above:

<b>Three Months Ended July 3, 2016</b>	<b>Severance</b>	<b>Other Restructuring and Integration Costs</b>	<b>Total Costs</b>
	(In thousands)		
Broadcast Solutions	\$ (109)	\$ 1,428	\$ 1,319
Enterprise Connectivity Solutions	71	1,136	1,207
Industrial Connectivity Solutions	1,180	1,191	2,371
Industrial IT Solutions	309	634	943
Network Security Solutions	-	29	29
Total	<u>\$ 1,451</u>	<u>\$ 4,418</u>	<u>\$ 5,869</u>
<b>Three Months Ended June 28, 2015</b>			
Broadcast Solutions	\$ (1,590)	\$ 4,873	\$ 3,283
Enterprise Connectivity Solutions	22	61	83
Industrial Connectivity Solutions	526	637	1,163
Industrial IT Solutions	-	-	-
Network Security Solutions	-	378	378
Total	<u>\$ (1,042)</u>	<u>\$ 5,949</u>	<u>\$ 4,907</u>
<b>Six Months Ended July 3, 2016</b>			
Broadcast Solutions	\$ (751)	\$ 6,448	\$ 5,697
Enterprise Connectivity Solutions	76	1,631	1,707
Industrial Connectivity Solutions	1,777	1,459	3,236
Industrial IT Solutions	2,631	977	3,608
Network Security Solutions	-	29	29
Total	<u>\$ 3,733</u>	<u>\$ 10,544</u>	<u>\$ 14,277</u>
<b>Six Months Ended June 28, 2015</b>			
Broadcast Solutions	\$ 713	\$ 14,097	\$ 14,810
Enterprise Connectivity Solutions	72	579	651
Industrial Connectivity Solutions	967	1,969	2,936
Industrial IT Solutions	(740)	688	(52)
Network Security Solutions	-	1,045	1,045
Total	<u>\$ 1,012</u>	<u>\$ 18,378</u>	<u>\$ 19,390</u>

Of the total severance, restructuring, and acquisition integration costs recognized in the three months ended July 3, 2016, \$1.8 million, \$3.6 million, and \$0.5 million were included in cost of sales; selling, general and administrative expenses; and research and development, respectively. Of the total severance, restructuring, and acquisition integration costs recognized in the three months ended June 28, 2015, \$1.8 million, \$2.7 million, and \$0.4 million were included in cost of sales; selling, general and administrative expenses; and research and development, respectively.

Of the total severance, restructuring, and acquisition integration costs recognized in the six months ended July 3, 2016, \$3.9 million, \$9.7 million, and \$0.7 million were included in cost of sales; selling, general and administrative expenses; and research and development, respectively. Of the total severance, restructuring,

and acquisition integration costs recognized in the six months ended June 28, 2015, \$3.2 million, \$14.5 million, and \$1.7 million were included in cost of sales; selling, general and administrative expenses; and research and development, respectively.

The other restructuring and integration costs primarily consisted of equipment transfer, costs to consolidate operating and support facilities, retention bonuses, relocation, travel, legal, and other costs. The majority of the other restructuring and integration costs related to these actions were paid as incurred or are payable within the next 60 days.

We continue to review our business strategies and evaluate potential new restructuring actions. This could result in additional restructuring costs in future periods.

*Accrued Severance*

The table below sets forth the significant severance activity that occurred for two of the programs described above. The balances are included in accrued liabilities.

	<b>Grass Valley Restructuring</b>	<b>Industrial Restructuring</b>
	<b>(In thousands)</b>	
Balance at December 31, 2015	\$ 12,076	\$ 2,947
New charges	886	2,919
Cash payments	(4,404)	(1,967)
Foreign currency translation	167	94
Other adjustments	(1,528)	-
Balance at April 3, 2016	\$ 7,197	\$ 3,993
New charges	251	1,489
Cash payments	(3,356)	(1,685)
Foreign currency translation	(13)	(42)
Other adjustments	(360)	-
Balance at July 3, 2016	\$ 3,719	\$ 3,755

The other adjustments were the result of changes in estimates. We experienced higher than expected voluntary turnover, and as a result, certain approved severance actions were not taken. We expect the majority of the liabilities for these programs to be paid during the second half of 2016.

## Note 8: Long-Term Debt and Other Borrowing Arrangements

The carrying values of our long-term debt and other borrowing arrangements were as follows:

	July 3, 2016	December 31, 2015
	(In thousands)	
Revolving credit agreement due 2018	\$ -	\$ 50,000
Variable rate term loan due 2020	242,754	243,965
Senior subordinated notes:		
5.25% Senior subordinated notes due 2024	200,000	200,000
5.50% Senior subordinated notes due 2023	559,709	553,835
5.50% Senior subordinated notes due 2022	700,000	700,000
9.25% Senior subordinated notes due 2019	5,221	5,221
Total senior subordinated notes	<u>1,464,930</u>	<u>1,459,056</u>
Total gross debt and other borrowing arrangements	1,707,684	1,753,021
Less unamortized debt issuance costs	(23,318)	(25,239)
Total net debt and other borrowing arrangements	1,684,366	1,727,782
Less current maturities of Term Loan	(2,500)	(2,500)
Long-term debt	<u>\$ 1,681,866</u>	<u>\$ 1,725,282</u>

### Revolving Credit Agreement due 2018

Our revolving credit agreement provides a \$400 million multi-currency asset-based revolving credit facility (the Revolver). The borrowing base under the Revolver includes eligible accounts receivable; inventory; and property, plant and equipment of certain of our subsidiaries in the U.S., Canada, Germany, the Netherlands, and the UK. In January 2015, we borrowed \$200.0 million under the Revolver in order to fund a portion of the purchase price for the acquisition of Tripwire. During the fourth quarter of 2015 and first quarter of 2016, we repaid \$150.0 million and \$50.0 million, respectively, of the Revolver borrowings. As of July 3, 2016, we had no borrowings outstanding on our revolver, and our available borrowing capacity was \$293.7 million. The Revolver matures in 2018. Interest on outstanding borrowings is variable, based upon LIBOR or other similar indices in foreign jurisdictions, plus a spread that ranges from 1.25% - 1.75%, depending upon our leverage position. We pay a commitment fee on our available borrowing capacity of 0.375%. In the event we borrow more than 90% of our borrowing base, we are subject to a fixed charge coverage ratio covenant.

### Variable Rate Term Loan due 2020

In 2013, we borrowed \$250.0 million under a Term Loan Credit Agreement (the Term Loan). The Term Loan is secured on a second lien basis by the assets securing the Revolving Credit Agreement due 2018 discussed above and on a first lien basis by the stock of certain of our subsidiaries. The borrowings under the Term Loan are scheduled to mature in 2020 and require quarterly amortization payments of approximately \$0.6 million. Interest under the Term Loan is variable, based upon the three-month LIBOR plus an applicable spread. The interest rate as of July 3, 2016 was 3.41%.

### Senior Subordinated Notes

We have outstanding \$200.0 million aggregate principal amount of 5.25% senior subordinated notes due 2024 (the 2024 Notes). The 2024 Notes are guaranteed on a senior subordinated basis by certain of our subsidiaries. The 2024 Notes rank equal in right of payment with our senior subordinated notes due 2023, 2022, and 2019 and with any future subordinated debt, and they are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our Term Loan and Revolver. Interest is payable semiannually on January 15 and July 15 of each year.



We have outstanding €500.0 million aggregate principal amount of 5.5% senior subordinated notes due 2023 (the 2023 Notes). The carrying value of the 2023 Notes as of July 3, 2016 is \$559.7 million. The 2023 Notes are guaranteed on a senior subordinated basis by certain of our subsidiaries. The notes rank equal in right of payment with our senior subordinated notes due 2024, 2022, and 2019 and with any future subordinated debt, and they are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our Term Loan and Revolver. Interest is payable semiannually on April 15 and October 15 of each year.

We have outstanding \$700.0 million aggregate principal amount of 5.5% senior subordinated notes due 2022 (the 2022 Notes). The 2022 Notes are guaranteed on a senior subordinated basis by certain of our subsidiaries. The 2022 Notes rank equal in right of payment with our senior subordinated notes due 2024, 2023, and 2019, and with any future subordinated debt, and they are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our Term Loan and Revolver. Interest is payable semiannually on March 1 and September 1 of each year.

We have outstanding \$5.2 million aggregate principal amount of our senior subordinated notes due 2019 (the 2019 Notes). The 2019 Notes have a coupon interest rate of 9.25% and an effective interest rate of 9.75%. The interest on the 2019 Notes is payable semiannually on June 15 and December 15. The 2019 notes are guaranteed on a senior subordinated basis by certain of our subsidiaries. The notes rank equal in right of payment with our senior subordinated notes due 2024, 2023, and 2022, and with any future senior subordinated debt, and are subordinated to all of our senior debt and the senior debt of our subsidiary guarantors, including our Term Loan and Revolver.

#### Fair Value of Long-Term Debt

The fair value of our senior subordinated notes as of July 3, 2016 was approximately \$1,478.6 million based on quoted prices of the debt instruments in inactive markets (Level 2 valuation). This amount represents the fair values of our senior subordinated notes with a carrying value of \$1,464.9 million as of July 3, 2016. We believe the fair value of our Term Loan approximates book value.

#### **Note 9: Income Taxes**

We recognized income tax benefits of \$3.6 million and \$3.4 million for the three and six months ended July 3, 2016, respectively, representing effective tax rates of (9.3%) and (6.2%), respectively. The effective tax rates were impacted by the following significant factors:

- We recognized an \$8.1 million tax benefit in both the three and six months ended July 3, 2016 as the result of securing a significant tax deduction for a foreign currency loss by implementing several transactions related to our international tax structure.
- We also recognized a \$7.0 million tax benefit in both the three and six months ended July 3, 2016 for the reduction of deferred tax liabilities related to a previously completed acquisition. As part of an implemented tax planning strategy, we successfully secured a Private Letter Ruling from the Internal Revenue Service that effectively increased the tax basis in the acquired assets to the full fair value. Accordingly, a book-tax difference was eliminated, and we reversed deferred tax liabilities previously recorded, resulting in the \$7.0 million tax benefit.
- In the six months ended July 3, 2016, we recognized a \$3.8 million tax benefit as a result of reducing a deferred tax valuation allowance related to net operating loss carryforwards in a foreign jurisdiction. Based on certain restructuring transactions in the six months ended July 3, 2016, the net operating loss carryforwards are expected to be realizable.

The tax benefits described above for the three and six months ended July 3, 2016 were partially offset by a \$2.7 million tax expense to record a liability for uncertain tax positions in one of our foreign jurisdictions.

We recognized income tax benefits of \$2.3 million and \$1.6 million for the three and six months ended June 28, 2015, respectively, representing effective tax rates of (11.9%) and (379.1%), respectively. A significant factor impacting the income tax benefit for the six months ended June 28, 2015 was the recognition of a \$1.5 million tax benefit as a result of reducing a deferred tax asset valuation allowance related to a capital loss carryforward. Based on transactions in the six months ended June 28, 2015, the capital loss carryforward became fully realizable. In addition, our effective tax rate in 2015 benefited from a tax planning strategy that allowed us to recognize a significant balance of foreign tax credits related to one of our foreign jurisdictions.

#### Note 10: Pension and Other Postretirement Obligations

The following table provides the components of net periodic benefit costs for our pension and other postretirement benefit plans:

Three Months Ended	Pension Obligations		Other Postretirement Obligations	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
	(In thousands)			
Service cost	\$ 1,426	\$ 1,443	\$ 16	\$ 16
Interest cost	2,424	2,207	480	399
Expected return on plan assets	(3,216)	(3,159)	-	-
Amortization of prior service credit	(9)	(15)	(11)	(25)
Actuarial losses	709	1,288	149	123
Net periodic benefit cost	<u>\$ 1,334</u>	<u>\$ 1,764</u>	<u>\$ 634</u>	<u>\$ 513</u>
<b>Six Months Ended</b>				
Service cost	\$ 2,835	\$ 3,227	\$ 29	\$ 32
Interest cost	4,819	4,747	847	802
Expected return on plan assets	(6,408)	(6,313)	-	-
Amortization of prior service credit	(18)	(26)	(22)	(50)
Actuarial losses	1,407	2,574	231	252
Net periodic benefit cost	<u>\$ 2,635</u>	<u>\$ 4,209</u>	<u>\$ 1,085</u>	<u>\$ 1,036</u>

#### Note 11: Comprehensive Income and Accumulated Other Comprehensive Income (Loss)

The following table summarizes total comprehensive income:

	Three Months Ended		Six Months Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
	(In thousands)			
Net income	\$ 41,750	\$ 21,591	\$ 58,175	\$ 1,955
Foreign currency translation income (loss), net of \$0.3 million, \$0.4 million, \$1.9 million, and \$2.1 million tax, respectively	1,094	(2,872)	(1,093)	10,193
Adjustments to pension and postretirement liability, net of \$0.3 million, \$0.5 million, \$0.6 million, and \$1.1 million tax, respectively	515	843	982	1,691
Total comprehensive income	<u>\$ 43,359</u>	<u>\$ 19,562</u>	<u>\$ 58,064</u>	<u>\$ 13,839</u>
Less: Comprehensive loss attributable to noncontrolling interest	(126)	-	(227)	-
Comprehensive income attributable to Belden stockholders	<u>\$ 43,485</u>	<u>\$ 19,562</u>	<u>\$ 58,291</u>	<u>\$ 13,839</u>

The accumulated balances related to each component of other comprehensive income (loss), net of tax, are as follows:

	Foreign Currency Translation Component	Pension and Other Postretirement Benefit Plans	Accumulated Other Comprehensive Income (Loss)
	(In thousands)		
<b>Balance at December 31, 2015</b>	\$ (23,411)	\$ (35,576)	\$ (58,987)
Other comprehensive loss attributable to Belden stockholders before reclassifications	(1,064)	-	(1,064)
Amounts reclassified from accumulated other comprehensive income (loss)	-	982	982
Net current period other comprehensive loss attributable to Belden stockholders	(1,064)	982	(82)
<b>Balance at July 3, 2016</b>	<u>\$ (24,475)</u>	<u>\$ (34,594)</u>	<u>\$ (59,069)</u>

The following table summarizes the effects of reclassifications from accumulated other comprehensive income (loss) for the six months ended July 3, 2016:

	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)	Affected Line Item in the Consolidated Statements of Operations and Comprehensive Income
	(In thousands)	
Amortization of pension and other postretirement benefit plan items:		
Actuarial losses	\$ 1,638	(1)
Prior service credit	(40)	(1)
Total before tax	1,598	
Tax benefit	(616)	
Net of tax	<u>\$ 982</u>	

(1) The amortization of these accumulated other comprehensive income (loss) components are included in the computation of net periodic benefit costs (see Note 10).

#### Note 12: Subsequent Events

On July 26, 2016, we completed an offering of 5.2 million depositary shares, each of which represents 1/100 th interest in a share of 6.75% Series B Mandatory Convertible Preferred Stock (the Preferred Stock), for an offering price of \$100 per depositary share. Unless earlier converted, each share of Preferred Stock will automatically convert into common stock on or around July 15, 2019 into between 120.46 and 132.50 shares of Belden common stock, subject to customary anti-dilution adjustments. This represents a range of 6.2 million - 6.9 million shares of Belden common stock to be issued upon conversion. The number of shares of Belden common stock issuable upon the mandatory conversion of the Preferred Stock will be determined based upon the volume-weighted average price of Belden's common stock over the 20 day trading period beginning on, and including, the 22 nd scheduled trading day prior to July 15, 2019. The net proceeds from this offering were approximately \$502 million. We intend to use the proceeds for general corporate purposes.

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## Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

Belden Inc. (the Company, us, we, or our) is an innovative signal transmission solutions company built around five global business platforms – Broadcast Solutions, Enterprise Connectivity Solutions, Industrial Connectivity Solutions, Industrial IT Solutions, and Network Security Solutions. Our comprehensive portfolio of signal transmission solutions provides industry leading secure and reliable transmission of data, sound, and video for mission critical applications.

We strive for operational excellence through the execution of our Belden Business System, which includes three areas of focus: Lean enterprise initiatives, our Market Delivery System, and our Talent Management System. Through operational excellence we generate significant free cash flow on an annual basis. We utilize the cash flow generated by our business to fuel our continued transformation and generate shareholder value. We believe our business system, balance across markets and geographies, systematic go-to-market approach, extensive portfolio of innovative solutions, commitment to Lean principles, and improving margins present a unique value proposition for shareholders.

We use a set of tools and processes that are designed to continuously improve business performance in the critical areas of quality, delivery, cost, and innovation. We consider revenue growth, Adjusted EBITDA margin, free cash flows, and return on invested capital to be our key operating performance indicators. We also seek to acquire businesses that we believe can help us achieve these objectives. The extent to which appropriate acquisitions are made and integrated can affect our overall growth, operating results, financial condition, and cash flows.

### Trends and Events

The following trends and events during 2016 have had varying effects on our financial condition, results of operations, and cash flows.

#### *Foreign currency*

Our exposure to currency rate fluctuations primarily relates to exchange rate movements between the U.S. dollar and the euro, Canadian dollar, Hong Kong dollar, Chinese yuan, Japanese yen, Mexican peso, Australian dollar, British pound, and Brazilian real. Generally, as the U.S. dollar strengthens against these foreign currencies, our revenues and earnings are negatively impacted as our foreign denominated revenues and earnings are translated into U.S. dollars at a lower rate. Conversely, as the U.S. dollar weakens against foreign currencies, our revenues and earnings are positively impacted.

In addition to the translation impact described above, currency rate fluctuations have an economic impact on our financial results. As the U.S. dollar strengthens or weakens against foreign currencies, it results in a relative price increase or decrease for certain of our products that are priced in U.S. dollars in a foreign location.

#### *Commodity prices*

Our operating results can be affected by changes in prices of commodities, primarily copper and compounds, which are components in some of the products we sell. Generally, as the costs of inventory purchases increase due to higher commodity prices, we raise selling prices to customers to cover the increase in costs, resulting in higher sales revenue but a lower gross profit percentage. Conversely, a decrease in commodity prices would result in lower sales revenue but a higher gross profit percentage. Selling prices of our products are affected by many factors, including end market demand, capacity utilization, overall economic conditions, and commodity prices. Importantly, however, there is no exact measure of the effect of changing commodity

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prices, as there are thousands of transactions in any given quarter, each of which has various factors involved in the individual pricing decisions. Therefore, all references to the effect of copper prices or other commodity prices are estimates.

#### *Channel Inventory*

Our operating results also can be affected by the levels of Belden products purchased and held as inventory by our channel partners and customers. Our channel partners and customers purchase and hold the products they bought from us in their inventory in order to meet the service and on-time delivery requirements of their customers. Generally, as our channel partners and customers change the level of products they bought from us and hold in their inventory, it impacts our revenues. Comparisons of our results between periods can be impacted by changes in the levels of channel inventory. We use information provided to us by our channel partners and make certain assumptions based on our sales to them to determine the amount of products they bought from us and hold in their inventory. As such, all references to the effect of channel inventory changes are estimates.

#### *Market Growth and Market Share*

The broadcast, enterprise, industrial, and network security markets in which we operate can generally be characterized as highly competitive and highly fragmented, with many players. Based on available data for our served markets, we estimate that our market shares range from approximately 5% - 20%. A substantial acquisition in one of our served markets would be necessary to meaningfully change our estimated market share percentage. We monitor available data regarding market growth, including independent market research reports, publicly available indices, and the financial results of our direct and indirect peer companies, in order to estimate the extent to which our served markets grew or contracted during a particular period. We expect that our unit sales volume will increase or decrease consistently with the market growth rate. Our strategic goal is to utilize our Market Delivery System to target faster growing geographies, applications, and trends within our end markets, in order to achieve growth that is higher than the general market growth rate. To the extent that we exceed the market growth rates, we consider it to be the result of capturing market share.

#### *Operating Segments*

To capitalize on the adoption of IP technology and accelerate our penetration of the commercial audio-video market, we transferred responsibility of audio-video cable and connectors from our Broadcast platform to our Enterprise Connectivity platform effective January 1, 2016. We have revised the prior period segment information to conform to the change in the composition of these reportable segments.

#### *Acquisitions*

We completed the acquisitions of M2FX Limited (M2FX) on January 7, 2016 and Tripwire Inc. (Tripwire) on January 2, 2015. The results of M2FX and Tripwire have been included in our Consolidated Financial Statements from their respective acquisition dates and are reported in the Broadcast and Network Security segments, respectively.

#### *Long-Term Debt*

During the first quarter of 2016, we repaid \$50.0 million of the Revolver borrowings. As of July 3, 2016, we had no borrowings outstanding on our revolver, and our available borrowing capacity was \$293.7 million.

Industrial Restructuring Program

Both our Industrial Connectivity and Industrial IT segments have been negatively impacted by a decline in sales volume. Global demand for industrial products has been negatively impacted by the strengthened U.S. dollar and lower energy prices. Our customers have reduced capital spending in response to these conditions, and we expect these conditions to continue to negatively impact our industrial segments' sales volume. In response to these industrial market conditions, we began to execute a restructuring program in the fourth quarter of 2015 to reduce our cost structure. We recognized \$2.4 million and \$5.8 million of severance and other restructuring costs for this program during the three and six months ended July 3, 2016, respectively. We expect to incur approximately \$2 million of additional severance and other restructuring costs for this program, the majority of which will be incurred in the third quarter of 2016. We expect the restructuring program to generate approximately \$18 million of savings on an annualized basis, which we began to realize in the first quarter of 2016.

Industrial Manufacturing Footprint Program

In further response to the industrial market conditions described above, in the first quarter of 2016 we began a program to further consolidate our manufacturing footprint. The manufacturing consolidation is expected to be completed by the end of 2017. We recognized \$2.0 million and \$2.5 million of severance and other restructuring costs for this program during the three and six months ended July 3, 2016, respectively. The costs were incurred by the Enterprise and Industrial Connectivity segments, as the manufacturing locations involved in the program serve both platforms. We expect to incur approximately \$16 million and \$15 million of additional severance and other restructuring costs for this program in 2016 and 2017, respectively. We expect the program to generate approximately \$10 million of savings on an annualized basis, beginning in the second half of 2017.

Grass Valley Restructuring Program

Our Broadcast segment's Grass Valley brand was negatively impacted by a decline in global demand of broadcast technology infrastructure products. Outside of the U.S., demand for these products was impacted by the relative price increase of products due to the strengthened U.S. dollar as well as the impact of weaker economic conditions which have resulted in lower capital spending. Within the U.S., demand for these products was impacted by deferred capital spending. We believe broadcast customers have deferred their capital spending as they navigate through a number of important industry transitions and a changing media landscape. In response to these broadcast market conditions, we began to execute a restructuring program beginning in the third quarter of 2015 to further reduce our cost structure. We recognized \$0.9 million and \$5.0 million of severance and other restructuring costs for this program during the three and six months ended July 3, 2016, respectively. We expect to incur approximately \$1 million of additional severance and other restructuring costs for this program, the majority of which will be incurred in the third quarter of 2016. We expect the restructuring program to generate approximately \$30 million of savings on an annualized basis, which we began to realize in the fourth quarter of 2015.

Productivity Improvement Program and Acquisition Integration

In 2014, we began a productivity improvement program and the integration of our acquisition of Grass Valley. The productivity improvement program focused on improving the productivity of our sales, marketing, finance, and human resources functions relative to our peers. The majority of the costs for the productivity improvement program related to the Industrial Connectivity, Enterprise, and Industrial IT segments. The restructuring and integration activities related to our acquisition of Grass Valley focused on achieving desired cost savings by consolidating existing and acquired operating facilities and other support functions. We substantially completed the productivity improvement program and the acquisition integration activities in 2015. In the three and six months ended June 28, 2015, we recorded severance, restructuring, and integration costs of \$4.9 million and \$19.4 million, respectively, related to these two significant programs, as well as other cost reduction actions and the integration of our acquisitions of ProSoft, Coast, and Tripwire. In the three and six months ended July 3, 2016, we recognized \$0.6 million and \$1.0 million of costs, respectively, primarily related to our 2016 acquisition of M2FX.

## United Kingdom Referendum

The United Kingdom's (the UK's) June 2016 vote in favor of exiting the European Union (the EU) adversely impacted global markets, including currencies, and resulted in a sharp decline in the value of the British pound, as compared to the U.S. dollar and other currencies. Volatility in exchange rates is expected to continue in the short term as the UK negotiates its exit from the EU. A weaker British pound compared to the U.S. dollar during a reporting period causes local currency results of our UK operations to be translated into fewer U.S. dollars. For the six months ended July 3, 2016, approximately 3% of our revenues were to customers located in the UK. In the longer term, any impact on our results of operations from the potential exit of the UK from the EU will depend, in part, on the outcome of tariff, trade, regulatory, and other negotiations between the UK and the EU.

### Subsequent Event

On July 26, 2016, we completed an offering of 5.2 million depositary shares, each of which represents 1/100th interest in a share of 6.75% Series B Mandatory Convertible Preferred Stock (the Preferred Stock). The net proceeds from this offering were approximately \$502 million. We intend to use the proceeds for general corporate purposes.

### Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, results of operations, or cash flows that are or would be considered material to investors.

### Critical Accounting Policies

During the six months ended July 3, 2016:

- We did not change any of our existing critical accounting policies from those listed in our 2015 Annual Report on Form 10-K;
- No existing accounting policies became critical accounting policies because of an increase in the materiality of associated transactions or changes in the circumstances to which associated judgments and estimates relate; and
- There were no significant changes in the manner in which critical accounting policies were applied or in which related judgments and estimates were developed.

## Results of Operations

### Consolidated Income from Continuing Operations before Taxes

	Three Months Ended		%	Six Months Ended		%
	July 3, 2016	June 28, 2015		July 3, 2016	June 28, 2015	
						(In thousands, except percentages)
Revenues	\$ 601,631	\$ 585,755	2.7%	\$ 1,143,128	\$ 1,132,712	0.9%
Gross profit	248,213	234,276	5.9%	473,248	441,925	7.1%
Selling, general and administrative expenses	123,057	127,584	-3.5%	245,463	267,632	-8.3%
Research and development	36,652	36,632	0.1%	72,785	72,831	-0.1%
Amortization of intangibles	26,263	25,917	1.3%	51,795	52,421	-1.2%
Operating income	62,241	44,143	41.0%	103,205	49,041	110.4%
Interest expense, net	24,049	24,769	-2.9%	48,445	48,615	-0.3%
Income from continuing operations before taxes	38,192	19,374	97.1%	54,760	426	12754.5%

Revenues increased in the three and six months ended July 3, 2016 from the comparable periods of 2015 due to the following factors:

- Increases in unit sales volume resulted in increases in revenues of \$26.7 million and \$41.0 million, respectively. Volume growth was the strongest in our broadcast and enterprise markets. In our industrial markets, we continued to experience a decline in volume due to lower energy prices.

- Acquisitions contributed \$2.1 million and \$3.6 million of revenues, respectively.
- Lower copper costs resulted in revenue decreases of \$11.6 million and \$22.0 million, respectively.
- Unfavorable currency translation resulted in revenue decreases of \$1.3 million and \$12.2 million, respectively.

Gross profit increased in the three and six months ended July 3, 2016 from the comparable periods of 2015 due to the increases in sales volume noted above and improved productivity as a result of our restructuring actions. The increases in sales volume that led to increases in gross profit were most notable in our Network Security segment. The increases in gross profit from improved productivity were most notable in our Broadcast and Industrial Connectivity segments.

Selling, general and administrative expenses decreased in the three months ended July 3, 2016 from the comparable period of 2015 primarily due to improved productivity as a result of our restructuring actions. Additionally, favorable currency translation resulted in \$1.0 million decrease in expense. These factors were partially offset by a \$0.9 million increase in severance, restructuring and acquisition integration costs.

Selling, general and administrative expenses decreased in the six months ended July 3, 2016 from the comparable period of 2015 primarily due to \$9.2 million of compensation expense that we recognized in the prior year as a result of accelerating the vesting of certain acquiree equity awards at the closing of the Tripwire acquisition. In addition, selling, general and administrative expenses decreased in the six months ended July 3, 2016 due to a decrease in severance, restructuring, and acquisition integration costs of \$4.8 million. Favorable currency translation resulted in a \$3.6 million decrease in expense. The remaining decrease was due to improved productivity from our restructuring actions.

Operating income increased in both the three and six months ended July 3, 2016 from the comparable periods of 2015 primarily due to the increases in gross profit and decreases in selling, general and administrative expenses discussed above. Favorable currency translation contributed \$2.5 million and \$5.5 million of the increase in operating income, respectively.

Income before taxes increased in both the three and six months ended July 3, 2016 from the comparable periods of 2015 primarily due to the increases in operating income discussed above.

#### Income Taxes

	<u>Three Months Ended</u>		<u>% Change</u>	<u>Six Months Ended</u>		<u>% Change</u>
	<u>July 3, 2016</u>	<u>June 28, 2015</u>		<u>July 3, 2016</u>	<u>June 28, 2015</u>	
	(In thousands, except percentages)					
Income from continuing operations before taxes	\$ 38,192	\$ 19,374	97.1%	\$ 54,760	\$ 426	12754.5%
Income tax benefit	3,558	2,303	54.5%	3,415	1,615	111.5%
Effective tax rate	-9.3%	-11.9%		-6.2%	-379.1%	

We recognized income tax benefits of \$3.6 million and \$3.4 million for the three and six months ended July 3, 2016, respectively, representing effective tax rates of (9.3%) and (6.2%), respectively. The effective tax rates were impacted by the following significant factors:

- We recognized an \$8.1 million tax benefit in both the three and six months ended July 3, 2016 as the result of securing a significant tax deduction for a foreign currency loss by implementing several transactions related to our international tax structure.
- We also recognized a \$7.0 million tax benefit in both the three and six months ended July 3, 2016 for the reduction of deferred tax liabilities related to a previously completed acquisition. As part of an implemented tax planning strategy, we successfully secured a Private Letter Ruling from the Internal Revenue Service that effectively increased the tax basis in the acquired assets to the full fair value. Accordingly, a book-tax difference was eliminated, and we reversed deferred tax liabilities previously recorded, resulting in the \$7.0 million tax benefit.
- In the six months ended July 3, 2016, we recognized a \$3.8 million tax benefit as a result of reducing a deferred tax valuation allowance related to net operating loss carryforwards in a foreign jurisdiction. Based on certain restructuring transactions in the six months ended July 3, 2016, the net operating loss carryforwards are expected to be realizable.



The tax benefits described above for the three and six months ended July 3, 2016 were partially offset by a \$2.7 million tax expense to record a liability for uncertain tax positions in one of our foreign jurisdictions.

We recognized income tax benefits of \$2.3 million and \$1.6 million for the three and six months ended June 28, 2015, respectively, representing effective tax rates of (11.9%) and (379.1%), respectively. A significant factor impacting the income tax benefit for the six months ended June 28, 2015 was the recognition of a \$1.5 million tax benefit as a result of reducing a deferred tax asset valuation allowance related to a capital loss carryforward. Based on transactions in the six months ended June 28, 2015, the capital loss carryforward became fully realizable. In addition, our effective tax rate in 2015 benefited from a tax planning strategy that allowed us to recognize a significant balance of foreign tax credits related to one of our foreign jurisdictions.

Our income tax expense was also impacted by foreign tax rate differences. The statutory tax rates associated with our foreign earnings generally are lower than the statutory U.S. tax rate of 35%. This had the greatest impact on our income from continuing operations before taxes that is generated in Germany, Canada, and the Netherlands, which have statutory tax rates of approximately 28%, 26%, and 25%, respectively. Foreign tax rate differences reduced our income tax expense by approximately \$5.0 million and \$0.1 million for the six months ended July 3, 2016 and June 28, 2015, respectively.

Our income tax expense and effective tax rate in future periods may be impacted by many factors, including our geographic mix of income and changes in tax laws.

### Consolidated Adjusted Revenues and Adjusted EBITDA

	<u>Three Months Ended</u>		<u>% Change</u>	<u>Six Months Ended</u>		<u>% Change</u>
	<u>July 3, 2016</u>	<u>June 28, 2015</u>		<u>July 3, 2016</u>	<u>June 28, 2015</u>	
	(In thousands, except percentages)					
Adjusted Revenues	\$ 603,381	\$ 598,513	0.8%	\$ 1,147,181	\$ 1,167,964	-1.8%
Adjusted EBITDA	108,110	100,099	8.0%	197,175	188,605	4.5%
<i>as a percent of adjusted revenues</i>	<i>17.9%</i>	<i>16.7%</i>		<i>17.2%</i>	<i>16.1%</i>	

Adjusted Revenues increased in the three months ended July 3, 2016 and decreased in the six months ended July 3, 2016 from the comparable periods of 2015 due to the following factors:

- Increases in unit sales volume resulted in increases in revenues of \$15.7 million and \$9.8 million, respectively. Volume growth was the strongest in our broadcast and enterprise markets. In our industrial markets, we continued to experience a decline in volume due to lower energy prices.
- The acquisition of M2FX contributed \$2.1 million and \$3.6 million of revenues, respectively.
- Lower copper costs resulted in revenue decreases of \$11.6 million and \$22.0 million, respectively.
- Unfavorable currency translation resulted in revenue decreases of \$1.3 million and \$12.2 million, respectively.

Adjusted EBITDA increased in the three and six months ended July 3, 2016 from the comparable periods of 2015 primarily due to leverage on higher sales volume, as discussed above. Additionally, Adjusted EBITDA improved due to improved productivity as a result of our restructuring actions. Further, favorable currency translation resulted in increases in Adjusted EBITDA of \$2.0 million and \$2.8 million, respectively. Accordingly, EBITDA margins for the three and six months ended July 3, 2016 expanded to 17.9% and 17.2%, respectively.

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*Use of Non-GAAP Financial Information*

Adjusted Revenues and Adjusted EBITDA are non-GAAP financial measures. In addition to reporting financial results in accordance with accounting principles generally accepted in the United States, we provide non-GAAP operating results adjusted for certain items, including: asset impairments; accelerated depreciation expense due to plant consolidation activities; purchase accounting effects related to acquisitions, such as the adjustment of acquired inventory and deferred revenue to fair value and transaction costs; severance, restructuring, and acquisition integration costs; gains (losses) recognized on the disposal of businesses and tangible assets; amortization of intangible assets; gains (losses) on debt extinguishment; discontinued operations; and other costs. We adjust for the items listed above in all periods presented, unless the impact is clearly immaterial to our financial statements. When we calculate the tax effect of the adjustments, we include all current and deferred income tax expense commensurate with the adjusted measure of pre-tax profitability.

We utilize the adjusted results to review our ongoing operations without the effect of these adjustments and for comparison to budgeted operating results. We believe the adjusted results are useful to investors because they help them compare our results to previous periods and provide important insights into underlying trends in the business and how management oversees our business operations on a day-to-day basis. As an example, we adjust for the purchase accounting effect of recording deferred revenue at fair value in order to reflect the revenues that would have otherwise been recorded by acquired businesses had they remained as independent entities. We believe this presentation is useful in evaluating the underlying performance of acquired companies. Similarly, we adjust for other acquisition-related expenses, such as amortization of intangibles and other impacts of fair value adjustments because they generally are not related to the acquired business' core business performance. As an additional example, we exclude the costs of restructuring programs, which can occur from time to time for our current businesses and/or recently acquired businesses. We exclude the costs in calculating adjusted results to allow us and investors to evaluate the performance of the business based upon its expected ongoing operating structure. We believe the adjusted measures, accompanied by the disclosure of the costs of these programs, provides valuable insight.

Adjusted results should be considered only in conjunction with results reported according to accounting principles generally accepted in the United States. The following tables reconcile our GAAP results to our non-GAAP financial measures:

	Three Months Ended		Six Months Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
	(In thousands, except percentages)			
GAAP revenues	\$ 601,631	\$ 585,755	\$ 1,143,128	\$ 1,132,712
Deferred revenue adjustments (1)	1,750	12,758	4,053	35,252
Adjusted revenues	\$ 603,381	\$ 598,513	\$ 1,147,181	\$ 1,167,964
GAAP net income attributable to Belden stockholders	\$ 41,849	\$ 21,591	\$ 58,373	\$ 1,955
Interest expense, net	24,049	24,769	48,445	48,615
Loss from disposal of discontinued operations	-	86	-	86
Noncontrolling interest	(99)	-	(198)	-
Income tax benefit	(3,558)	(2,303)	(3,415)	(1,615)
Amortization of intangible assets	26,263	25,917	51,795	52,421
Deferred gross profit adjustments (1)	1,750	13,440	4,053	35,098
Severance, restructuring, and acquisition integration costs (2)	5,869	4,907	14,277	19,390
Purchase accounting effects related to acquisitions (3)	-	-	195	9,422
Depreciation expense	11,987	11,692	23,650	23,233
Adjusted EBITDA	\$ 108,110	\$ 100,099	\$ 197,175	\$ 188,605
GAAP net income margin	7.0%	3.7%	5.1%	0.2%
Adjusted EBITDA margin	17.9%	16.7%	17.2%	16.1%

(1) For both the six months ended July 3, 2016 and June 28, 2015, both our consolidated revenues and gross profit were negatively impacted by the reduction of the acquired deferred revenue balance to fair value associated with our 2015 acquisition of Tripwire. See Note 2 to the Condensed Consolidated Financial Statements, *Acquisitions*.

(2) See Note 7 to the Condensed Consolidated Financial Statements, *Severance, Restructuring, and Acquisition Integration Activities*, for details.

(3) For the six months ended July 3, 2016, we recognized \$0.2 million of cost of sales related to the adjustment of acquired inventory to fair value related to our acquisition of M2FX. For the six months ended June 28, 2015, we recognized \$9.2 million of compensation expense related to the accelerated vesting of acquiree stock based compensation awards associated with our acquisition of Tripwire. In addition, we recognized \$0.3 million of cost of sales related to the adjustment of acquired inventory to fair value related to our acquisition of Coast. See Note 2 to the Condensed Consolidated Financial Statements, *Acquisitions*.

## Segment Results of Operations

For additional information regarding our segment measures, see Note 3 to the Condensed Consolidated Financial Statements.

### Broadcast Solutions

	Three Months Ended		% Change	Six Months Ended		% Change
	July 3, 2016	June 28, 2015		July 3, 2016	June 28, 2015	
	(In thousands, except percentages)					
Segment Revenues	\$ 193,521	\$ 174,923	10.6%	\$ 364,793	\$ 351,423	3.8%
Segment EBITDA	29,505	22,878	29.0%	52,772	46,005	14.7%
as a percent of segment revenues	15.2%	13.1%		14.5%	13.1%	

Broadcast revenues increased in both the three and six months ended July 3, 2016 from the comparable periods of 2015 due to increases in unit sales volume of \$17.5 million and \$13.8 million, respectively. Sales of our broadcast infrastructure products benefited from a more stable U.S. dollar as well as increased domestic advertising spending by broadcasters and their customers. The increase in volume was experienced across all geographies, with international growth stronger than domestic growth. Sales of our broadband connectivity products benefited from continued capital investments by our customers to meet consumer demand for increased bandwidth. The acquisition of M2FX contributed \$2.1 million and \$3.6 million of revenues, respectively. These factors were partially offset by unfavorable currency translation, which resulted in decreases in revenues of \$1.0 million and \$4.0 million, respectively.

Broadcast EBITDA increased in the three and six months ended July 3, 2016 from the comparable periods of 2015 primarily due to leverage on the increases in revenues discussed above. Additionally, EBITDA increased due to improved productivity as a result of our restructuring actions and acquisition integration activities. Accordingly, Broadcast EBITDA margins increased to 15.2% and 14.5% for the three and six months ended July 3, 2016, respectively.

### Enterprise Connectivity Solutions

	Three Months Ended		% Change	Six Months Ended		% Change
	July 3, 2016	June 28, 2015		July 3, 2016	June 28, 2015	
	(In thousands, except percentages)					
Segment Revenues	\$ 160,401	\$ 161,827	-0.9%	\$ 296,293	\$ 303,608	-2.4%
Segment EBITDA	29,575	29,792	-0.7%	53,311	49,801	7.0%
<i>as a percent of segment revenues</i>	<i>18.4%</i>	<i>18.4%</i>		<i>18.0%</i>	<i>16.4%</i>	

Enterprise Connectivity revenues decreased in the three and six months ended July 3, 2016 from the comparable periods of 2015. Lower copper costs resulted in revenue decreases of \$4.6 million and \$9.6 million, respectively. Unfavorable currency translation resulted in revenue decreases of \$0.6 million and \$3.5 million, respectively. Increases in unit sales volume resulted in increases in revenues of \$3.8 million and \$5.8 million, respectively. Sales volume growth was most notable in the U.S., Canada, Mexico, and Europe.

Enterprise Connectivity EBITDA decreased in the three months ended July 3, 2016 from the comparable period of 2015 by \$0.2 million, as the prior year period benefited from the timing of favorable input costs.

Enterprise Connectivity EBITDA increased in the six months ended July 3, 2016 from the comparable period of 2015 due to leverage on the higher sales volume discussed above. EBITDA also increased due to favorable currency translation of \$2.3 million. Accordingly, EBITDA margins improved to 18.0% for the six months ended July 3, 2016.

### Industrial Connectivity Solutions

	Three Months Ended		% Change	Six Months Ended		% Change
	July 3, 2016	June 28, 2015		July 3, 2016	June 28, 2015	
	(In thousands, except percentages)					
Segment Revenues	\$ 147,808	\$ 160,875	-8.1%	\$ 288,899	\$ 313,847	-7.9%
Segment EBITDA	27,064	28,680	-5.6%	50,051	52,853	-5.3%
<i>as a percent of segment revenues</i>	<i>18.3%</i>	<i>17.8%</i>		<i>17.3%</i>	<i>16.8%</i>	

Industrial Connectivity revenues decreased in the three and six months ended July 3, 2016 from the comparable periods of 2015. Lower copper costs resulted in revenue decreases of \$6.9 million and \$12.2 million, respectively. Unfavorable currency translation resulted in revenue decreases of \$0.6 million and \$4.7 million, respectively. Decreases in unit sales volume resulted in revenue decreases of \$5.6 million and \$8.0 million, respectively. The sales volume declines stemmed from the impact of lower energy prices, which result in lower capital spending for industrial projects. Sales volume was most notably down in Latin America.

Industrial Connectivity EBITDA decreased in the three and six months ended July 3, 2016 from the comparable periods of 2015 by \$1.6 million and \$2.8 million, respectively, primarily due to the decline in sales volume discussed above. These decreases were partially offset by productivity improvements resulting from our restructuring actions. Accordingly, Industrial Connectivity EBITDA margin increased to 18.3% and 17.3% for the three and six months ended July 3, 2016, respectively.

## Industrial IT Solutions

	Three Months Ended			% Change	Six Months Ended		
	July 3, 2016	June 28, 2015			July 3, 2016	June 28, 2015	% Change
	(In thousands, except percentages)						
Segment Revenues	\$ 62,510	\$ 61,270	2.0%	\$ 116,392	\$ 122,343	-4.9%	
Segment EBITDA	12,676	10,178	24.5%	21,285	21,265	0.1%	
<i>as a percent of segment revenues</i>	20.3%	16.6%		18.3%	17.4%		

Industrial IT revenues increased in the three months ended July 3, 2016 from the prior year by \$1.2 million. Favorable currency translation resulted in a revenue increase of \$0.7 million, and an increase in unit sales volume generated a revenue increase of \$0.5 million. Industrial IT EBITDA increased by \$2.5 million compared to the prior year, due to the leverage on the higher sales volume and improved productivity. Favorable currency translation contributed \$0.4 million of the increase in EBITDA. Accordingly, EBITDA margins increased from 16.6% for the three months ended June 28, 2015 to 20.3% for the three months ended July 3, 2016.

Industrial IT revenues decreased in the six months ended July 3, 2016 from the comparable period of 2015 primarily due to a decrease in unit sales volume of \$5.7 million. The sales volume declines stemmed from the impact of lower energy prices, which result in lower capital spending for industrial projects. Unfavorable currency translation resulted in a decrease in revenues of \$0.3 million. Industrial IT EBITDA was \$21.3 million for the six months ended July 3, 2016, unchanged from the comparable period of 2015. The impact of lower sales volume was offset by improved productivity due to restructuring actions, and accordingly, EBITDA margins improved from 17.4% to 18.3%.

## Network Security Solutions

	Three Months Ended			% Change	Six Months Ended		
	July 3, 2016	June 28, 2015			July 3, 2016	June 28, 2015	% Change
	(In thousands, except percentages)						
Segment Revenues	\$ 39,141	\$ 39,618	-1.2%	\$ 80,804	\$ 76,743	5.3%	
Segment EBITDA	9,515	8,772	8.5%	20,982	18,673	12.4%	
<i>as a percent of segment revenues</i>	24.3%	22.1%		26.0%	24.3%		

Network Security revenues decreased in the three months ended July 3, 2016 from the comparable period of 2015 by \$0.5 million due to a decline in unit sales volume. Sales volume declined due to the timing of several large orders. For the six months ended July 3, 2016, revenues increased by \$4.1 million, due to an increase in sales volume.

Despite the decrease in revenues for the three months ended July 3, 2016, Network Security EBITDA increased by \$0.7 million from the comparable period of 2015, due to improved productivity. EBITDA for the six months ended July 3, 2016 increased by \$2.3 million, due to both leverage on the increase in revenues and improved productivity. EBITDA margins expanded to 24.3% and 26.0% for the three and six months ended July 3, 2016, respectively.

## Discontinued Operations

In both the three and six months ended June 28, 2015, we recognized a \$0.2 million (\$0.1 million net of tax) loss from disposal of discontinued operations for a final escrow settlement related to the 2010 disposition of Trapeze Networks, Inc.

## Liquidity and Capital Resources

Significant factors affecting our cash liquidity include (1) cash from operating activities, (2) disposals of businesses and tangible assets, (3) cash used for acquisitions, restructuring actions, capital expenditures, share repurchases, dividends, and senior subordinated note repurchases, (4) our available credit facilities and other borrowing arrangements, and (5) cash proceeds from equity offerings. We expect our operating activities to generate cash in 2016 and believe our sources of liquidity are sufficient to fund current working capital requirements, capital expenditures, contributions to our retirement plans, share repurchases, senior subordinated note repurchases, quarterly dividend payments, and our short-term operating strategies. However, we may require external financing were we to complete a significant acquisition. Our ability to continue to fund our future needs from business operations could be affected by many factors, including, but not limited to: economic conditions worldwide, customer demand, competitive market forces, customer acceptance of our product mix, and commodities pricing.

The following table is derived from our Condensed Consolidated Cash Flow Statements:

	Six Months Ended	
	July 3, 2016	June 28, 2015
	(In thousands)	
Net cash provided by (used for):		
Operating activities	\$ 60,454	\$ 5,046
Investing activities	(42,931)	(722,489)
Financing activities	(58,936)	188,346
Effects of currency exchange rate changes on cash and cash equivalents	434	(3,646)
Decrease in cash and cash equivalents	(40,979)	(532,743)
Cash and cash equivalents, beginning of period	216,751	741,162
Cash and cash equivalents, end of period	<u>\$ 175,772</u>	<u>\$ 208,419</u>

Net cash provided by operating activities totaled \$60.5 million for the six months ended July 3, 2016, compared to \$5.0 million for the comparable period of 2015.

Receivables were a use of cash of \$3.8 million for the six months ended July 3, 2016, compared to \$6.3 million for the comparable period of 2015. The use of cash for receivables improved as a result of a decrease in days sales outstanding from 64 days to 60 days. Days sales outstanding is calculated by dividing accounts receivable as of the end of the quarter by the average daily revenues recognized during the quarter.

Inventories were a source of cash of \$0.4 million for the six months ended July 3, 2016 compared to a use of cash of \$11.8 million for the comparable period of 2015. The source of cash for inventories improved as a result of an increase in inventory turnover from 6.0 turns to 7.1 turns. Inventory turnover is calculated by dividing annualized cost of sales for the quarter by inventories as of the end of the quarter.

Accounts payable were a use of cash of \$20.7 million for the six months ended July 3, 2016, compared to \$43.7 million for the comparable period of 2015. The use of cash for accounts payable improved primarily due to the timing of payments.

In the six months ended June 28, 2015, net income and net cash provided by operating activities include a \$9.2 million non-recurring cash compensation charge as a result of accelerating the vesting of certain acquiree equity awards at the closing of the Tripwire acquisition.

Net cash used for investing activities totaled \$42.9 million for the six months ended July 3, 2016 compared to \$722.5 million for the comparable period of 2015. Investing activities for the six months ended July 3, 2016 included payments, net of cash acquired, for the acquisition of M2FX of \$15.3 million, and payments of \$2.5 million related to our 2015 acquisition of Tripwire that had previously been deferred. Investing activities for the six months ended July 3, 2016 also included capital expenditures of \$25.1 million. Investing activities for the six months ended June 28, 2015 included payments for acquisitions, net of cash acquired, of \$695.3 million and capital expenditures of \$27.2 million.

Net cash used for financing activities for the six months ended July 3, 2016 totaled \$58.9 million, compared to net cash provided by financing activities of \$188.3 million for the six months ended June 28, 2015. Financing activities for the six months ended July 3, 2016 included payments under borrowing arrangements of \$51.3 million, cash dividend payments of \$4.2 million, and net payments related to share based compensation activities of \$3.5 million. Financing activities for the six months ended June 28, 2015 included borrowings of \$200.0 million to partially fund the acquisition of Tripwire, net payments related to share based compensation activities of \$6.2 million, and cash dividend payments of \$4.2 million.

Our cash and cash equivalents balance was \$175.8 million as of July 3, 2016. Of this amount, \$100.9 million was held outside of the U.S. in our foreign operations. Substantially all of the foreign cash and cash equivalents are readily convertible into U.S. dollars or other foreign currencies. Our strategic plan does not require the repatriation of foreign cash in order to fund our operations in the U.S., and it is our current intention to permanently reinvest the foreign cash and cash equivalents outside of the U.S. If we were to repatriate the foreign cash to the U.S., we may be required to accrue and pay U.S. taxes in accordance with applicable U.S. tax rules and regulations as a result of the repatriation.

Our outstanding debt obligations as of July 3, 2016 consisted of \$1.5 billion of senior subordinated notes and \$242.8 million of term loan borrowings. Additional discussion regarding our various borrowing arrangements is included in Note 8 to the Condensed Consolidated Financial Statements. As of July 3, 2016, we had \$293.7 million in available borrowing capacity under our Revolver.

### **Forward-Looking Statements**

Statements in this report other than historical facts are “forward-looking statements” made in reliance upon the safe harbor of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding future financial performance (including revenues, expenses, earnings, margins, cash flows, dividends, capital expenditures and financial condition), plans and objectives, and related assumptions. These forward-looking statements reflect management’s current beliefs and expectations and are not guarantees of future performance. Actual results may differ materially from those suggested by any forward-looking statements for a number of reasons, including, without limitation: the impact of a challenging global economy or a downturn in served markets; the cost and availability of raw materials including copper, plastic compounds, electronic components, and other materials; the competitiveness of the global broadcast, enterprise, and industrial markets; disruption of, or changes in, the Company’s key distribution channels; volatility in credit and foreign exchange markets; the inability to execute and realize the expected benefits from strategic initiatives (including revenue growth, cost control, and productivity improvement programs); the inability to successfully complete and integrate acquisitions in furtherance of the Company’s strategic plan; the inability of the Company to develop and introduce new products and competitive responses to our products; assertions that the Company violates the intellectual property of others and the ownership of intellectual property by competitors and others that prevents the use of that intellectual property by the Company; risks related to the use of open source software; the inability to retain senior management and key employees; disruptions in the Company’s information systems including due to cyber-attacks; variability in the Company’s quarterly and annual effective tax rates; perceived or actual product failures; political and economic uncertainties in the countries where the Company conducts business, including emerging markets; the impairment of goodwill and other intangible assets and the resulting impact on financial performance; the impact of regulatory requirements and other legal compliance issues; disruptions and increased costs attendant to collective bargaining groups and other labor matters; and other factors.

For a more complete discussion of risk factors, please see our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission on February 25, 2016. We disclaim any duty to update any forward-looking statements as a result of new information, future developments, or otherwise.

### Item 3: Quantitative and Qualitative Disclosures about Market Risks

The following table provides information about our financial instruments that are sensitive to changes in interest rates. The table presents principal amounts by expected maturity dates and fair values as of July 3, 2016.

	Principal Amount by Expected Maturity			Fair Value
	2016	Thereafter	Total	
	(In thousands, except interest rates)			
Variable-rate term loan due 2020	\$ 1,250	\$ 241,504	\$ 242,754	\$ 242,754
Average interest rate	3.41%	3.41%		
Fixed-rate senior subordinated notes due 2022	\$ -	\$ 700,000	\$ 700,000	\$ 711,375
Average interest rate		5.50%		
Fixed-rate senior subordinated notes due 2023	\$ -	\$ 559,709	\$ 559,709	\$ 565,502
Average interest rate		5.50%		
Fixed-rate senior subordinated notes due 2024	\$ -	\$ 200,000	\$ 200,000	\$ 196,500
Average interest rate		5.25%		
Fixed-rate senior subordinated notes due 2019	\$ -	\$ 5,221	\$ 5,221	\$ 5,221
Average interest rate		9.25%		
<b>Total</b>			<b>\$ 1,707,684</b>	<b>\$ 1,721,352</b>

Item 7A of our 2015 Annual Report on Form 10-K provides information as to the practices and instruments that we use to manage market risks. There were no material changes in our exposure to market risks since December 31, 2015.

### Item 4: Controls and Procedures

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

There was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.



## PART II OTHER INFORMATION

### Item 1: Legal Proceedings

*PPC Broadband, Inc. v. Corning Optical Communications RF, LLC (U.S. Dist. Ct., N.D.N.Y. Civil Action No. 5:11-cv-00761-GLS-DEP)*— On July 5, 2011, the Company’s wholly-owned subsidiary, PPC Broadband, Inc. (f/k/a John Mezzalingua Associates, Inc., d/b/a PPC) (“PPC”), filed an action for patent infringement in the U.S. District Court for the Northern District of New York against Corning Optical Communications RF LLC (f/k/a Corning Gilbert, Inc.) (“Corning”). The Complaint alleged that Corning infringed two of PPC’s patents – U.S. Patent Nos. 6,558,194 and 6,848,940 – each entitled “Connector and Method of Operation.” On July 23, 2015, a jury found that Corning willfully infringed both patents. We have not recorded any amounts in our consolidated financial statements related to this matter, as the court has not entered judgment and is considering post-trial motions filed by the parties.

We are a party to various legal proceedings and administrative actions that are incidental to our operations. In our opinion, the proceedings and actions in which we are involved should not, individually or in the aggregate, have a material adverse effect on our financial condition, operating results, or cash flows. However, since the trends and outcome of this litigation are inherently uncertain, we cannot give absolute assurance regarding the future resolution of such litigation, or that such litigation may not become material in the future.

### Item 1A: Risk Factors

There have been no material changes with respect to risk factors as previously disclosed in our 2015 Annual Report on Form 10-K.

### Item 6: Exhibits

#### *Exhibits*

Exhibit 10.1	Form of Stock Appreciation Rights Award
Exhibit 10.2	Form of Performance Stock Units Award
Exhibit 31.1	Certificate of the Chief Executive Officer pursuant to § 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certificate of the Chief Financial Officer pursuant to § 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certificate of the Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certificate of the Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation
Exhibit 101.DEF	XBRL Taxonomy Extension Definition
Exhibit 101.LAB	XBRL Taxonomy Extension Label
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation

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 thereunto duly authorized.

BELDEN INC.

Date: August 3, 2016

By: /s/ John S. Stroup

John S. Stroup  
President, Chief Executive Officer and Director

Date: August 3, 2016

By: /s/ Henk Derksen

Henk Derksen  
Senior Vice President, Finance, and Chief Financial Officer

Date: August 3, 2016

By: /s/ Douglas R. Zink

Douglas R. Zink  
Vice President and Chief Accounting Officer

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## BELDEN INC.

## STOCK APPRECIATION RIGHT AWARD AGREEMENT

**THIS STOCK APPRECIATION RIGHT AWARD AGREEMENT** (this “**Agreement**”) is effective as of the date shown as the Date of Grant on the attached Notice of Award (the “**Grant Date**”) by and between Belden Inc., a Delaware corporation (the “**Company**”) and the individual shown as the Grantee on the attached Notice of Award (the “**Grantee**”).

**WHEREAS**, the Grantee is an executive or management employee of the Company, a subsidiary or an affiliate, and has been selected by the Compensation Committee (the “**Committee**”) of the Board of Directors of the Company (the “**Board**”) to receive a grant of stock appreciation rights corresponding to the number of shares reflected on the attached Notice of Award (the “**Shares**”) of the Company’s common stock, \$0.01 par value per share (the “**Common Stock**”), subject to certain restrictions, and to enter into a Stock Appreciation Right Award Agreement in the form hereof;

**NOW THEREFORE**, the Company and the Grantee hereby agree as follows:

1. **GRANT OF SARs**. The Company hereby grants to the Grantee, on the Grant Date, stock appreciation rights corresponding to the number of Shares reflected on the attached Notice of Award (such Stock Appreciation Rights with respect to such number of Shares being the “**SARs**”). The SARs have an exercise price per Share reflected as the option price on the attached Notice of Award (the “**Exercise Price**”), which is the fair market value of a Share on the Grant Date (such fair market value representing the closing price of a Share on the Grant Date). The SARs shall vest and become exercisable (“**Vest**”) in accordance with Section 2 below. The Grantee shall have no direct or secured claim in any specific assets of the Company or the Shares to be issued to the Grantee under Section 5 hereof and will have the status of a general unsecured creditor of the Company. The SARs are granted under the Company’s 2011 Long Term Incentive Plan (the “**Plan**”) and shall be subject to the terms and conditions of the Plan and this Agreement. Capitalized terms used in this Agreement without further definition shall have the same meanings given to such terms in the Plan.

2. **VESTING OF SARs**. The SARs shall Vest according to the Vesting Schedule as reflected on the attached Notice of Award. Such vesting rights with respect to the SARs are further subject to the following conditions:

- (a) Employment. During the Grantee’s lifetime, the SARs are exercisable only by the Grantee, and, except as otherwise provided in clause (c) below, only if the Grantee has remained continuously employed by the Company or one of its subsidiaries or affiliates from the Grant Date.
- (b) Term of SARs. The SARs shall expire ten years following the Grant Date (the period between the Grant Date and such expiration date being the “**SAR Term**”), or earlier if clause (c) of this Section 2 applies.

- (c) Impact of Termination: Exceptions. Subject to the exceptions noted in subparts (i)-(iv) below, the SARs shall be forfeited, cancelled and terminated immediately if the Grantee's employment with the Company or one of its subsidiaries or affiliates is terminated, whether voluntarily or involuntarily.
- (i) Retirement. If after one year from the Grant Date the Grantee retires from employment with the Company or one of its subsidiaries or affiliates at a time that the Grantee has attained either (A) 55 years of age and 10 years of consecutive employment with the Company or (B) 65 years of age, the Grantee may at any time within the three-year period following such retirement (but within the SAR Term) exercise all SARs, including those SARs that had not previously vested which shall Vest upon retirement. The Grantee's right to exercise SARs upon retirement in such fashion is expressly conditioned on the Grantee's furnishing to the Company or one of its subsidiaries or affiliates a non-compete covenant (the form of which must be reasonably acceptable to the Company) that would prevent the Grantee from competing against the Company or any of its subsidiaries or affiliates during such three-year period following retirement (or, if shorter, through the end of the SAR Term). The non-compete covenant will contain a provision that will require the Grantee to pay the Company damages if the Grantee breaches such non-compete covenant. The damages shall include any gain the Grantee may receive from the exercise of an SAR in violation of such non-compete covenant.
- (ii) Disability. If the Grantee is no longer with the Company or one of its subsidiaries or affiliates due to disability (in accordance with any Company disability policy then in effect), the Grantee may at any time within one year following the Grantee's leaving the Company (but within the SAR Term) exercise all SARs, including those SARs that had not previously vested which shall Vest upon the date of disability.
- (iii) Termination of Employment. Except as noted in this Section 2(c) and Section 2(d), if after one year from the Grant Date the Grantee or the Company or one of its subsidiaries or affiliates terminates the Grantee's employment (other than when the Company or one of its subsidiaries or affiliates terminates the Grantee's employment for Cause, as defined in Section 10(d)), the Grantee may at any time within ninety days following the Grantee's termination (but within the SAR Term) exercise the Grantee's SARs to the extent the Grantee was entitled to exercise such SARs prior to the termination date, but not otherwise. For purposes of this Agreement, the applicable termination date shall be Grantee's final day actively performing his or her job duties, without regard to any severance or garden leave arrangement.
- (iv) Death. If the Grantee dies while employed by the Company or one of its subsidiaries or affiliates (or if the Grantee were to die during the post-employment period covered by Section 2(c)(ii) (Disability) above), the person entitled by will or the applicable laws of descent and distribution may, within one year from the Grantee's death (but within the SAR Term), exercise the Grantee's SARs, including those SARs that had not previously vested which shall Vest upon the date of death.
- (d) Change in Control. If a Change in Control of the Company (as defined in Section 10(c) below) occurs and Grantee's employment is terminated by the Company or one of its subsidiaries or affiliates without Cause (as defined in Section 10(d) below) (other than for death or disability) or by Grantee for Good Reason (as defined in Section 10(e) below), in either case, within two years following the Change in Control, any and all unvested SARs shall immediately Vest in full.

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3. **NATURE OF GRANT** . In accepting the grant, the Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the SARs is voluntary and occasional and does not create any contractual or other right to receive future grants of SARs, or benefits in lieu of SARs, even if SARs have been granted in the past;

(c) all decisions with respect to future SARs or other grants, if any, will be at the sole discretion of the Committee;

(d) Nothing in this Agreement, the SAR grant or the Grantee's participation in the Plan shall create a right to employment or confer upon the Grantee any right to continue in the employ or service of the Company, the Grantee's employer (the "**Employer**"), or any subsidiary or affiliate for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company, the Employer or any subsidiary or affiliate, as applicable, or the rights of the Grantee, which rights are expressly reserved by each, to terminate the Grantee's employment or service relationship (if any) at any time and for any reason, with or without cause;

(e) the Grantee is voluntarily participating in the Plan;

(f) the SARs and the Shares subject to the SARs are not intended to replace any pension rights or compensation;

(g) subject to Article 21.13 of the Plan, the SARs and the Shares subject to the SARs, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the SARs resulting from the termination of the Grantee's employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the SARs to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any such claim against the Company, any subsidiary or affiliate or the Employer, waives the Grantee's ability, if any, to bring any such claim, and releases the Company, any subsidiary and affiliate and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) for purposes of the SARs, the Grantee's employment relationship will be considered terminated as described in Section 2(c)(iii) (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any). The Board shall have the exclusive discretion to determine when the Grantee is no longer an Employee for purposes of the Grantee's SAR grant (including whether the Grantee may still be considered to be an Employee while on an approved leave of absence); and

(k) the Grantee acknowledges and agrees that neither the Company, the Employer nor any subsidiary or affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the SARs or of any amounts due to the Grantee pursuant to the exercise of the SARs or the subsequent sale of any Shares acquired upon exercise.

4. **NON-ASSIGNMENT OF RIGHTS** . The Grantee may not assign or transfer any SARs except by will or by the laws of descent and distribution or by a qualified domestic relations order.

5. **EXERCISE OF SARs** .

(a) Exercise. Vested SARs may be exercised by following the procedures the Company has in place at the time of exercise. For Vested SARs to be

exercised by a person other than the Grantee (as provided above), the Company must have appropriate documentation evidencing the rights of the Grantee's beneficiary(s). The Grantee shall designate the number of Shares subject to the Vested SARs that are being exercised, and upon exercise shall be entitled to receive that number of Shares having an aggregate fair market value equal to the excess of the fair market value of one Share, at the time of such exercise, over the Exercise Price, multiplied by the number of Shares subject to the SARs which are so exercised. For purposes of this Section 5(a), fair market value shall be determined by calculating the average of the high and low publicly-traded price of a Share on the date of exercise.

(b) Issuance of Shares. The Company shall issue Shares to the Grantee upon exercise of SARs pursuant to Section 5(a) above by issuing to the Grantee a stock certificate (or registering the Shares in book-entry form) representing a number of requisite number of Shares. No fractional shares may be delivered, but in lieu thereof a cash or other adjustment shall be made as determined by the Committee in its discretion.

## 6. RESPONSIBILITY FOR TAXES .

(a) Generally. The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee (" **Tax-Related Items** ") is and remains the Grantee's responsibility and may exceed the amount actually withheld by Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the SARs, including, but not limited to, the grant, vesting or exercise of the SARs, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the SARs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Prior to any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

(b) Multiple Jurisdiction. If the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(c) Tax Withholding. The Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by withholding from proceeds of the sale of Shares acquired at exercise of the SARs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization) without further consent. The Company may withhold or account for Tax-Related Items

by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. Finally, the Grantee agrees to pay to the Company or the Employer, including through withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

7. **LEGALITY OF INITIAL ISSUANCE.** No Shares shall be issued unless and until the Company has determined that:

(a) It and the Grantee, at the Company's expense, have taken any actions required to register or qualify the Shares under the U.S. securities Act of 1933, as amended or any local, state, federal or foreign securities law or rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, that the Company shall, in its absolute discretion, deem necessary or advisable;

(b) Any applicable listing requirement of any stock exchange or other securities market on which the Common Stock is listed has been satisfied; and

(c) Any other applicable provision of local, state, federal or foreign laws and regulations have been satisfied, including but not limited to exchange control laws.

The Grantee understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Grantee agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. **DATA PRIVACY .** *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other SAR grant materials by and among, as applicable, the Employer, the Company and any subsidiary and affiliate for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

*The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships*



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held in the Company, details of all SARs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor (" **Data** "), for the exclusive purpose of implementing, administering and managing the Plan.

The Grantee understands that Data will be transferred to such broker and/or stock plan service provider as may be designated by the Company from time to time (the "**Designated Broker**"), which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company, the Designated Broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's employment status or career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the Grantee SARs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

9. **NO ADVICE REGARDING GRANT** . The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying Shares. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

10. **MISCELLANEOUS PROVISIONS.**

(a) Rights as a Stockholder . Neither the Grantee nor the Grantee's representative shall have any rights as a stockholder with respect to any Shares subject to the SARs until the date that the Company is obligated to deliver Shares to the Grantee or the Grantee's representative pursuant to Section 5 above, and then only with respect to the Shares so delivered.

(b) Anti-Dilution. In the event that any change in the outstanding Shares of Common Stock of the Company (including an exchange of Common Stock for stock or other securities of another corporation) occurs by reason of a Common Stock dividend or split, recapitalization, merger, consolidation, combination, exchange of Shares or other similar corporate changes, other than for consideration received by the Company therefor, the number of Shares subject to the SARs hereunder shall be appropriately adjusted by the Committee whose determination shall be conclusive, final and binding; provided, however that fractional Shares shall be rounded to the nearest whole share. In the event of any other change in the Common Stock, the Committee shall in its sole discretion determine whether such change equitably requires a change in the number or type of Shares subject to the SARs and any adjustment made by the Committee shall be conclusive, final and binding.

(c) Change in Control. A “**Change in Control**” of the Company shall be deemed to have occurred if any of the events set forth in any one of the following subparagraphs shall occur:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (y) the then-outstanding shares of Common Stock of the Company (the “**Outstanding Company Common Stock**”) or (z) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (1) and (2) of subsection (iii) of this definition;

(ii) Individuals who, as of the date hereof, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board;

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “**Business Combination**”), in each case, unless, following such Business

Combination, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 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, a corporation 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) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, and (2) 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

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(v) For purposes of clarification, the sale by the Company of a subsidiary or affiliate that employs Grantee shall not constitute a Change in Control of none of the events set forth in Sections 10(c)(i)-(iv) have occurred.

(d) Cause. “ **Cause** ” shall mean:

(i) Grantee's willful and continued failure to perform substantially his duties owed to the Company or its affiliates after a written demand for substantial performance is delivered to him specifically identifying the nature of such unacceptable performance, which is not cured by Grantee within a reasonable period, not to exceed thirty (30) days;

(ii) Grantee is convicted of (or pleads guilty or no contest to) a felony or any crime involving moral turpitude; or

(iii) Grantee has engaged in conduct that constitutes gross misconduct in the performance of his employment duties.

An act or omission by Grantee shall not be “willful” if conducted in good faith and with Grantee's reasonable belief that such conduct is in the best interests of the Company.

(e) Good Reason. “ **Good Reason** ” shall mean, without the express written consent of Grantee, the occurrence of any of the following events:

(i) Grantee's base salary or annual target cash incentive opportunity is materially reduced;

(ii) Grantee's duties or responsibilities are negatively and materially changed in a manner inconsistent with Grantee's position (including status, offices, titles, and reporting responsibilities) or authority; or

(iii) The Company requires Grantee's principal office to be relocated more than 50 miles from its location as of the date immediately preceding the Change in Control.

Prior to any termination by Grantee for "Good Reason," Grantee shall provide the Company not less than thirty (30) nor more than ninety (90) days' notice, with specificity, of the grounds constituting Good Reason and an opportunity within such notice period for the Company to cure such grounds. The notice shall be given within ninety (90) days following the initial existence of grounds constituting Good Reason for such notice and subsequent termination, if not so cured above, to be effective.

(f) Incorporation of Plan. The provisions of the Plan are incorporated by reference into these terms and conditions.

(g) Inconsistency. To the extent any terms and conditions herein conflict with the terms and conditions of the Plan, the terms and conditions of the Plan shall control.

(h) Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he most recently provided to the Company.

(i) Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof. The Committee shall have authority, subject to the express provisions of the Plan, to interpret this Agreement and the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to modify the terms and provisions of this Agreement, to impose other requirements on Grantee where necessary or advisable for legal or administrative reasons, to require Grantee to sign additional agreements or undertakings to impose additional requirements, and to make all other determinations in the judgment of the Committee necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Committee under the provisions of this paragraph shall be final, conclusive and binding for all purposes.

(j) Governing Law; Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. For purposes of litigating any dispute that arises under the grant or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Missouri, agree that such litigation shall be conducted in the courts of the St. Louis County, or the federal courts for the United States for the Eastern District of Missouri, where this grant is made and/or to be performed.

(k) Successors.

(i) This Agreement is personal to the Grantee and, except as otherwise provided in Section 2 above, shall not be assignable by the Grantee otherwise than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure to the benefit of and be enforceable by the Grantee's legal representatives.

(ii) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

(l) Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

(m) Headings. The headings, captions and arrangements utilized in this Agreement shall not be construed to limit or modify the terms or meaning of this Agreement.

(n) Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

(o) Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(p) Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

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(q) Insider Trading Restrictions/Market Abuse Laws. The Grantee acknowledges that, depending on the Grantee's country of residence, the Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect the Grantee's ability to acquire or sell Shares or rights to Shares (e.g., SARs) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee is responsible for complying with any applicable restrictions and are advised to speak with a personal legal advisor on this matter.

(r) Waiver. The Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Grantee or any other participant.

By accepting this grant, the Grantee hereby acknowledges receipt of this Agreement and accepts the SARs granted hereunder, and further agrees to the terms and conditions hereinabove set forth.

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**NOTICE OF AWARD OF BELDEN INC.**

1. Participant Name: [[FIRSTNAME]] [[LASTNAME]]
2. Number of Shares: [[SHARESGRANTED]]
3. Option Price: [[GRANTPRICE]]
4. The Date of Grant: [[GRANTDATE]]
5. The Expiration Date of the Option: [[GRANTEXPIRATIONDATE]]

**Vesting Schedule:**

[[ALLVESTSEGS]]

## BELDEN INC.

**PERFORMANCE STOCK UNIT AWARD AGREEMENT**  
**([Absolute/Relative] PSUs)**

**THIS PERFORMANCE STOCK UNIT AWARD AGREEMENT** (this “ **Agreement** ”) is effective as of the date shown as the Date of Grant on the attached Notice of Award (the “ **Grant Date** ”) by and between Belden Inc., a Delaware corporation (the “ **Company** ”) and the individual shown as the Grantee on the attached Notice of Award (the “ **Grantee** ”).

**WHEREAS** , the Grantee is an executive or management employee of the Company, a subsidiary or an affiliate, and has been selected by the Compensation Committee (the “ **Committee** ”) of the Board of Directors of the Company (the “ **Board** ”) to receive a grant of the number of Performance Stock Units reflected on the attached Notice of Award (the “ **PSUs** ”) representing, subject to certain restrictions, a certain number of shares (the “ **Shares** ”) of the Company’s common stock, \$0.01 par value per share (the “ **Common Stock** ”), such number to be based on the attainment of performance objectives and vesting conditions as provided below, and to enter into a Performance Stock Unit Agreement in the form hereof;

**NOW THEREFORE** , the Company and the Grantee hereby agree as follows:

1. **GRANT OF PSUs** . The Company hereby grants to the Grantee on the Grant Date the PSUs. Each PSU represents the right to receive between zero (0) and two (2) Shares depending on the attainment of Company performance objectives in accordance with Section 2 below. The Grantee shall have no direct or secured claim in any specific assets of the Company or the Shares to be issued to the Grantee under Section 6 hereof and will have the status of a general unsecured creditor of the Company. The PSUs are granted under the Company’s 2011 Long Term Incentive Plan (the “ **Plan** ”) and shall be subject to the terms and conditions of the Plan and this Agreement. Capitalized terms used in this Agreement without further definition shall have the same meanings given to such terms in the Plan.

2. **PERFORMANCE OBJECTIVES; VESTING** .

(a) Award Period; Performance Objectives . The award period (“ **Award Period** ”) during which performance shall be measured is [January 1, 20[ \_\_\_\_]/the Grant Date] through December 31, 20[ \_\_\_\_]. The Committee has established a threshold, target and maximum for such Award Period for [consolidated free cash flow/relative total shareholder return compared to an index of peer companies. The total shareholder return will be measured by comparing the average prices during the first twenty trading days of the Award Period to the average prices during the last twenty trading days of the Award Period]. The Company’s actual performance relative to the threshold, target and maximum will result in a conversion factor (the “ **Conversion Factor** ”). After the Award Period, the Committee shall apply the Conversion Factor to determine the number (if any) of Shares to be awarded for each PSU based on Company performance during the Award Period, which determination shall be final, conclusive and binding (the Shares that



are so awarded are the “ **Shares** ”). In the event that the application of the Conversion Factor results in a fractional amount of a Share, the result will be rounded to the nearest whole number of Shares. The right of the Grantee to receive the Shares will vest and become nonforfeitable (“ **Vest** ”) on the later of (i) the Committee’s approval of the Conversion Factor and (ii) the third anniversary of the Grant Date.

(b) Death or Disability During Award Period. If, prior to the Performance Determination Date and while employed by the Company or one of its subsidiaries or affiliates, the Grantee dies or becomes disabled (and leaves the Company or one of its subsidiaries or affiliates) in accordance with any Company disability policy then in effect, then the Grantee (or, as the case may be, the person entitled by will or the applicable laws of descent and distribution) shall, after the Award Period, be entitled to receive a prorated portion of the Shares that would otherwise (but for such death or disability) be awarded to the Grantee after the Award Period pursuant to Section 2(a) above, such prorated portion being a fraction whose numerator shall be the number of days of the Grantee’s employment by the Company or one of its subsidiaries or affiliates during the Award Period prior to such death or disability and the denominator of which shall be [one thousand ninety-six (1,096)].

(c) Retirement During Award Period. If, prior to the Performance Determination Date and while employed by the Company or one of its subsidiaries or affiliates, the Grantee retires from employment with the Company or one of its subsidiaries or affiliates at a time that the Grantee has attained either (A) 55 years of age and 10 years of consecutive employment with the Company or (B) 65 years of age, then the right to receive any Shares resulting from the unvested PSUs shall immediately Vest in full. Notwithstanding the preceding sentence, the PSUs must be outstanding for a minimum holding period prior to the retirement date in order for the accelerated vesting to occur. For a grant vesting 100% in three years, this holding period shall be one year for the entire grant. For a grant vesting 100% in five years, this holding period shall be three years for the entire grant. Delivery of the resulting Shares, if any, shall be made according to the schedule indicated in Section 2(a).

(d) Other Employment Termination During Award Period. Except as otherwise described in this Section 2, if the Grantee’s employment with the Company or one of its subsidiaries or affiliates is otherwise terminated during the Award Period, any and all PSUs shall be forfeited, cancelled and terminated upon such termination. For purposes of this Agreement, the applicable termination date shall be Grantee’s final day actively performing his or her job duties, without regard to any severance or garden leave arrangement.

(e) Change in Control During Award Period. Immediately preceding the occurrence of a Change in Control of the Company (as defined in Section 10(d) below), any and all unvested PSUs shall be converted to restricted stock units (the “ **RSUs** ”) based on a Conversion Factor of 1.00. The RSUs shall then Vest according to the Vesting Schedule described on the attached Notice of Award. If the Grantee’s employment is terminated by the Company or one of its subsidiaries or affiliates without Cause (as defined in Section 10(e) below) (other than for death or disability) or by

Grantee for Good Reason (as defined in Section 10(f) below), in either case, within two years following the Change in Control, any and all unvested RSUs shall immediately Vest in full. All vested RSUs shall be paid to the Grantee as provided in Section 5 hereof.

3. **NATURE OF GRANT** . In accepting the grant, the Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past;

(c) all decisions with respect to future PSUs or other grants, if any, will be at the sole discretion of the Committee;

(d) Nothing in this Agreement, the PSU grant or the Grantee's participation in the Plan shall create a right to employment or confer upon the Grantee any right to continue in the employ of the Company, the Grantee's employer (the "**Employer**"), or any subsidiary or affiliate for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company, the Employer or any subsidiary or affiliate, as applicable, or the rights of the Grantee, which rights are expressly reserved by each, to terminate the Grantee's employment relationship (if any) at any time and for any reason, with or without cause;

(e) the Grantee is voluntarily participating in the Plan;

(f) the PSUs and the Shares are not intended to replace any pension rights or compensation;

(g) subject to Article 21.13 of the Plan, the PSUs and the Shares, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs or RSUs resulting from the termination of the Grantee's employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the PSUs to which the Grantee is otherwise not entitled, the

Grantee irrevocably agrees never to institute any such claim against the Company, any subsidiary or affiliate or the Employer, waives the Grantee's ability, if any, to bring any such claim, and releases the Company, any subsidiary and affiliate and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) for purposes of the PSUs, the Grantee's employment relationship will be considered terminated as described in Section 2(d) (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any). The Board shall have the exclusive discretion to determine when the Grantee is no longer an Employee for purposes of the awarding of Shares (including whether the Grantee may still be considered to be an Employee while on an approved leave of absence); and

(k) the Grantee acknowledges and agrees that neither the Company, the Employer nor any subsidiary or affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to the Grantee pursuant to the settlement of the PSUs, or the subsequent sale of any Shares acquired upon the settlement of the PSUs.

4. **NO TRANSFER OR ASSIGNMENT OF PSUs OR RSUs; RESTRICTIONS ON SALE.** Except as otherwise provided in this Agreement, the PSUs, the RSUs and the rights and privileges conferred thereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process until the Shares are delivered to the Grantee or his designated representative. The Grantee agrees not to sell any Shares at any time when applicable laws or Company policies prohibit a sale. This restriction shall apply as long as the Grantee is an employee of the Company or one of its subsidiaries or affiliates.

5. **DELIVERY OF SHARES.** As of the date on which the PSUs or RSUs Vest, the Company shall issue to the Grantee a stock certificate (or register the Shares in book-entry form) representing a number of Shares equal to the number of PSUs multiplied by the Conversion Factor (rounded to the nearest integer) or the number of RSUs then vested.

6. **RESPONSIBILITY FOR TAXES .**

(a) Generally. The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee (" **Tax-Related Items** ") is and remains the Grantee's responsibility and

may exceed the amount actually withheld by Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant of the PSUs, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Prior to any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

(b) Multiple Jurisdiction. If the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(c) Tax Withholding. The Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer;

(ii) withholding from proceeds of the sale of Shares acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or

(iii) withholding in Shares to be issued upon settlement of the PSUs.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Grantee is deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. Further, the Grantee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

7. **LEGALITY OF INITIAL ISSUANCE.** No Shares shall be issued unless and until the Company has determined that:

(a) It and the Grantee, at the Company's expense, have taken any actions required to register or qualify the Shares under the U.S. Securities Act of 1933, as amended or any local, state, federal or foreign securities law or rulings or regulations of the U.S. Securities and Exchange Commission (" **SEC** ") or of any other governmental regulatory body, that the Company shall, in its absolute discretion, deem necessary or advisable;

(b) Any applicable listing requirement of any stock exchange or other securities market on which the Common Stock is listed has been satisfied; and

(c) Any other applicable provision of local, state, federal or foreign laws and regulations have been satisfied, including but not limited to exchange control laws.

The Grantee understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Grantee agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

8. **DATA PRIVACY .** *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee ' s personal data as described in this Agreement and any other PSU grant materials by and among, as applicable, the Employer, the Company and any subsidiary and affiliate for the exclusive purpose of implementing, administering and managing the Grantee ' s participation in the Plan.*

*The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all PSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ( " **Data** " ), for the exclusive purpose of implementing, administering and managing the Plan.*

*The Grantee understands that Data will be transferred to such broker and/or stock plan service provider as may be designated by the Company from time to time ( " **Designated Broker** " ), which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local*

*human resources representative. The Grantee authorizes the Company, the Designated Broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's employment status or career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the Grantee PSUs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.*

9. **NO ADVICE REGARDING GRANT .** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying Shares. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

10. **MISCELLANEOUS PROVISIONS.**

(a) Rights as a Stockholder. Neither the Grantee nor the Grantee's representative shall have any rights as a stockholder with respect to any Shares underlying the PSUs until the date that the Company is obligated to deliver such Shares to the Grantee or the Grantee's representative.

(b) No Dividend Equivalents. No dividends or dividend equivalents shall accrue on the PSUs.

(c) Anti-Dilution. In the event that any change in the outstanding Common Stock of the Company (including an exchange of Common Stock for stock or other securities of another corporation) occurs by reason of a Common Stock dividend or split, recapitalization, merger, consolidation, combination, exchange of Shares or other similar corporate changes, other than for consideration received by the Company therefor, the number of PSUs awarded hereunder and the number of resulting Shares, shall be appropriately adjusted by the Committee whose determination shall be conclusive, final and binding; provided, however that fractional Shares shall be rounded

to the nearest whole share. In the event of any other change in the Common Stock, the Committee shall in its sole discretion determine whether such change equitably requires a change in the number or type of Shares subject to RSUs and any adjustment made by the Committee shall be conclusive, final and binding.

(d) Change in Control. A “**Change in Control**” of the Company shall be deemed to have occurred if any of the events set forth in any one of the following subparagraphs shall occur:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (y) the then-outstanding shares of Common Stock of the Company (the “**Outstanding Company Common Stock**”) or (z) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (1) and (2) of subsection (iii) of this definition;

(ii) Individuals who, as of the date hereof, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board;

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “**Business Combination**”), in each case, unless, following such Business Combination, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 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, a corporation 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) in substantially the same proportions as their ownership, immediately prior to such

Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, and (2) 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

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(v) For purposes of clarification, the sale by the Company of a subsidiary or affiliate that employs Grantee shall not constitute a Change in Control of none of the events set forth in Sections 10(d)(i)-(iv) have occurred.

(e) Cause. “ **Cause** ” shall mean:

(i) Grantee’s willful and continued failure to perform substantially his duties owed to the Company or its affiliates after a written demand for substantial performance is delivered to him specifically identifying the nature of such unacceptable performance, which is not cured by Grantee within a reasonable period, not to exceed thirty (30) days;

(ii) Grantee is convicted of (or pleads guilty or no contest to) a felony or any crime involving moral turpitude; or

(iii) Grantee has engaged in conduct that constitutes gross misconduct in the performance of his employment duties.

An act or omission by Grantee shall not be “willful” if conducted in good faith and with Grantee’s reasonable belief that such conduct is in the best interests of the Company.

(f) Good Reason. “ **Good Reason** ” shall mean, without the express written consent of Grantee, the occurrence of any of the following events:

(i) Grantee’s base salary or annual target cash incentive opportunity is materially reduced;

(ii) Grantee’s duties or responsibilities are negatively and materially changed in a manner inconsistent with Grantee’s position (including status, offices, titles, and reporting responsibilities) or authority; or

(iii) The Company requires Grantee’s principal office to be relocated more than 50 miles from its location as of the date immediately preceding the Change in Control.

Prior to any termination by Grantee for “Good Reason,” Grantee shall provide the Company not less than thirty (30) nor more than ninety (90) days’ notice, with



specificity, of the grounds constituting Good Reason and an opportunity within such notice period for the Company to cure such grounds. The notice shall be given within ninety (90) days following the initial existence of grounds constituting Good Reason for such notice and subsequent termination, if not so cured above, to be effective.

(g) Incorporation of Plan. The provisions of the Plan are incorporated by reference into these terms and conditions.

(h) Inconsistency. To the extent any terms and conditions herein conflict with the terms and conditions of the Plan, the terms and conditions of the Plan shall control.

(i) Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he most recently provided to the Company.

(j) Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof. The Committee shall have authority, subject to the express provisions of the Plan, to interpret this Agreement and the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to modify the terms and provisions of this Agreement, to impose other requirements on Grantee where necessary or advisable for legal or administrative reasons, to require Grantee to sign additional agreements or undertakings to impose additional requirements and to make all other determinations in the judgment of the Committee necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Committee under the provisions of this paragraph shall be final, conclusive and binding for all purposes.

(k) Governing Law; Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. For purposes of litigating any dispute that arises under the grant or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Missouri, agree that such litigation shall be conducted in the courts of the St. Louis County, or the federal courts for the United States for the Eastern District of Missouri, where this grant is made and/or to be performed.

(l) Successors.

(i) This Agreement is personal to the Grantee and, except as otherwise provided in Section 5 above, shall not be assignable by the Grantee otherwise than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure to the benefit of and be enforceable by the Grantee's legal representatives.

(ii) This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

(m) Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

(n) Headings. The headings, captions and arrangements utilized in this Agreement shall not be construed to limit or modify the terms or meaning of this Agreement.

(o) Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

(p) Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(q) Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(r) Insider Trading Restrictions/Market Abuse Laws. The Grantee acknowledges that, depending on the Grantee's country of residence, the Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect the Grantee's ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be

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imposed under any applicable Company insider trading policy. The Grantee is responsible for complying with any applicable restrictions and are advised to speak with a personal legal advisor on this matter.

(s) Waiver. The Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Grantee or any other participant.

By accepting this grant, the Grantee hereby acknowledges receipt of this Agreement and accepts the PSUs granted hereunder, and further agrees to the terms and conditions hereinabove set forth.

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**NOTICE OF AWARD OF BELDEN INC.**

1. Participant Name: [[FIRSTNAME]] [[LASTNAME]]
2. Number of Shares: [[SHARESGRANTED]]
3. Option Price: N/A
4. The Date of Grant: [[GRANTDATE]]
5. The Expiration Date of the Option: N/A

**Vesting Schedule:**

[[ALLVESTSEGS]]

**CERTIFICATE PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**

I, John S. Stroup, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Belden Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which the statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 3, 2016

/s/ John S. Stroup

John S. Stroup

President, Chief Executive Officer and Director

**CERTIFICATE PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**

I, Henk Derksen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Belden Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which the statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 3, 2016

/s/ Henk Derksen

Henk Derksen

Senior Vice President, Finance, and Chief Financial Officer

**CERTIFICATE PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Belden Inc. (the "Company") on Form 10-Q for the period ended July 3, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John S. Stroup, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John S. Stroup

John S. Stroup  
President, Chief Executive Officer and Director  
August 3, 2016

**CERTIFICATE PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Belden Inc. (the "Company") on Form 10-Q for the period ended July 3, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Henk Derksen, Senior Vice President, Finance, and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Henk Derksen

Henk Derksen  
Senior Vice President, Finance, and Chief Financial Officer  
August 3, 2016